

Tools & Ideas

Building Affordable Housing

CityPlan

Riley Park/South Cambie **RPSC**

Safe, secure and affordable housing is a foundation for social well-being and a productive life. In BC and especially in Vancouver, housing is expensive, and many must pay 30% or more of their gross income for suitable and adequate housing. In RPSC, 31% of all households find themselves in this predicament.

Most of the housing in Vancouver has been and will continue to be developed by the market. Over 90% of the housing in the City is market housing. It is very important that as much affordable housing is developed by the market as possible. Affordable market housing can take many forms from secondary (basement) suites, infill houses (on the larger lots), housing above shops on main streets, row houses, etc. These options also need to be considered when the issue of affordability is raised.

Following World War II, governments began funding affordable housing to meet the fundamental need for shelter that the market was unable to satisfy. At the end of October 2003, there were 21,110 units of non-market housing in the city (410, or 2%, in RPSC). Faced with mounting public debt and budget deficits, the federal government stopped funding new affordable housing in the early '90s. The Province maintained its funding, through the HOMES BC program, but without federal government participation, the production of social and affordable housing declined.

In response to the withdrawal of federal funding, the City increased its commitment to affordable housing by buying and leasing land for affordable housing, in some cases at substantial discounts; increased its Capital Plan funding for affordable housing; and, in partnership with non-profit

societies, the Province and others, developed innovative solutions to meet the continuing need for affordable housing.

In 2001, the Province cancelled the HOMES BC program. A new program was announced in 2002, jointly funded with the Federal Government, but the number of units is limited and assistance is available only to projects for seniors who meet local health authority criteria. Innovative approaches to the development of affordable housing are still required.

Innovative approaches can be combined to produce viable, affordable projects. In most cases, sites must be rezoned to higher densities to make efficient use of the land. Higher densities reduce the cost of units, or allow market priced units to subsidize more affordable units. Collingwood Village is an example. Older non-market housing projects can be redeveloped to higher densities. SAFER (Shelter Aid for Elderly Residents) provides subsidies for seniors living on their own. The new Federal/Provincial program will subsidize projects for the most vulnerable in our society, primarily seniors who can no longer live independently. The alternative forms of land leases offered by the City on sites it owns can improve the viability of some projects. These are all tools that can be used to produce affordable housing.

Examples of recent affordable projects that have been built illustrate the range of options which may be considered in RPSC.

Abbeyfield

Abbeyfields are 8-12 unit projects that provide housing, meals and limited services for seniors. In 1993, the City purchased a large heritage house at 67th and Hudson in Marpole. The site was rezoned from 0.6 FSR (the density allowed for single family homes) to 1.0 FSR. A 'coach house' was built in the back yard of the property. Although linked to the renovated heritage house, each structure operates as a separate Abbeyfield. The two nine-unit Abbeyfields on the property are operated by a non-profit society. The City leased the site and buildings to the society for 60 years. The rent paid to the City is based on the income earned by the project, ensuring that the project remains viable over the long term. The City provided a grant of \$315,000 to reduce the financed cost of the project, and the society fundraised as well.



10th and Vine

VanCity Enterprises (the development arm of VanCity Credit Union) in partnership with Actual Homes and their consultants purchased a site at 10th and Vine in Kitsilano (an old Salvation Army chapel). It was rezoned from 0.75 FSR to 1.25 FSR (from a potential of 8 units to a potential of 15). Four of 15 units were sold at 50% of market value to single-parent families who otherwise could not have purchased in Vancouver.

The units may be resold but only at 50% of market value and only to households who need the discount to purchase the units, so affordability is



maintained over the long term. The cost to reduce the price of these 4 units to 50% of market was \$400,000 – \$300,000 from the value of the rezoning to increase the permitted density and \$100,000 contributed by the developer and their consultants. The VanCity Community Foundation, VanCity’s charitable arm, administers the legal agreements.

Bloomfield Gardens

The Vancouver Resource Society (VRS) serves the severely disabled who require wheelchair accessible homes and support services but who, due to a lack of suitable housing, are often confined to hospitals when they could live with greater independence in less costly accommodation. VRS partnered with a developer on a project at Oak north of 41st. The site was rezoned from 0.6 FSR to 1.45 FSR with VRS buying 6 units of the project’s 31 units at the cost of construction only, a discount of \$500,000. The 6 units allow the disabled residents, all of whom have low incomes, to receive 24-hour support from the Vancouver Coastal Health Authority. VRS’s funding was provided by long time supporters and through fund raising.



The Edge

The Edge is a 150 unit live/work project developed at Alexander and Gore. It was rezoned from industrial to high density residential uses. This increased the site value by \$2,300,000. As a condition of the rezoning, the City required the developer to provide 22 units for free to the City and then the City bought 8 more units for a total of 30. These were combined into a separate building within the project



and leased for 60 years to an artists’ co-op. Most of the artists are low-income, and if they can’t pay market rents, they pay 30% of their income for rent. At least a third of the artists must be low-income. The rent from the 30 unit co-op will pay off the mortgage for the 8 units purchased by the City, any surplus must go to non-profit uses.

Vancouver Land Corporation

In the early ‘90s, rents were rising in the City and vacancy rates falling. The City leased half a dozen sites it owned to the Vancouver Land Corporation



(VLC), a pension fund backed developer. The sites were leased for 80 years for the development of assured rental housing, where the rents would only increase at the rate of inflation. The City did not require the lease to be prepaid, but instead

participates in the positive cash flow from the projects. VLC (now Concert) is the developer of Collingwood Village which includes a rental tower on City land, as well as a provincially subsidized housing co-operative. .

52nd and Ross

New Chelsea Society developed a seniors project at 52nd and Ross in the ‘50s. It consisted of 54 small units in bungalows developed at a density of 0.45 FSR. By the ‘90s the project was becoming costly to maintain and no longer suitable for today’s seniors. The City had sold the site to the society and had an option to buy it back at the original price if the project was ever redeveloped. The Society and the City agreed to convert the option to a 60 year free lease. The Society received an allocation of 57 family units through the Province’s Homes BC program which included funding for land. Since the land lease was free, the Society was able to use the excess provincial funding to build 54 additional new units for low-income seniors eligible for SAFER. The site was rezoned to 0.75 FSR and a total of 111 units were built.



These examples all work to achieve specific affordable housing objectives – home ownership for single parent families; housing for the severely disabled or for low-income seniors; assured rental housing; or rental housing for low and modest income families. All these projects took time, money and patience to complete. With community support, the Province’s housing programs, non-profit housing providers, market developers and the City, affordable non-market housing is being provided in the city. Housing in Vancouver may always be expensive, but we can make a difference.