Engagement Summary
Affordable Home Ownership Workshop
CITY OF
VICTORIA February 2017

On January 18, 2017, 45 housing stakeholders attended an affordable housing workshop hosted by the City of Victoria. The purpose was to explore models of affordable home ownership from other communities in BC and Alberta and to discuss what it might take to make affordable ownership initiatives work in Victoria. Attendees came mainly from the development and non-profit housing communities, with additional representation from financial, government, and other housing-related sectors. This was the first of a series of annual workshops identified in the *Victoria Housing Strategy 2016-2025,* designed to build awareness and support for affordable housing in Victoria.

Participants identified that affordable home ownership is important as a way to attract new people to the region, support the local workforce, keep the population diverse, and build a vibrant community. The City's role is to create a smooth process, facilitate dialogue with non-profits and developers, provide education, and use planning and zoning tools to encourage the development of affordable housing. Other considerations for potential affordable home ownership projects include the need for a good transit system and taking a regional approach, rather than the City of Victoria working in isolation.

Participants heard from three different speakers who presented affordable home ownership models in their respective communities. Following each presentation, participants broke into discussion groups to examine if and how that model might work in the City of Victoria. The questions the groups answered were:

- Would this model work in Victoria?
- Why/Why not? What would it take to make it work?

The models presented were:

- Canmore Community Housing
- Attainable Homes Calgary
- BC Housing

While participants agreed that there were aspects of each model that could work in Victoria, most felt that the BC Housing model was the most likely to be successful in this region. Comments suggested tools for success could include developer incentives, an accelerated development process, creativity around housing types, and building in neighbourhoods in transition.

Following the presentations and breakout groups, participants reconvened for a larger discussion. The group was asked to consider why affordable home ownership was important; what the City's role should be; and to share any final big ideas or nuggets of wisdom derived from the day's discussion. Thoughts included the need to address home ownership for working families, the importance of incentives for developers to reduce costs, and taking a closer look at income levels and affordability. The comment repeated most was that a regional approach to affordable home ownership will be required, involving partnership, real commitment, and most of all, action.

Workshop Notes

CANMORE MODEL

Would it work in Victoria?

- need to identify who this is for first
- Victoria has high student population which takes up much of the rental market (drives up prices with several students in one house)
- workforce housing required downtown
- high cost of rental housing limits ability to save to get into market
- supply is not available in Victoria
- lack of support for new development
- need to find out where the pressures are in Victoria
- Canmore is a young community and different (smaller scale), plus more land
- need student housing to open supply
- workforce housing not always a single-family dwelling
- cut red tape and add incentives
- when equity flat/declining, affects resale
- easy to go negative
- equity when only putting 5% down
- need affordable land at least a portion lower
- must create affordability
- must be at least 20% below market
- regional basis: infrastructure, administration. No use setting up another society challenge – political perspective
- objectives must be clarified – opportunity
- upfront investment would be needed – high start-up costs
- what is 'cost'. Who could afford that? Thinking about target market
- land availability in Vic: would need to be in condos (multi-unit high-rise buildings = $)
- people don't want density
- does it make sense for Victoria proper?
- may need to be regional
- targeting and land difficulties

- land values and low supply
- number of municipalities in Victoria – who takes charge?
- how affordable is it/who is it for?
- down payment
- ensuring use of properties
- density limits in Victoria – challenges/less profit margin (%)
- broader range of housing needs in Victoria vs. Canmore
- limited land base
- yes, with considerations

Why/Why not? What would it take to make it work?

- education to owners – should they go affordable rental or affordable ownership
- secure stable housing
- part of screening process – Housing Authority, Capital Region Housing Corp.
- shared equity
- ideological shift
- partnership
- would need to ask why? Foot up, build equity, or perpetual housing?
- regional, non-profit entity
- down payment assistance
- partnership with developers
- regional collaborating/partnership considerations
- private sector interest with projects
- speed up approvals so developers [who] want to be here get to market
- City incentives to developer (for-profit or non-profit)
- fast-track projects that have affordable housing
- level playing field for all organizations
- request amenities (public realm with density)

Workshop Notes

CALGARY MODEL

Would it work in Victoria?
- seems to be more of a handout (subsidy)
- Victoria has no extra land – more about re-development
- Victoria market is different (smaller volume)
- good incentives to the homeowner
- costs are different to build
- difficult to build longer-term housing/building
- Calgary – temporary measure depending on market conditions
- problem: land acquisition (scarcity of land)
- similar to YYJ: tourist industry, service, students
- no net loss
- if market slows, relationship is already built with developers
- is there political appetite for ownership as opposed to rental throughout region
- yes, but BC Housing program may be preferable and it doesn't fill the gap
- not ideal for Victoria
- 13 municipalities – across the region
- insurability – mortgage
- neighbourhood plans limit development/density
- buy-in from private sector
- lack of inventory
- shared equity better than perpetuity
- potential loopholes in flipping/use of property
- yes! Arms-length corporation separate from city
- yes, but done on a regional model – special purpose entity
- needs City incentive
- Victoria may be more suited to perpetual

Why/Why not? What would it take to make it work?
- passive houses need to be built (not renovation)
- smaller administration needed here
- benefit is to take pressure off rental market
- increase in lending rate may help Victoria

- look at DCCs and improved costs (studies etc.)
- developers willing to build sales – Calgary not a hot market
- need incentive
- ensure those who need it are open to program
- must be region-wide/CRD (would work in Westshore)
- understand role of City, corporation
- use of existing admin/tools (CRD)
- higher down payment
- big amount for start-up
- policy considerations
- new BC Housing program may be preferable
- work with other municipalities
- regulate use
- review local plans to increase density
- how to manage demand
- needs expertise and admin (private)
- City vs. region – for efficiencies/effectiveness
- should there be a regional arms-length corporation?
- establish principles for program
- one-time/perpetuity, etc.
- system to reflect cyclical market
- continuous pressure in prices, inflow of people, perpetual model preferred
- CRD Agreement
- baby boomers
- lifestyle
- more expensive market – needs City incentive for developers to do this
- special purpose entity – regional level
- focus model on vertical or wider geography – 6 storey plus = more density
- what is the culture of Vic or CRD? Own the program, or have arms-length corporation?
- see Vancouver – asking for 'X' % - affordable rental or ownership. Developer has a takeout – affordable housing entity
- spread out geographically
- completely different market
- buy-in is needed - social, economic benefits

Workshop Notes

Would it work in Victoria?

- yes
- level of income may be an issue here
- land acquisition is an issue
- solid program compared to other municipal models
- look at DND lands (around Victoria)
- finding non-profits/faith communities/ Legions to partner with
- challenges: meeting expectations of partners to get them on board; controversial in neighbourhoods; parking easements, when commercial is req'd over 20%
- incentivize developer
- yes, but finding a willing developer could be difficult – down markets work better
- low risk
- 100% pre-sales requirement challenge for Victoria context

Why/Why not? What would it take to make it work?

- focus on the region
- 51% units – affordable
- compile tools, funding
- [may work best in] neighbourhoods in transition (i.e. Quadra Village/Gorge Road)
- must create incentive to developers (BC Housing does this)
- need a developer to run numbers in Vic
- more savings beyond construction financing
- evaluate different housing types
- we need to consider the 'in-perpetuity' model vs. building equity (may be considering gov't funding / involvement)
- what are you trying to achieve? Community investment?
- accelerated rezoning/DP process from City
- keep eye on incoming buyers (minimum housing income)
- component of rental to offset presale
- educate developers on benefits
- could work for non-profit model
- mix of market and non-market units in development
- educate development industry
- examples of successes
- any incentives should be clearly communicated – few restrictions, clear model can be attractive
- 100% presales is difficult in Victoria (possible to be 10% below market) – Creative ways to achieve?
- hard to be below market in Victoria

Workshop Notes

Group Discussion

Why Affordable Home Ownership?
- owners are different than renters - stakeholders
- can't capture affordability in the market
- intergenerational impact with ownership
- releases rental stock
- housing base will attract more people
- keeps population diverse
- attract and retain a workforce (tech, etc.)/ retain business
- creating opportunity to own
- supports supply and lower end of market
- keep carbon footprint low by locating housing near work
- helps with community planning and builds a vibrant city
- intergenerational financial stability
- inaction = out migration

What is the City's Role?
- be a facilitator between developer and non-profit
- invest in staff to understand real estate financing
- repurpose available City land
- clarify why housing contributes to economic sustainability
- create programs that reduce cost to City (green initiatives to incentivize developers)
- continue doing what we do with Urban Development Institute
- bring together housing and transportation (and others) for a model
- figure out market place
- reduce City bureaucracy (in progress)
- review zoning bylaw (in progress downtown and through Local Area Planning)
- education on inclusiveness, specifically around density

- "global city", understand impacts from around the world
- look at parking requirements (in progress), or remove
- create affordable housing coordinator role (someone with development expertise)
- affordable home ownership broker role

What Else?
- don't only look at existing homeowners (mill rate) — [utilize] other funding sources
- look at unintended consequences of building a new home ownership system
- what are the other ways to build assets for future generations (other than home ownership)?
- look at total cost — sustainability
- highly efficient transit system
- City or Region?
- also build rental affordability

3 Big ideas/Nuggets from today:
- Urban Development Institute hosts events for developers
- consistency across all 13 municipalities
- pieces of programs are transferable but not in entirety
- why — retention of mid-level earners and families for a viable city
- special purpose entity at regional level
- take action
- family workforce market needs to be addressed (understand pressure)
- incentives to reduce costs (Development Cost Charges Reductions, improvement costs, land)
- look at Victoria Median Income and threshold to affordability