Best Practices for Supporting Affordable Housing in Small Towns/Rural Areas

2014

Objective

- Research, identify and report on approaches to addressing housing needs of rural municipalities

- Enhance understanding of options for housing action in a rural context

Our process:

- Literature scan/Document review
- Planning 101
- Determining a framework
- Distilling the info
- Early phase of presentation

Next steps:

- Concise Report
- Presentations
- Newsletter article
- ?????

Ministry of Municipal Affairs and Housing

Municipal Tools for Affordable Housing

Ontario

Affordable Housing: Creating Projects and Gaining Community Acceptance

Revelstoke, October 30, 2007
Summary Report for the LIRN BC Workshop
Presented to CFDC Revelstoke

CMHC SCHL | Rural Network | Community Futures Revelstoke | BC

The Municipal Role in Meeting Ontario's Affordable Housing Needs

An Environmental Scan of Municipal Initiatives and Practices

A Report Prepared for
The Ontario Professional Planners Institute

Prepared by: *Edward Starr, MCIP, RPP and Christine Pacini*

February 2001

Housing Affordability and Choice: A Compendium of ACT Solutions

act

Under Pressure: Affordable Housing in Rural Ontario

Amanda Slaunwhite
Student Intern

CPRN Research Report | December 2009

AFFORDABILITY LOCKED IN:

Community land trusts aid households, communities, taxpayers

By Pat Conaty and Michael Lewis

With wages barely keeping up with inflation for the last 30 years, an increasingly large number of households face a common dilemma: they cannot afford to live in the communities in which they work. Teachers, nurses, and policemen face long commutes daily because the price of a door knob on Salt Spring Island, B.C. (or London, England for that matter) is well beyond their means. Affordable rentals are likewise in short supply. Shelter costs rise inexorably. Are there any alternative courses of action that realistically can stem the tide?

Three things push the cost of housing steadily upward: construction costs, mortgage interest, and the cost of land.

Reducing construction costs is not that easy, barring the availability of some sweat equity to invest.

With respect to interest costs, there are clear alternatives. Since the drop in mortgage rates 10 years ago, this has not been such a big problem. However, the 30-year average in mortgage rates is about 8%. Fee-based lending involves no interest charges. For example, the JAK Co-operative Bank in Sweden charges a blend of fees, so that the costs of a loan over 40 years would be comparable to about a 2.5% interest rate.

That would make a big difference in what you would pay for a house in Canada. Assuming you put 10% down on a $361,000 house (the average price of a house in 2011), the difference between 8% and 2.5% would reduce your interest costs by a whopping $328,000. Going from compound

"Community Land Trusts remove land from the housing market without disconnecting residents from their interest in owning, maintaining, and improving buildings."

shaping" facilities as workspace, gardens, renewable energy, and amenities. They can acquire land through purchase, tax abatements, and public or private donation.

- **Dual ownership and dynamic property rights:** CLTs separate the ownership of the land from the ownership of the buildings on it. The land is retained forever in trust by the CLT for the surrounding community; that effectively and permanently removes the land from the market. By contrast, buildings on the CLT's land are sold to and owned by families, co-operative housing corporations, small businesses, or non-profit organizations.
- **Leased land and housing affordability:** The trust's land is never sold to the inhabitants; it is leased. Each CLT develops a re-sale formula to keep the housing affordable over the long term. The aim is to differentiate the land which the CLT retains for community use in perpetuity from the stipulated equity share an owner-occupant can receive on the sale of the housing units. The CLT exercises this power through a pre-emptive right to buy when housing units are re-sold. Each CLT maintains a waiting list for housing, and those leaving a CLT have a contractual obligation to sell back their housing to the CLT at a price set by the re-sale formula in the lease.
- **Open and place-based membership:** CLTs operate within a specific geographical area. In the U.S.A. it may be a rural town or rural county, an urban district, or an entire city.

oard of a CLT is composed . Normally a third of board ntatives of the CLT's lessees, by residents of the wider leaseholders nor tenants of are appointed to represent may include public sector roviders, and local funders. usual way we think about h America. We think about ing for a mortgage, buying ettling down, and at some ntly higher price than what nd we plan to benefit from

AFFORDABLE HOUSING ANALYSIS: MUNICIPAL APPROACHES, PRACTICES AND IMPLICATIONS FOR THE NADC REGION

FINAL REPORT

opportunity north.ca

Prepared for:
Northern Alberta Development Council

Prepared by:
NEDIA Consulting Group

March 2008

Creating Market and Non-Market

Affordable Housing

A Smart Growth Toolkit for BC Municipalities

Prepared By:
Deborah Curran, Deborah Curran & Company
Tim Wake, Affordable Housing Consultant
March 2008

SmartGrowthBC

Sustainability Options for Resource Based Rural Communities

Literature Review Full Document

Hinton | grande cache | GPRC | Athabasca University

Barriers

- High building costs
- Not In My Backyard mentality (NIMBYism)
- Limited economic options, economic uncertainty, and lack of viable housing markets
- Limited economic return on rental housing
- Lack of community service infrastructure
- Lack of community leadership
- Ineffective or counterproductive public policy and regulations

David Bruce , 2003

Opportunities

- Introducing new municipal planning, zoning, and development practices
- Creating proactive community leadership
- Converting/renovating buildings to create affordable housing
- Responding to market demand from seniors

Integrating assisted housing for seniors, disabled people and others

- Embracing manufactured housing costs

David Bruce , 2003

9 Approaches

- Advocacy
- Research Activity
- Regulation/Compliance
- Financial Incentives
- Administrative Measures
- Direct Provision
- Community Education
- Facilitating Public/Private Partnerships
- Policy Approaches

For Each Approach

- Description
- Key Actor
- Strengths
- Weaknesses/Challenges
- Local Context/Case Study
- References

Approaches	Concepts & Practices	Key Actor	Strengths	Weaknesses/Challenges	Case Study	References
Advocacy ***Putting into place mechanisms to ensure this key advocacy role is carried out on an ongoing basis is an important component of a municipality's comprehensive housing strategy***. Starr & Pacini	**Housing Task Force** • examine the state of housing in a community and to advocate to all levels of government for changes that will help to meet the country's affordable housing needs. • comprised of leaders in the community, with varying areas of expertise	Municipal Government(s) Community Partners Provincial/Federal municipal associations (e.g. FCM, UNSM)	• credibility with both other levels of government and with both the general public and the business community. • Focussed time frame with specific goals/mandates/expectations (re time and reporting) • Engage a broad sector of population • present Town Council with the crucial information they need to make decisions • may lead to the development of	Time Constraints / Human Resources / Competing Priorities Raised expectations Does the municipal unit have the resources/will to follow through on recommendations?	Wolfville http://www.wolfville.ca/living-in-wolfville/town-council/committees-and-task-forces/core-area-housing-task-force Windsor? Put a call out in 2011 for membership…	Starr&Pacini

Advocacy

Advocacy Examples

- Task Force
- Needs Assessments / Community Action Plans
- Community Coalitions
- Political Leadership

Research

Research

"We all recognize the need for affordable housing in our communities. However, it is essential to establish whether there is in fact a demand for the housing and service you want to provide, prior to thinking about developing.

Collecting data, including statistics, housing market trends, community profiles, and personal stories helps to determine whether or not a development should proceed and if so, what design, market, and service conditions should be incorporated."

-CMHC

Research Activity

- Task Force
- Housing Forum
- Design Charettes/Ideas Competition
- Housing Statements & Studies
- Data Collection and Monitoring

Regulation

Regulation

- Inclusionary Zoning
- Secondary Suites
- Density Bonusing
- Exaction Fees
- Waived Fees
- Infill Development
- Alternative Development Standards
- Performance Based Planning
- Streamlining Approval Process

Financial Incentives

Financial Incentives

- Exception of Fees
- Special Tax Rates
- Redevelopment Incentive Programs
- Housing Grants and Loans
- Housing Trust Fund
- Land Banking/Trusts

Administrative Measures

Administrative Measures

- Direct Administration and Funding of Housing Programs
  - Shareholder of Municipal Not-for-Profit Housing Corporations
  - Direct Financing

Community Education

Community Education

"Education is a two way street: municipal officials can learn best about local issues from people who live there and residents can learn about planning processes and local decision making from municipal officials."

Affordability and Choice Today (ACT)

Community Education

- Public Education and Awareness Campaign
  - Community Forums
  - Education Resources
  - Information Videos
- Targeted Education for specific stakeholders
  - Developers, Neighbourhoods, etc.

Facilitating Public Private Partnerships

Facilitating Public/Private

- Demonstration Projects
- Proposal Calls
- Municipal Not-For-Profit/Private Sector Initiatives

Policy Approaches

Policy Approaches

- Can be on the municipal, provincial, federal and public sector level, eg.
  - Housing standards
  - Planning regulations
  - Property or income tax relief (both provincial and federal)
  - PST/HST reductions on building materials and services
  - Shelter rates for Income Assistance
  - Land made available for affordable housing development
  - Support of labour market training programs that aid industry capacity

Questions to consider…

- What are the key points you are taking away from this presentation? What stood out for you?

- Do you see an opportunity among these approaches for future action by:
  - Your Organization
  - Municipalities
  - SSHAC