

Tools and Ideas

Building Affordable Housing



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 2001, one in three Mount Pleasant households found themselves in this predicament. Almost three quarters of those households had incomes below \$25,000 a year.

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 the market develop as much lower cost housing 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. By the beginning of 2008, there were about 21,700 units of non-market housing in the city (892 in Mount Pleasant). In the early '90s, the federal government stopped funding new affordable housing. The Province maintained its funding through the HOMES BC program, but without Federal money, the production of social and affordable housing declined.

In response to the withdrawal of federal funding, the City increased its role by buying land and leasing it for affordable housing projects; 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. Over the last few years, the City has absorbed all the land costs for social housing projects, providing projects with free leases.

The HOMES BC program was cancelled in 2001 and replaced the next year by a program jointly funded with the Federal Government. The program provided assistance for a limited number of units and primarily only for seniors who can no longer live independently. More recent initiatives by the Province have expanded funding assistance to projects to house the homeless and those at risk of homelessness. 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 of this. 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 alternative forms of land leases offered by the City can improve the viability of some projects. These are all tools that can be used to produce affordable housing.

The rest of this fact sheet provides examples of recent affordable housing projects, illustrating the range of options that could be considered in Mount Pleasant.

Abbeyfields

Abbeyfields are small 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 backyard of the property. Although linked to the renovated heritage house, each structure operates as a separate nine-unit Abbeyfield, operated by a non-profit society. The City leased the site and buildings to the society for 60 years, with the rent based on the income the project earns.. The City provided a grant of \$315, 000 and the society fundraised as well.



Bloomfield Gardens

The Vancouver Resource Society (VRS) serves the severely disabled who require wheelchair accessible homes and support services. Because of the lack of suitable housing, this group is often confined to hospitals, even though they could live with greater independence in less costly accommodation.



VRS partnered with a developer on a project at Oak just north of 41st. The site was rezoned from 0.6 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 \$2.3 million. As a condition of the rezoning, the City required the developer to donate 22 units to the City, with the City buying 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 rents will pay off the mortgage for the 8 units purchased by the City, and 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 developer backed by pension funds. The sites were leased for 80 years to develop assured rental housing, with rent increases limited to 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, with an option to buy it back at the original price if the project was ever redeveloped. The Society and the City agreed to convert this option to a free 60-year 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. These projects took time, money and patience to complete. With community support, Provincial housing programs, and the collaboration of non-profit housing providers, market developers and the City, affordable non-market housing is being built. Housing in Vancouver may always be expensive, but we can make a difference.