

Community Housing Background Report & Recommendations

Prepared for the Islands Trust
SSI Local Trust Committee

by

**the Salt Spring
Community Housing Task Force**

December 7, 2005

Community Housing Background Report & Recommendations

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Acknowledgements

The Salt Spring Community Housing Task Force is an appointed body established in 2004 by the Islands Trust Salt Spring Local Trust Committee.

The Community Housing Background Report and Recommendations were prepared by the Task Force over a fourteen month period beginning in the Fall of 2004.

We would like to thank Trustee Kimberly Lineger and Planner Cathy McNamara for their assistance with the work. Our special thanks to CRD Director Gary Holman for acting as the ex-officio Chair of the Task Force.

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Introduction

Creating Community Housing on Salt Spring is a challenge, given rapidly escalating real estate values, a limited and largely privately-owned land base, and the need to protect ecological values and natural resources. Outlined in the following pages is a Salt Spring solution which builds on successful examples from other jurisdictions. Our model encourages a broad diversity of Community Housing initiatives, largely within the existing framework of the OCP. Because of the strong economic pressures of the marketplace, Community Housing must be legally protected and there will be associated administrative requirements. We are proposing here an independent Housing Agency — probably under the umbrella of an existing organization—with a small staff, overseen by a volunteer elected or appointed board. However the success of Community Housing will depend on the participation of many individuals, non-profit groups, businesses and volunteers in true Salt Spring style.

What is Community Housing?

Community Housing is deed-restricted and/or rent-controlled housing that provides affordable, suitable and adequate accommodation. It includes everything from shared rental rooming houses and small rent-subsidized studio apartments to ownership-model three bedroom family homes. Community Housing is restricted in terms of who qualifies to live in it—apart from income and asset restrictions, there are also qualification criteria in terms of length of Salt Spring residency and/or employment, and in some cases urgency, plus the need to match the applicant with suitable accommodation. Community Housing is also restricted in terms of its initial and resale price or rent.

Who Lives in Community Housing?

Community Housing is geared primarily for Salt Spring households of median income or less. Qualifying households would include renters, homeowners, singles, families, and seniors — members of the community unable to find affordable and suitable housing on the open market.

Who provides Community Housing?

Community Housing can be provided by individual homeowners who agree to rent a suite or cottage to a qualifying tenant at a pre-approved rent. Community Housing can also be provided by non-profit groups or agencies that may build or acquire housing and sell or rent it to qualified households. And Community Housing may be provided by for-profit developers, acting either as project managers or as contractors for a non-profit agency, or as traditional landowner-developers. This latter model in particular requires complete transparency and cooperation between the developer and the regulatory agencies, which should establish an appropriate mix of unit types, sale prices, rental rates, acceptable profit, and default mechanisms.

What are Salt Spring's Community's Housing Needs?

We “know” based on anecdotal evidence and some basic housing market and demographic data, that there is a strong need for Community Housing on Salt Spring, and it appears that the greatest current need is in the rental sector, in the \$450—\$750 range. A good way to address this need in our view is by allowing homeowners to create affordable rental suites within their existing dwellings. Other affordable rentals may be created by allowing seasonal cottages to be converted to affordable rental accommodation. Incentives should be used to encourage homeowners to create additional affordable housing, particularly within the village containment boundaries.

We also “know” that there is a need for deed-restricted ownership-model Community Housing. The current price range for affordable ownership units appears to range from \$120,000—\$200,000. However the experience from Whistler is that when this type of housing is first introduced, there is some resistance because it is not market housing. Therefore it would be prudent to offer a very small number of these units initially, say three—five houses in the first year, and / or to have presales in place prior to construction to confirm demand and buyer acceptance

In our view, there is no doubt that Salt Spring has reached the point where Community Housing is needed. The gap between market housing prices and household income is growing and is not likely to diminish. Affordable market rentals are in very short supply, to the point of being almost non-existent in the lowest price category. In order to provide Community Housing, a number of steps need to be taken. These include the setting of housing policies and the establishment of an administrative body—a Salt Spring Community Housing Agency (or Housing Authority). In the short-term, tasks may be undertaken by existing bodies, but a Housing Agency is the logical way to coordinate housing delivery and is the model used by communities across North America.

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Community Housing should be driven by demonstrated need, ie based on data from the Wait List and a regularly updated Housing Needs Assessment, not by expediency. Larger projects should be mixed in terms of size and type of unit, price range and ownership / rental.

Role of the OCP Review and other issues

The OCP review process provides an opportunity to make the minor adjustments needed to implement the CHTF recommendations. It also provides an opportunity to address current weaknesses in the OCP which may be fueling the fires of real estate speculation. For example a meaningful restriction on the maximum size of dwellings may be advantageous in eliminating the potential for ‘monster home’ STVRs. Any measures that reduce real estate speculation assist in the provision of affordably-priced housing for island residents.

The CHTF is aware there are many other issues that may impact affordable housing on Salt Spring—e.g. the lack of a bus service, and availability of adequately compensated employment on the island. However these issues are beyond the CHTF terms of reference.

Chart 1: *Creating Community Housing—Process Flow Chart*

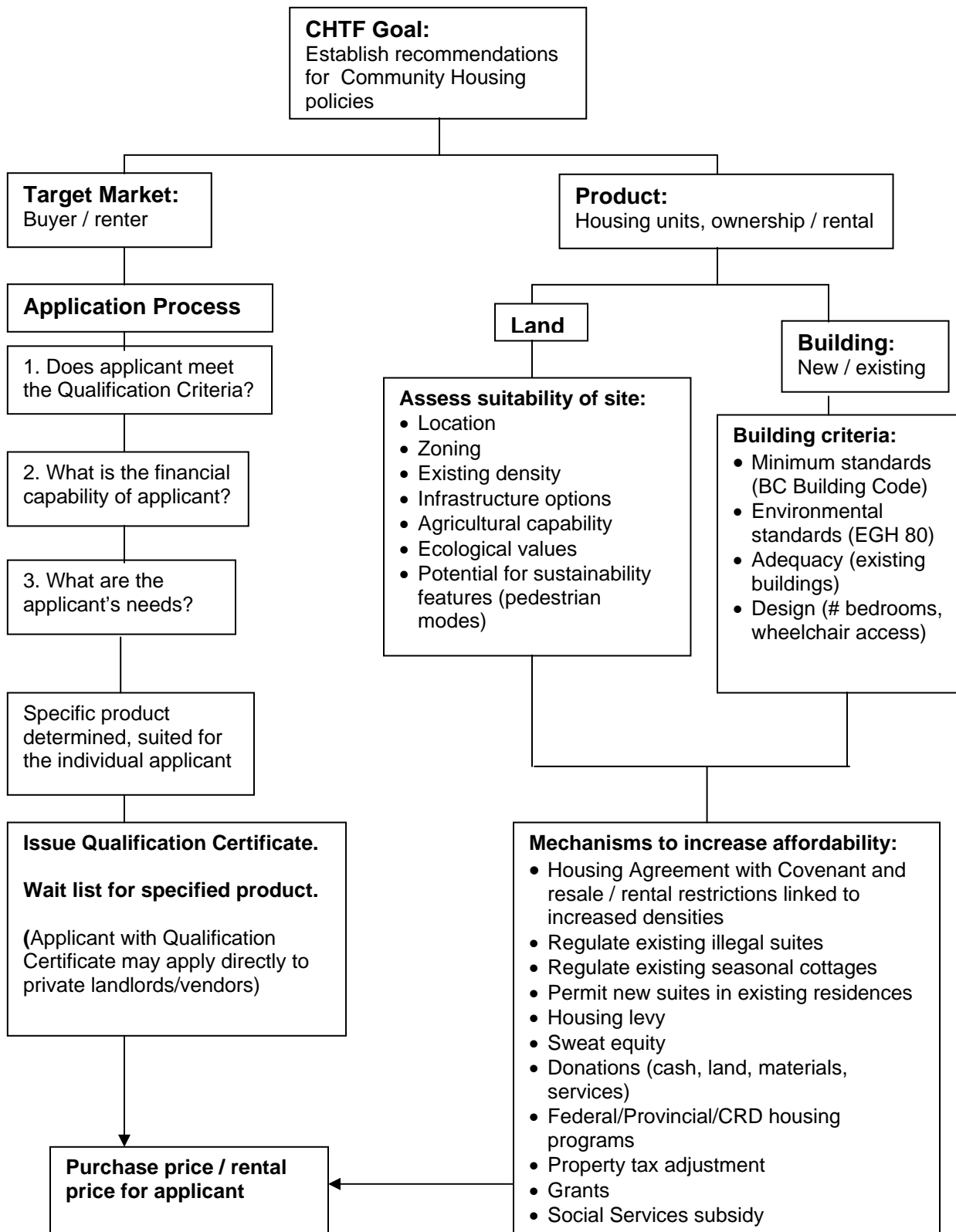
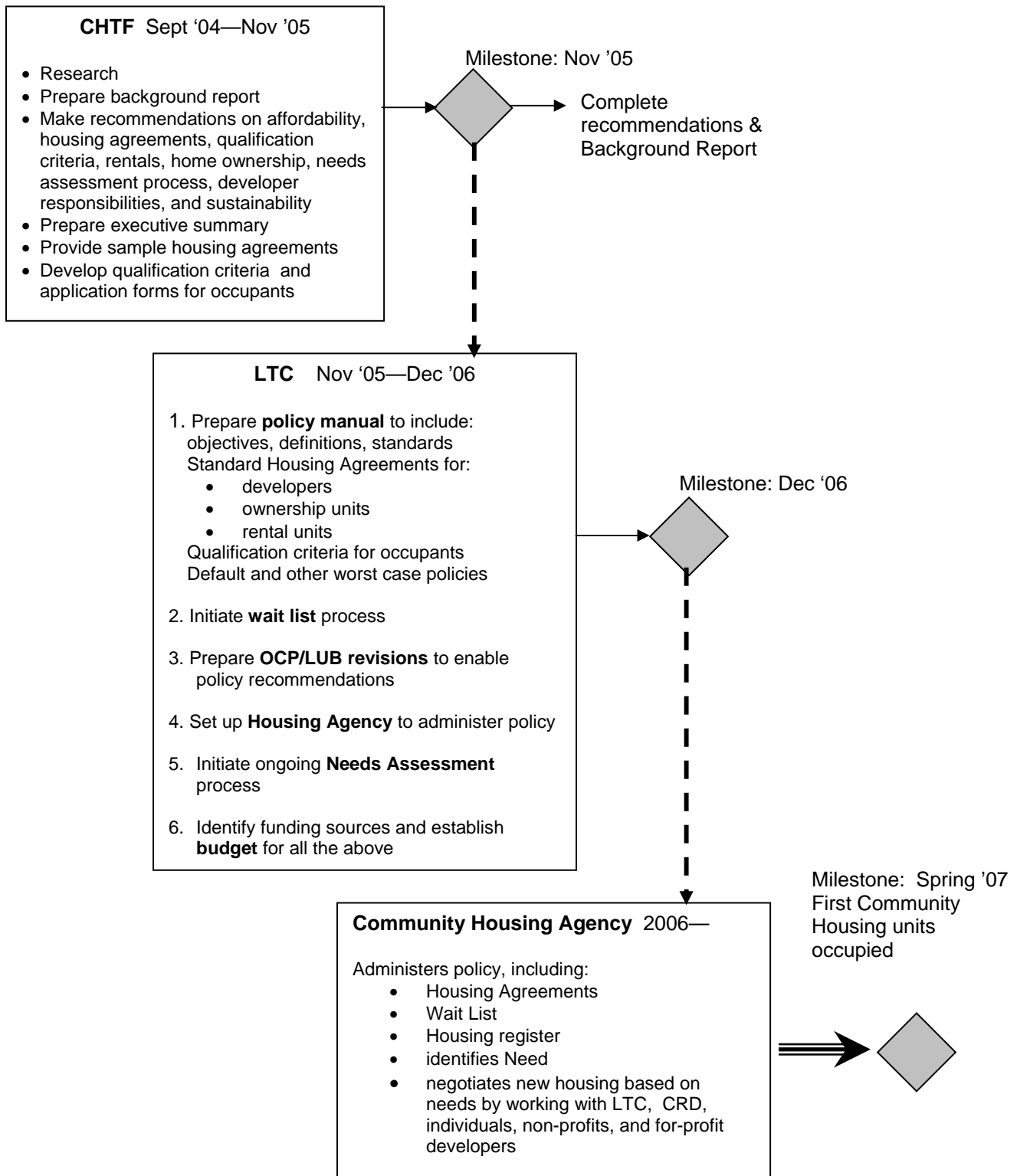


Chart 2: Creating Community Housing—Tasks and timelines



CHTF Recommendations

1.0 General

- 1.1 The CHTF recommends that the LTC undertake the following tasks immediately:
- Prepare a **policy manual** to include: objectives, definitions, standards; Standard Housing Agreements for: developers, ownership units, and rental units; Qualification criteria for occupants; Default and other worst case policies;
 - Initiate a **wait list** process, with qualification criteria;
 - Prepare **OCP/LUB revisions** to enable policy recommendations;
 - Set up a **Salt Spring Community Housing Agency** to administer policy;
 - Initiate an ongoing **Housing Needs Assessment** process;
 - To facilitate immediate implementation, some tasks—e.g. wait list, qualification certificates, development and administration of housing agreements—should be undertaken on a temporary basis by an existing organization, such as the Capital Regional Housing Corporation or the SSI Community Services Society;
 - The Capital Regional Housing Corporation should assist with the development of local capacity with the intent to transfer tasks and responsibilities for the Housing Agency to a local entity as soon as local capacity is demonstrated;
 - Identify funding sources and establish a **budget** for all of the above.
- 1.2 All Community Housing—ownership and rental—is to be protected by means of a Housing Agreement and / or a covenant registered on title.
- 1.3 The creation of Community Housing is to be driven by demonstrated need, i.e. based on data from a Wait List and a regularly updated Housing Needs Assessment.
- 1.4 Densities for Community Housing are to be provided wherever possible from existing densities. If additional densities are required, they are to be provided by the Islands Trust, i.e. free of charge in exchange for covenant on title in perpetuity.
- 1.5 Applicants for Community Housing are to meet Qualification Criteria (SSI residency, income, asset base, and need, see 7 below) and are to be in possession of a current Qualification Certificate.
- 1.6 In the short-term, focus efforts on increasing the amount of affordable rental accommodation. (See 2. below).
- 1.7 Larger projects (four units or more) should be mixed in terms of size and type of unit, price range and ownership / rental.
- 1.8 Information about Community Housing policies, grants, procedures and current need and availability is to be publicized and made readily available to housing providers—including homeowners, non-profit groups and agencies, and for-profit developers—and to those in need of housing on Salt Spring.
- 1.9 Proposals from non-profit housing providers to be encouraged and supported through waived or reduced rezoning / permit fees.
- 1.10 Priority and greater incentives should be given to projects that address lower income and harder-to-house residents.
- 1.11 All Community Housing is to meet health, safety and other regulatory requirements. The CHTF encourages the Islands Trust, CRD and other regulatory bodies to support innovative and less costly solutions where appropriate.

- 1.12 Priority be given to the establishment of a local, independent non-profit Housing Agency, with ongoing tax support provided by Islands Trust and CRD, plus funding from other sources, to administer the recommendations provided in this document, supplemented by research from Islands Trust, CRD and other agencies.
- 1.13 The Board of the Housing Agency should be comprised of volunteers, at least one of whom should be a Community Housing resident, appointed by CRD and Islands Trust local elected officials. Board terms should be staggered and limited.

2.0 Small-scale (three units or less) Community Housing providers

- 2.1 Establish a mechanism for existing secondary suites and cottages to be approved for Community Housing. Existing secondary suites and seasonal cottages already provide inexpensive rental accommodation and should be permitted, with the following benefits and restrictions:
- Rezoning / permit fees to be reduced or waived;
 - Housing Agreement, to ensure affordability in perpetuity and stipulating maximum chargeable rent, to be placed on each rental unit;
 - Each rental unit to be registered with the Salt Spring Housing Agency;
 - Tenants to be qualified (from wait list or with Qualification Certificate);
 - Reduced annual property taxes through grant mechanism for complying homeowners.

Minority Opinion: CRD Building Inspections and VIHA are encouraged to provide a one-year grace period to upgrade units to meet health and safety standards should be provided to homeowners applying for approval of existing secondary suites and cottages, except in drinking watersheds, where immediate inspection is required.

Minority Opinion: Establish a mechanism for existing secondary suites and cottages to be approved for Community Housing in all zones except in drinking watersheds.

- 2.2. a) Change the OCP so that 'seasonal cottages' may be rented for residential use, subject to the provisions of 2.1.
- 2.2. b) Seasonal cottages in new subdivisions should be restricted to Community housing.
- 2.2. c) Subdivision developers should be encouraged to meet the definition of hamlet as defined in the OCP.

Minority Opinion: Seasonal Cottages in new subdivisions where lots are less than 10 acres should be restricted to Community Housing.

Minority Opinion: Some Seasonal Cottages should be permitted to be 720 square feet where need is proven, provided they contain at least 2 bedrooms.

- 2.3 Allow Community Housing density bonuses for smaller properties (single family lots) in residential zones. Salt Spring homeowners could provide additional Community Housing in the form of a secondary rental suite (within the existing dwelling or in an outbuilding), or cottage, or conversion to duplex or triplex. Additional densities should be permitted with the following benefits and restrictions:
- Housing Agreement to ensure affordability in perpetuity and stipulating maximum chargeable rent, to be placed on each rental unit;
 - Rezoning / permit fees to be reduced;
 - Each rental unit to be registered with the Salt Spring Housing Agency;
 - Tenants to be qualified (from wait list or with Qualification Certificate);
 - Reduced annual property taxes through grant mechanism for complying homeowners;
 - Provision of density bonus contingent upon proof of adequate services (water, etc.);
 - Provision of density bonus contingent upon proof of need (wait list data);
 - Provision of more than one additional density restricted to locations in or near the villages and hamlets.

Minority Opinion: to encourage homeowner participation, mechanisms less permanent than covenants registered on title should be considered for secondary rental suites.

Minority Opinion: Allow Community Housing density bonuses for smaller properties (single family lots, under 1.2 hectares) in all zones except drinking water sheds.

Minority Opinion: Allow Community Housing density bonuses for more than one additional density as per flex unit provisions currently in the OCP, and in other zones outside the village containment boundaries on a case by case basis.

- 2.4. a) Current flex housing provisions in the OCP must be changed to require a housing agreement.
- 2.4. b) Make provision for Rooming Houses as provided for in the Residential Tenancy Act within the OCP/LUB, recognise existing Rooming Houses and allow conversions to Rooming Houses. Rooming Houses provide a private room with shared bathroom and kitchen facilities for an inexpensive monthly rental fee. The landlord or representative lives on the premises. There are currently no provisions in the OCP or LUB for rooming houses. Rooming houses should be specifically addressed in LUB 355 to ensure their access to CMHC funding. Rooming houses should be permitted with the following benefits and restrictions:
- Housing Agreement to ensure affordability to be placed on Rooming House;
 - Rezoning / permit fees to be reduced or waived;
 - Each rental room to be registered with the Salt Spring Housing Agency;
 - Tenants to be qualified (from wait list or with Qualification Certificate);
 - Reduced annual property taxes through grant mechanism for complying owners;
 - Rezoning contingent upon proof of adequate services (water, etc.);
 - Rezoning contingent upon proof of need (wait list data).

Minority Opinion: Create incentives and a provision in the OCP/LUB for bed-unit rentals in shared rental housing to become dedicated Community Housing. Rentals where an individual rents a private room (bed-unit) with shared bathroom and kitchen facilities allow for an inexpensive monthly rental fee. The terms of dedication would include:

-A housing agreement to ensure affordability;

-Rooms to be registered with the Housing Agency;

-Tenants to be required to qualify, with a Qualification Certificate from the Housing Agency.

The Housing Agency should periodically review how this type of housing, often referred to as a Rooming House, is working for the benefit of the community to determine if further regulations are required.

Restrictions should only be placed on this type of housing if there becomes an unhealthy balance in neighbourhoods. This regularly happens in communities with much larger populations, where bylaws specifically relating to rooming houses are implemented.

- 2.5 Allow subdivision of smaller properties (single family lots) within the village containment boundaries for deed-restricted ownership-model Community Housing. Salt Spring homeowners could provide additional Community Housing in the form of strata-ownership suite, cottage, duplex, or triplex. Additional densities should be permitted with the following benefits and restrictions::

- Housing Agreement registered on title to ensure affordability in perpetuity and stipulating maximum sale and resale price, to be placed on each unit;
- Each unit to be registered with the Salt Spring Housing Agency;
- Purchasers to be qualified (on wait list or with Qualification Certificate);
- Provision of density bonus contingent upon proof of adequate services (water, etc.);
- Provision of density bonus contingent upon proof of need (wait list data);
- The developer vs. community benefit provisions of 3.5 shall apply.

Minority Opinion: Subdivisions for Community Housing should be permitted within easy walking distance of the main roads to be serviced by public transportation, as per B.2.3.1.3 of the OCP.

Minority Opinion: Allow Seasonal Cottages to be sold for deed-restricted Community Housing, in the form of a building strata. The owner of the land and the non-deed restricted density could have Right of First Refusal as a way of ensuring that a new purchaser is a good match. This would take place along the lines of B.2.2.2.7 of the OCP.

3.0 Larger-scale (four units or more) Community Housing projects

- 3.1 The proposed unit mix (size, type, ownership/rental, and sale prices / rental rates) should be recommended to the Trust by the Housing Agency based on demonstrated need, in consultation with the housing provider.
- 3.2.a) Upzoning is to be contingent upon registration of a Developer's Housing Agreement which specifies the developer's commitments to the community, including but not limited to unit mix, selling prices, allowable profit, completion dates, default provisions, and which requires the placement of individual Unit Housing Agreements with covenant on each Community Housing unit at completion.
- 3.2. b) Selection of projects by the Housing Agency to use a standard template, to be based on adopted housing policy including current needs assessment data.
- 3.3 Each unit to be registered with the Salt Spring Housing Agency.
- 3.4 Housing applicants to be selected from wait list and/or hold current Qualification Certificate.
- 3.5 The calculation of return on investment should be clearly defined. All costs should be transparent and readily substantiated. To ensure transparency, the housing provider should pay for all appraisals and quantity surveys (these costs should be included in the "cost base"), but the client should be the Housing Agency or the Islands Trust. The intent is to quantify developer and community benefit in order to ensure maximum community benefit.
- 3.6 Larger-scale Community Housing projects should be located within the village containment boundaries, or within new or existing hamlets to avoid sprawl (see 4.2).

Minority Opinion: Location of new subdivisions for Community housing should be permitted within easy walking distance of the main roads.

- 3.7 Larger-scale Community Housing projects may include a variety of tenure types and housing forms including: Rental; free-hold ownership; strata; co-op; co-housing; serviced housing such as the Meadowbrook and Abbeyfield models; rental units on rental lots or pads; and ownership units on rental lots or pads such as the Brinkworthy and proposed ecovillage models. Innovative tenures that support community housing should be encouraged.

4.0 Environmental considerations

- 4.1 The following locations are not suitable for community housing:
 - land in a drinking watershed;
 - sites where sensitive ecosystems would be threatened by adjacent development;
 - sites where rare or endangered species would be disturbed by adjacent development;
 - land zoned for agriculture and / or in the ALR, except for community housing projects with an active agricultural component, and / or which employ other measures to ensure no net loss of agricultural potential;
 - sites adjacent to sources of pollution, including air and water borne chemical and biological contaminants and EMFs, which might pose elevated health risks to occupants, especially to young children.
- 4.2 Community Housing, especially larger projects, should preferably be located within clearly defined village containment boundaries.
 - Existing village and hamlet areas such as Vesuvius, Maliview-Fernwood, and other developed areas should be officially designated in the OCP as villages or hamlets suitable for Community Housing if services such as water and sewer are available or planned for, and if mixed-use zoning is provided so that residents have pedestrian access to a corner store;
 - The Trust should review and clearly define the village containment boundaries;

- New or existing hamlets, as defined in the OCP, are also suitable for Community Housing;
- Planned trail networks from and within the villages should be completed and expanded to ensure pedestrian access to greenspace and services for community housing residents;
- Community Housing projects with active food-growing components, which can be maintained over time through covenant or similar mechanism, may be located outside the village containment boundaries.

- 4.3 For Community Housing only, LUB 355 Table 9.9.2 should be reviewed with the intent to increase maximum densities and decrease maximum lot coverage for residential zones within the village containment boundaries. The village areas where three storey buildings are permitted should also be reviewed with the same intent.
- 4.4 A minimum energy performance standard, EnerGuide for New Houses (EGNH) rating of 78, with 80 or over preferred, is suggested for new Community Housing.
- 4.5 Community Housing projects should incorporate infrastructure and servicing measures to reduce impact of development on energy, water, and other resources.
- 4.6 Alternative Community Housing projects demonstrating environmental sustainability, such as ecovillages, should be encouraged by planning staff and the Local Trust Committee.

5.0 Other cases, miscellaneous

The following should be addressed to increase the availability of a range of low-cost Community Housing options:

- 5.1 Make provision within the OCP/LUB to support innovative Community Housing models such as the Abbeyfield and co-housing models.
- 5.2 Make provision within the OCP/LUB to accommodate for purposes of Community Housing appropriate 'Legal non-conforming' rental units, to encourage owners to maintain them.
- 5.3 Make provision within the OCP/LUB to allow alternative accommodations such as dormitories, yurts, teepees, and other units without all amenities such as stoves or showers, at rates below median affordable rental rates and subject to health and safety approval, specifically for seasonal employment housing.
- 5.4 Make provision within the OCP/LUB to allow for year round Community Housing for farm workers where there is demonstrated agricultural need, subject to annual monitoring such as a declaration of use by the property owner.

Minority Opinion: Housing for low, and moderate income earners, and for emergency situations is severely lacking on SSI. All these types of housing are equally and urgently needed. Because low income housing is most difficult to provide, incentives should be given to ensure that low income housing is ALWAYS considered, even in plans directed towards moderate income earners.

Minority Opinion: Opportunities should be sought to provide emergency shelter. One way may be to allow a private homeowner to provide emergency shelter, beyond their allowable density, with a temporary use permit, provided the tenants come through the SSI Housing Agency and are designated an emergency.

6.0 Definition of Affordability

Community Housing is deed-restricted and/or rent-controlled housing that is "acceptable", meaning it provides affordable, suitable and adequate accommodation according to family income, size and composition.

- 6.1 The CHTF recommends a multi-level definition of affordability using Salt Spring Island median household income as the upper limit of housing affordability on a weighted average basis within a project, as well as the basis for the various housing categories. (See Table 1.)

- 6.2 Every Community housing development over five units should include a mix of income categories (see Table 1), ideally in proportion to current need. Rental units are encouraged for all developments and must be included for developments over ten units where the land has been donated for Community housing.

Minority opinion: Rental units must be included for developments over ten units where land and/or densities have been donated for Community housing.

- 6.3 Suggested categories with weighted average income targets are presented below, as a starting point for consideration. The information presented below and in Table 1 will require ongoing updates from the Wait List and Housing Needs Assessment.

- **Subsidized Community Rental Housing**—tenants pay 30% of their income on rent with the balance made up from subsidy; units may be Community Rental Housing One or Community Rental Housing Two—target those with incomes of up to 65% of median income.
- **Community Rental Housing One**—older and/or smaller existing rent-restricted accommodation—target those with incomes of up to 75% of median income.
- **Community Rental Housing Two**—newer and/or larger or new rent-restricted accommodation—target those with incomes of up to 90% of median income.
- **Community Ownership Housing One**—smaller new or existing freehold or strata—target those with incomes of up to 85% of median income.
- **Community Ownership Housing Two**—new or existing freehold or strata—target those with incomes of up to 100% of median income.
- **Community Ownership Housing Three**—new or existing freehold or strata—“gap” housing.

Note: Provisions are needed for the following:—coop, co-housing, ecovillage, and serviced housing such as Abbeyfield.

- 6.4 Initial rental rates and allowable maximum rental rate increases consistent with the Provincial Residential Tenancy legislation should be referenced in the Housing Agreement.
- 6.5 Affordability for ownership category housing must be maintained by deed-restricted allowable resale price increases no greater than 3% or CPI annually, whichever is less, plus a percentage of eligible improvements as defined in the Housing Agreement.

7.0 Qualification Criteria for occupants

- 7.1 To be eligible for Salt Spring Community Housing, all applicants must be a Canadian citizen or landed immigrant and meet the household income criteria described in Table 1.
- 7.2 All applicants must meet net asset requirements. Preliminary recommendation as follows:
Net household assets of applicant not to exceed \$50,000, excluding RRSPs and tools of the trade.
- 7.3 Applicants must also meet one of the following three residency / employment categories:
- Salt Spring current resident for minimum two years;
 - Commuter to Salt Spring for three-quarter to full-time employment for minimum two years;
 - Salt Spring Essential Services worker (to be defined by the Housing Agency).

Exceptions to the above will be considered on a case-by-case basis by the Housing Agency. Such exceptions might include those with strong ties to Salt Spring and local family obligations (need to care for aging parents, etc.) or mental or physical disabilities.

Another exception where residency requirements may be relaxed would be where ongoing Community Housing vacancies exist with no appropriate qualified potential occupants.

Minority Opinion: Applicants must be a Salt Spring resident one year (not two) in cases where they are employed for a minimum of 20 hours a week.

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Minority Opinion: Applicants who intend to rent a bed-unit in a dedicated shared rental house are not required to meet the residency requirements of 7.3 provided they have current employment on Salt Spring.

Minority Opinion: Applicants for homeownership should be on a First Come First Served basis, after an initial sorting, that could be a lottery or a one-time sorting by need, length of residency etc, for the purpose of creating a feeling of stability for the prospective owners.

Minority Opinion: Asset base cut-off recommendations should be studied in depth, for the purpose of restricting the ownership of other real estate.

Minority Opinion: Employers should be encouraged to supply affordable housing for their employees on a continuous basis at Community Housing rental rates. Where an employer is supplying the housing, the residency requirement could be waived, but must be employed for a minimum of 20 hours a week.

These Recommendations, including Table 1 below, were approved by the CHTF by consensus February 16, 2006

Table 1: Recommended guidelines for Community Housing Categories based on household size and income

<i>Household size</i>	<i>Min. income</i>	<i>Max. income</i>	<i>Max. payment</i>	<i>Unit size</i>	
Subsidized Community Rental Housing					
1 person	\$0	to \$16,979	\$424.48	studio	<i>Rent subsidized to match household income</i>
2 persons	\$0	to \$21,224	\$530.60	1 bedroom	
3 persons	\$0	to \$26,396	\$659.90	2 bedroom	
4 persons	\$0	to \$31,952	\$798.80	3 bedroom	
5 persons	\$0	to \$35,718	\$892.95	4 bedroom	
Community Rental Housing One					
<i>Household size</i>	<i>Min. income</i>	<i>Max. income</i>	<i>Max. rents</i>	<i>Unit size</i>	
1 person	\$16,980	to \$18,000	\$450	studio	<i>Older rental units</i>
2 persons	\$21,225	to \$24,000	\$600	1 bedroom	
3 persons	\$26,397	to \$30,000	\$750	2 bedroom	
4 persons	\$31,953	to \$33,000	\$825	3 bedroom	
5 persons	\$35,719	to \$36,000	\$900	4 bedroom	
Community Rental Housing Two					
1 person	\$18,001	to \$24,000	\$600	studio	<i>Newer or new rental units</i>
1 person	\$24,001	to \$28,800	\$720	1 bedroom	
2 persons	\$24,001	to \$28,800	\$720	1 bedroom	
3 persons	\$30,001	to \$35,200	\$875	2 bedroom	
4 persons	\$33,001	to \$38,100	\$950	3 bedroom	
5 persons	\$36,001	to \$42,000	\$1,050	4 bedroom	
Community Ownership Housing One					
<i>Suggested Household size</i>	<i>Min. income</i>	<i>Max. income</i>	<i>Price assuming 10% down payment</i>	<i>Unit size</i>	
1 person	\$ 22,000	to \$ 26,000	\$ 90,000	studio	<i>Basic new or existing</i>
2 persons	\$ 24,000	to \$ 34,000	\$110,000	1 bedroom	
3 persons	\$ 27,000	to \$ 35,000	\$120,000	2 bedroom	
4 persons	\$ 35,000	to \$ 41,000	\$ 150,000	3 bedroom	
5 persons	\$37,000	to \$50,000	\$163,000	4 bedroom	
Community Ownership Housing Two					
1 person	\$ 26,000	to \$ 33,000	\$ 110,000	studio	<i>new or existing</i>
2 persons	\$ 34,000	to \$ 43,000	\$ 137,700	1 bedroom	
3 persons	\$ 35,000	to \$ 46,000	\$ 150,000	2 bedroom	
4 persons	\$ 41,000	to \$ 54,000	\$ 180,000	3 bedroom	
Community Ownership Housing Three					
1 person	\$ 33,000	to \$ 42,000	\$ 128,000	studio	<i>new or existing</i>
2 persons	\$ 43,000	to \$ 54,000	\$ 150,000	1 bedroom	
3 persons	\$ 46,000	to \$ 76,000	\$ 180,000	2 bedroom	
4 persons	\$54,000	To \$76,000	\$220,000	3 bedroom	
5 persons	\$ 60,000	to \$ 76,000	\$ 250,000	4 bedroom	

I. Purpose

“The object of the Trust is to preserve and protect the Trust Area, and its unique amenities and environment for the benefit of the residents of the Trust Area and the Province generally, in cooperation with municipalities, regional districts, improvement districts, other persons and organisations and the government of the Province.”

At a special meeting of the Community Housing Task Force (CHTF) held Oct 5, 2004 it was determined that, before the CHTF could make recommendations on individual applications referred to it by the Local Trust Committee (LTC), the CHTF needed background information regarding community housing — standards, objectives, delivery in other communities — and how community housing objectives might be met on Salt Spring. Six key areas were identified, and a seventh (existing rental stock) was added at a subsequent meeting.

The CHTF briefly researched, discussed, and summarized results for the key areas with the following objectives:

- To ensure that each member of the task force has background information on each of the key issues;
- To inform future recommendations of the Task Force.

This background report is a work-in-progress, intended to inform and guide the members of the CHTF in their future deliberations. It is not intended to be a comprehensive review, nor is it a policy document, although recommendations to assist in housing policy development have been included.

II. Defining acceptable housing

The OCP definition of Community Housing requires tightening:

“affordable housing—describes rental or owned housing that can be acquired with 30 per cent of the median gross income of families or individuals with moderate incomes.”

CMHC defines acceptable housing as:

- a. affordable (cost/income)
- b. suitable (size, etc.), and
- c. adequate (physical condition)

Individuals or families are deemed to be in "core housing need" if they cannot secure acceptable housing within 30% of their income

II a) Affordability

The CHTF had a great deal of difficulty coming up with a good definition of affordability. As other communities with high real estate prices have found, limiting affordable housing to those with less than 80% median income, or median income, or even average income, still leaves families with higher than average incomes without access to acceptable housing, especially the home ownership model. But if affordability is defined too loosely, the door opens wide to relatively high-priced, high-density for-profit development in the name of affordable housing. At the other end of the scale, there is the increasing problem of homelessness and the need for very low-cost subsidized social housing.

Different measures of income produce quite different results, as demonstrated using the following common benchmarks for affordability:

Median household income for SSI (StatsCan 2000) was \$48,948. Using median income, the **MAXIMUM** affordable price of a home is about \$174,000 (or \$1,223 monthly rental, including utilities).

Average household income for SSI from StatsCan data was \$57,255 in 2001. Using average income, the **MAXIMUM** affordable price of a home is about \$205,000, (or \$1,430 monthly rental, including utilities).

Average household full-time employment income was \$34,890 (StatsCan, 2001). Median income from employment (V8K postal code, BC Stats, from CCRA) was \$20,510 for males and \$15,138 for females. This would put homeownership virtually out of reach for a single working person (or single parent), and place the maximum affordable rental rates (including utilities) for employees in a range from \$378 to \$872.

Since there is very little or no market housing available on Salt Spring for under \$250,000, families with annual incomes of \$70,000 or more may be unable to purchase suitable housing, and may find themselves “in core housing need”. To address a similar problem regarding defining affordability, Ontario’s Halton Region¹ proposed separate definitions for Assisted Housing and Affordable Housing:

- **Assisted housing** with on-going government subsidies where tenants pay rent equivalent to 30% of their gross income;
- **Affordable housing** is modestly priced housing (without subsidies) where low-to-middle income households pay rent or mortgage (including utilities) equivalent to 30% of their gross income.

Median income is used in the current Salt Spring OCP to define affordability. The CHTF considers **median income** to be a suitable indicator of affordability for a “typical” household because, by definition, 50% of households have higher incomes and 50% have lower incomes. Average income can be skewed upward or downward by very high or very low-income households.

The CHTF suggests a mix of housing size, tenure (i.e. rental / co-op / owned) and prices in larger developments in order to address the range of needs on Salt Spring, and to avoid any “ghetto” effects. A range of housing prices could still be accommodated by the above definition of affordability as long as the weighted average price was equal to or less than the maximum price. This could allow the development of some more expensive housing, as long as a sufficient amount of lower-priced housing was also produced, such that the weighted average price was within the maximum stipulated (\$174,000).

In general, the difficulties of securing affordable housing are greater for families. And affordable rental accommodation on Salt Spring is particularly scarce. The CHTF therefore recommends that larger affordable housing developments include a proportion of housing for lower income families (i.e. families with incomes lower than the median for SSI as a whole), and that some of the units should be rental housing.

RECOMMENDATIONS	
6.0	Definition of Affordability
6.1	The CHTF recommends a multi-level definition of affordability using Salt Spring Island median household income as the upper limit of housing affordability on a weighted average basis within a project, as well as the basis for the various housing categories. (See Table 1.)
6.2	Every Community housing development over five units should include a mix of income categories (see Table 1), <u>ideally in proportion</u> to current need. Rental units are encouraged for all developments and must be included for developments over ten units where the land has been donated for Community housing.
<i>Minority opinion: Rental units must be included for developments over ten units where land and/or densities have been donated for Community housing.</i>	

For illustrative purposes, the following tables demonstrate the applicability of the proposed categories, as they relate to median income, unit type/size, and rents/prices targeted. The decision about the mix of each category of unit, as well as the numbers of each developed should be based on relative need, as demonstrated on an ongoing basis from the Wait List and Housing Needs Assessment data.

See **Table 1: Recommended guidelines for Community Housing Categories based on household size and income** (page 12) for the detailed recommendations.

¹ Halton Region 2002 Official Plan Review ‘A new approach to defining assisted and affordable housing’.

Home ownership model — figures for discussion purposes only

Income Required - CMHC insured high-ratio financing @ 6% interest, 25 yr amortization, 32% GDS²

Price	125,000	150,000	175,000	200,000	225,000	250,000	275,000	300,000
Minimum annual income	35,409	42,485	49,561	56,636	63,771	70,906	78,041	85,176

Rental model— figures for discussion purposes only

Income required for various rents not to exceed 30% of income³

Monthly gross rent (incl. utilities)	500	550	600	650	700	750	800	850
Minimum annual income	20,000	22,000	24,000	26,000	28,000	30,000	32,000	34,000

Ensuring that the Community Housing stock remains affordability over the long-term is key for a healthy and sustainable community. There must be, however, mechanisms in place that allow owners of rental properties a means to recover reasonable cost increases over time, as well as those that permit some price escalation in owned homes. These increases must be modest, and are designed to remove Community Housing from the speculative market.

RECOMMENDATIONS	
6.0	Definition of Affordability
6.3	<p>Suggested categories with weighted average income targets are presented below, as a starting point for consideration. The information presented below and in Table 1 will require ongoing updates from the Wait List and Housing Needs Assessment.</p> <ul style="list-style-type: none"> • Subsidized Community Rental Housing —tenants pay 30% of their income on rent with the balance made up from subsidy; units may be Community Rental Housing One or Community Rental Housing Two—target those with incomes of up to 65% of median income • Community Rental Housing One —older and/or smaller existing rent-restricted accommodation—target those with incomes of up to 75% of median income • Community Rental Housing Two —newer and/or larger or new rent-restricted accommodation—target those with incomes of up to 90% of median income • Community Ownership Housing One— smaller new or existing freehold or strata— target those with incomes of up to 85% of median income • Community Ownership Housing Two—new or existing freehold or strata— target those with incomes of up to 100% of median income • Community Ownership Housing Three—new or existing freehold or strata— “gap” housing <p>Note: Provisions are needed for the following:—coop, co-housing, ecovillage, and serviced housing such as Abbeyfield.</p>

¹ For homeowners, maximum for CMHC insured mortgage is 95% of value, with up to 32% of gross income for total housings costs (mortgage payments, property taxes, utilities, municipal costs, strata fees). This is the GDS (gross debt service ratio). If other consumer debt is present (credit cards, car payments, student loans, etc) a maximum TDS (total debt service) of 42% applies.

² *StatsCan 2001 Census Highlights, Islands Trust Area:*

- Average household income is \$57,255
- Average employment income, 15 and up is \$34,890
- Average value of dwelling is \$274,821
- 3275 owner households of which 695 >30% of income on major household payments (21%)
- 855 tenant households of which 375 >30% of income on gross rent (44%)

³ For rental housing, housing costs should not exceed 30% of income. Rental housing costs include rent, utilities, and any other municipal costs.

RECOMMENDATIONS	
6.0	Definition of Affordability
6.4	Initial rental rates and allowable maximum rental rate increases consistent with the Provincial Residential Tenancy legislation should be referenced in the Housing Agreement.
6.5	Affordability for ownership category housing must be maintained by deed-restricted allowable resale price increases no greater than 3% or CPI annually, whichever is less, plus a percentage of eligible improvements as defined in the Housing Agreement.

II b) Suitability

National occupancy standards are as follows:

- Single person or couple – 1-bedroom
- Couple with 1 child – 2 bedrooms
- Couple with 2 children under 5 years – 2 bedrooms
- Couple with 2 children (same gender) 5 years or older – 2 bedrooms
- Couple with 2 children (different genders) 5 years or older – 3 bedrooms
- Parents and children do not share bedrooms.

Presumably unrelated adults sharing accommodation each require a bedroom.

Other factors that determine suitability might include:

- Special needs such as wheelchair access or support services
- Location (access to school bus routes for families with children, proximity to farmland for agricultural workers, proximity to village core for households without transportation).

Note: Whistler does not use the Canadian Occupancy standards. For rentals the limit is 2 people to a bedroom (allowing a single parent and one child to share a one-bedroom apartment). For home ownership 2 people per bedroom is recommended.

II c) Adequacy

CMHC states that housing should be safe, in a reasonable state of repair, and have basic plumbing. On Salt Spring, we suggest that new community housing should ideally exceed code with respect to energy efficiency and water conservation. The PITE formula (principal, interest, taxes and energy) may result in energy efficient dwellings being more affordable than minimally insulated dwellings. (See section 4). Lower energy costs may also allow a homeowner to qualify for a larger loan amount.

III. Housing Needs Assessment

Various target groups of residents have been identified as in need of housing in the community, including but not limited to young families, lower income individuals, employees, single parents, disabled persons, homeless persons, persons living in sub-standard housing, and the elderly. This is a *perceived* need, based on local knowledge and anecdotal evidence. It is important that this perception be confirmed and quantified in order to ensure that priority is given to the greatest housing need, and that policies encourage the development of appropriately designed, located and priced housing to target these groups.

One of the primary techniques to objectively evaluate housing need is a **Housing Needs Assessment**, which is a housing market analysis that examines the community's supply and demand for housing. It provides a snap-shot and forecast of housing need, and is monitored and updated on a regular basis. It should be used to confirm (or modify) and quantify the *perceived* affordable housing needs. See Appendix A for a recommended outline of a Salt Spring Housing Needs Assessment.

Several **sources of data** are used to estimate and confirm/quantify this housing need – the primary sources typically are as listed below, and each contribute:

- Statistical data
- Survey data
- Waitlist data
- Anecdotal evidence

Most Housing Needs Assessments contain the same basic features, which typically include:

- Analysis of Demographics
- Analysis of Existing Housing Stock
- Identification of Gaps in Supply
- Prioritize Population Groups in “Core Housing Need”
- Policies that support the priorities identified
- Qualifying Criteria and Use of Waitlists

It should be noted that a Housing Needs Assessment is not a replacement for survey or waitlist data, but rather data from these sources form an important part of the needs assessment.

A Housing Needs Analysis is required to identify priorities and to guide policy. A limited-scope preliminary needs assessment could be performed immediately with locally available data to assist in the assessment of zoning applications currently underway. However, a professionally performed (or professionally designed, and volunteer conducted) assessment should form the basis of any policy decisions that have long-term or strategic implications.

RECOMMENDATION

1.0 General

- 1.1 The CHTF recommends that the LTC undertake the following tasks immediately:
- Prepare a policy manual to include: objectives, definitions, standards; Standard Housing Agreements for: developers, ownership units, and rental units; Qualification criteria for occupants; Default and other worst case policies;
 - Initiate a wait list process, with qualification criteria;
 - Prepare OCP/LUB revisions to enable policy recommendations;
 - Set up a Salt Spring Community Housing Agency to administer policy;
 - Initiate an ongoing Housing Needs Assessment process;
 - To facilitate immediate implementation, some tasks—e.g. wait list, qualification certificates, development and administration of housing agreements—should be undertaken on a temporary basis by an existing organization, such as the Capital Regional Housing Corporation or the SSI Community Services Society;
 - The Capital Regional Housing Corporation should assist with the development of local capacity with the intent to transfer tasks and responsibilities for the Housing Agency to a local entity as soon as local capacity is demonstrated;
 - Identify funding sources and establish a budget for all of the above.

III a) Identified need

Individuals or families are deemed by CMHC to be in "core housing need" if they cannot secure acceptable housing within 30% of their income. From StatsCan 2001, 21% of 3,275 owner households spend over 30% of income on major household payments and 44% of 855 tenant households spend over 30% of income on gross rent. From these figures, it appears that there are likely at least 700 owner households in core need, and at least 400 tenant households in core need.

III b) Existing Housing Stock

There are currently (May, 2005) probably about 5,350 dwelling units on Salt Spring. Between 1996 and 2003, the number of dwelling units increased by 31.5%, an average annual rate of increase of 4.5%.

Salt Spring Community Housing Task Force
PART 3 Background Report

December 7, 2005

Population and dwelling Units (from Baseline Report, Salt Spring Community Energy Strategy, May 2004)

	<u>1991</u>	<u>1996</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Population (1)	7,871	9,247	9,272	9,279	9,503	9,644
Dwelling Units, census (2)		4,014	4,565	4,913	5,156	5,278

1. StatsCan census 1991, 1996, 2001, Salt Spring Electoral Area.
2. CRD Regional Planning Services: StatsCan census data for 1996 and 2001. 2002-2003 figures from adding building permits to 2001 data.

In the Spring of 2004, Pat (Neddy) Harris undertook a Salt Spring Island Housing Survey. 1,048 responses were received, of which 155 (largely) online responses were rejected (corrupted data). Of the remaining 860, 636 were homeowners, 224 were renters and 26 reported alternate accommodation (boat, homeless, worktrade etc.). This represents a ratio of 72% owners, 25% renters and 3% alternate. For comparison, the StatsCan 2001 ratio is 80% homeowners to 20% renters. The responding households represent about 16% of the estimated 5,350 dwelling units on Salt Spring. The survey data probably provide a reasonable snapshot of the housing situation on Salt Spring in the Spring of 2004.

Homeowner respondents reported 70 suites and 51 cottages currently in long-term rental. If these numbers represent 16% of the total for Salt Spring, there are currently about 440 suites and 320 cottages in long-term rental. The latter is somewhat higher than the Trust estimate of 300 existing seasonal cottages.

The large majority—186 (89%) of 209—of renter households report their total household income to be less than the median household income for SSI of \$48,948 (StatsCan 2000). 73 (36%) of 204 renter households are spending more than 30% of their total income on housing. 43 (20%) of 213 are underhoused.

Table—Rental Housing and Renter Needs (from 2004 survey)

size of unit	# of units reported	# of units needed, based on household size	# of underhoused households	# of households paying >30% of income
# respondents	214	213	213	204
Studio	10	60		23
1 Bedroom	75	50		13
1 or 2 Bedroom		20	10	11
2 Bedroom	68	29	4	6
2 or 3 Bedroom		14	7	5
3 Bedroom	44	25	11	8
3 or 4 Bedroom		6	5	2
4 Bedroom	13	7	4	4
5 Bedroom	3	2	2	
6 Bedroom	1			
# Bedrooms unspecified				1
Total responses	214	213	43	73

From the renter responses, based on household size, most of the rental stock should be fairly evenly divided between studio, one bedroom, and two bedroom dwellings, with the balance in three bedroom and larger units.

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Table: Monthly rents reported by tenants (from 2004 Housing Survey).

# Bedrooms	studio	one	two	three	four
Average \$	\$472	\$561	\$752	\$842	\$952
Median \$	\$450	\$600	\$750	\$825	\$900
Total # Renters	10	73	69	43	12

Note: Respondents were asked for total monthly rent, some rents may not include utilities

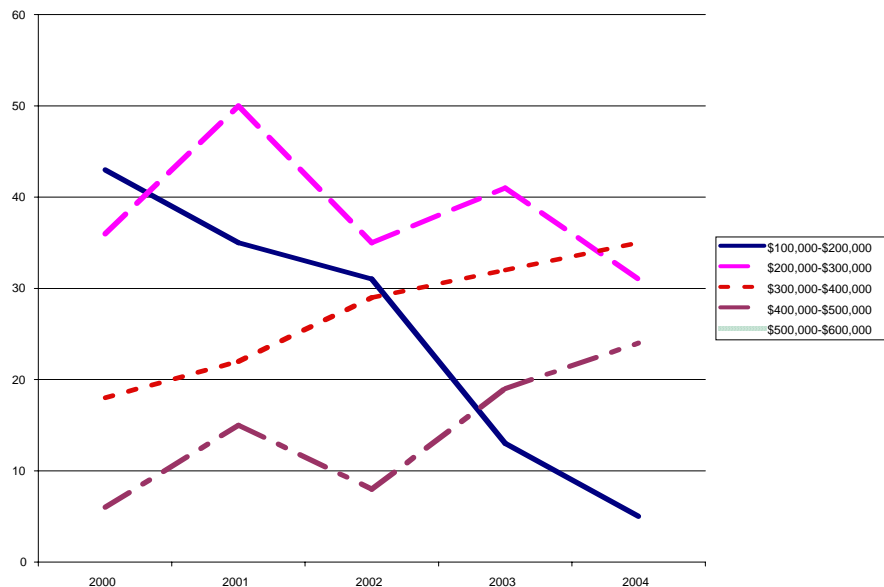
Table: Availability of single family homes in various price categories

year	\$100,000- \$200,000	\$200,000- \$300,000	\$300,000- \$400,000	\$400,000- \$500,000	\$500,000- \$600,000
2000	43	36	18	6	10
2001	35	50	22	15	8
2002	31	35	29	8	7
2003	13	41	32	19	14
2004	5	31	35	24	8
(4 mths 2005	2	8	16	9	7

Source: MLS database. Single family homes, all types of structures, on freehold lots.

Availability of houses in the \$100,000—\$200,000 price range has undergone a dramatic decline in the last five years; availability of houses in the \$200,000—\$300,000 range is also declining rapidly.

Chart: Availability of single family homes in various price categories



Existing Community Housing projects

The following is a list of Salt Spring's Community Housing projects. Note that all Community Housing Projects are currently targeted to seniors.

Pioneer Village – Apartments for seniors over 60 who have limited incomes; there are 18 one bedroom units with rents subsidized by senior levels of government, and geared to income (RGI). This produces rents as low as \$335.00 for one-bedrooms, and \$280.00 for bachelor units. The project and waitlist are operated by the Lions Club; it is currently full.

Croftonbrook – 20 units of subsidized housing for seniors (age 55+); currently has 50 people on the wait list. The wait list is maintained by the Croftonbrook board.

Meadowbrook – housing with supportive services for semi-independent seniors; full with wait list; waitlist for 10 subsidized units is held by the Vancouver Island Housing Authority.

Heritage Village – residence with supportive services for seniors.

Proposed – Norton Road Development - 26 units of homeowner units – price range \$225,000+

Proposed – Murakami Rainbow Road Development – 26-30 rental units – rent range \$538-\$975

Current Rental Situation

At this time there has been no needs assessment of renters on Salt Spring and the other Gulf Islands, other than a survey done by Neddy Harris in 2004. In this survey, of the 300 respondents that were currently renting, over half were determined to be in core need (paying over 30% of their income in housing costs). Rental housing has always been scarce and many units are inadequate. In addition, rental situations are made unstable due to the fact that secondary suites and cottages are illegal and may be reported by neighbours. No affordable rental units for the general public are being built at this time.

Affordability:

It is clear, based on local knowledge, survey results, and anecdotal evidence that there is a rental housing shortage – in terms of affordability, suitability (size relative to family size), and adequacy (condition).

Local governments should encourage diversity of housing types, income levels, etc. but should target the following in order to maximize the effectiveness of the measures in terms of affordability, suitability, adequacy, energy efficiency, greenspace, and other community needs:

- housing / rental prices that are less than the maximum defined by affordability criteria;
- emphasize higher density development (e.g., townhouses, row housing, duplex / triplex);
- in general, locations in or near villages (except for agricultural-oriented housing);
- including a minimum proportion of rental versus owned.

RECOMMENDATIONS

2.0 Small-scale (three units or less) Community Housing providers

2.1 Establish a mechanism for existing secondary suites and cottages to be approved for Community Housing. Existing secondary suites and seasonal cottages already provide inexpensive rental accommodation and should be permitted, with the following benefits and restrictions:

- Rezoning / permit fees to be reduced or waived;
- Housing Agreement, to ensure affordability in perpetuity and stipulating maximum chargeable rent, to be placed on each rental unit;
- Each rental unit to be registered with the Salt Spring Housing Agency;
- Tenants to be qualified (from wait list or with Qualification Certificate);
- Reduced annual property taxes through grant mechanism for complying homeowners.

Minority Opinion: CRD Building Inspections and VIHA are encouraged to provide a one-year grace period to upgrade units to meet health and safety standards should be provided to homeowners applying for approval of existing secondary suites and cottages, except in drinking watersheds, where immediate inspection is required.

Minority Opinion: Establish a mechanism for existing secondary suites and cottages to be approved for Community Housing in all zones except in drinking watersheds.

RECOMMENDATIONS

2.0 Small-scale (three units or less) Community Housing providers

- 2.2 a) Change the OCP so that ‘seasonal cottages’ may be rented for residential use, subject to the provisions of 2.1.
- 2.2 b) Seasonal cottages in new subdivisions should be restricted to Community housing

- 2.2 c) Subdivision developers should be encouraged to meet the definition of hamlet as defined in the OCP.

Minority Opinion: Seasonal Cottages in new subdivisions where lots are less than 10 acres should be restricted to Community Housing.

Minority Opinion: Some Seasonal Cottages should be permitted to be 720 square feet where need is proven, provided they contain at least 2 bedrooms.

- 2.3 Allow Community Housing density bonuses for smaller properties (single family lots) in residential zones. Salt Spring homeowners could provide additional Community Housing in the form of a secondary rental suite (within the existing dwelling or in an outbuilding), or cottage, or conversion to duplex or triplex. Additional densities should be permitted with the following benefits and restrictions:

- Housing Agreement to ensure affordability in perpetuity and stipulating maximum chargeable rent, to be placed on each rental unit;
- Rezoning / permit fees to be reduced;
- Each rental unit to be registered with the Salt Spring Housing Agency;
- Tenants to be qualified (from wait list or with Qualification Certificate);
- Reduced annual property taxes through grant mechanism for complying homeowners;
- Provision of density bonus contingent upon proof of adequate services (water, etc.);
- Provision of density bonus contingent upon proof of need (wait list data).

Provision of more than one additional density restricted to locations in or near the villages and hamlets.

Minority Opinion: to encourage homeowner participation, mechanisms less permanent than covenants registered on title should be considered for secondary rental suites.

Minority Opinion: Allow Community Housing density bonuses for smaller properties (single family lots, under 1.2 hectares) in all zones except drinking water sheds.

Minority Opinion: Allow Community Housing density bonuses for more than one additional density as per flex unit provisions currently in the OCP, and in other zones outside the village containment boundaries on a case by case basis.

- 2.4.a) Current flex housing provisions in the OCP must be changed to require a housing agreement.

- 2.4.b) Make provision for Rooming Houses as provided for in the Residential Tenancy Act within the OCP/LUB, recognise existing Rooming Houses and allow conversions to Rooming Houses. Rooming Houses provide a private room with shared bathroom and kitchen facilities for an inexpensive monthly rental fee. The landlord or representative lives on the premises. There are currently no provisions in the OCP or LUB for rooming houses. Rooming houses should be specifically addressed in LUB 355 to ensure their access to CMHC funding. Rooming houses should be permitted with the following benefits and restrictions: Housing Agreement to ensure affordability to be placed on Rooming House;
 - Rezoning / permit fees to be reduced or waived;
 - Each rental room to be registered with the Salt Spring Housing Agency;
 - Tenants to be qualified (from wait list or with Qualification Certificate);

RECOMMENDATIONS

2.0 Small-scale (three units or less) Community Housing providers

2.5 Allow subdivision of smaller properties (single family lots) within the village containment boundaries for deed-restricted ownership-model Community Housing. Salt Spring homeowners could provide additional Community Housing in the form of strata-ownership suite, cottage, duplex, or triplex. Additional densities should be permitted with the following benefits and restrictions::

- Housing Agreement registered on title to ensure affordability in perpetuity and stipulating maximum sale and resale price, to be placed on each unit;
- Each unit to be registered with the Salt Spring Housing Agency;
- Purchasers to be qualified (on wait list or with Qualification Certificate);
- Provision of density bonus contingent upon proof of adequate services (water, etc.);
- Provision of density bonus contingent upon proof of need (wait list data);

The provisions of 3.5 shall apply.

Minority Opinion: Location of new subdivisions for Community housing should be permitted within easy walking distance of the main roads.

III c) Qualification criteria

Given the limited supply of land available for Community Housing, the requirements to qualify for this housing should first and foremost reflect the established priorities:

- Low-income families and individuals
- Moderate income families and individuals
- Essential service workers
- Employees forced to leave the community
- Single parents
- Elderly
- Youth
- Homeless and at-risk of homelessness
- Special needs and transition housing
- Urgent housing need
- Length of time on housing waitlist

In addition to the priority “Core Need” categories above, additional qualifying criteria should include:

- Income limits based on family size
- Canadian citizenship or landed immigrant status
- Minimum SSI residency requirements and/or SSI employment/livelihood
- Asset limits (including restrictions on ownership of other properties) and inclusion of a return on assets in income qualification calculations
- Ability to qualify for adequate mortgage (homeownership)
- Legal age

Information required from Applicants to apply the qualification criteria and establish priority should be obtained through the use of a waitlist.

RECOMMENDATIONS

7.0 Qualification Criteria for occupants

- 7.1 To be eligible for Salt Spring Community Housing, all applicants must be a Canadian citizen or landed immigrant and meet the household income criteria described in Table 1.
- 7.2 All applicants must meet net asset requirements. Preliminary recommendation as follows:
Net household assets of applicant not to exceed \$50,000, excluding RRSPs and tools of the trade.
- 7.3 Applicants must also meet one of the following three residency / employment categories:
- Salt Spring current resident for minimum two years;
 - Commuter to Salt Spring for three-quarter to full-time employment for minimum two years;
 - Salt Spring Essential Services worker (to be defined by the Housing Agency).

Exceptions to the above will be considered on a case-by-case basis by the Housing Agency. Such exceptions might include those with strong ties to Salt Spring and local family obligations (need to care for aging parents, etc.) or mental or physical disabilities.

Another exception where residency requirements may be relaxed would be where ongoing Community Housing vacancies exist with no appropriate qualified potential occupants.

Minority Opinion: Applicants must be a Salt Spring resident one year (not two) in cases where they are employed for a minimum of 20 hours a week.

Minority Opinion: Applicants who intend to rent a bed-unit in a dedicated shared rental house are not required to meet the residency requirements of 7.3 provided they have current employment on Salt Spring.

Minority Opinion: Applicants for homeownership should be on a First Come First Served basis, after an initial sorting, that could be a lottery or a one-time sorting by need, length of residency etc, for the purpose of creating a feeling of stability for the prospective owners.

Minority Opinion: Asset base cut-off recommendations should be studied in depth, for the purpose of restricting the ownership of other real estate.

III d) Waitlist

The CHTF thinks that a very effective way to track need and identify categories of need is to establish a Wait list. Consolidated data from this list (minus identification) would then be available to relevant bodies. The wait list will include ownership and rental options. It is assumed that the Salt Spring Community Housing Agency (or Capital Regional Housing Corporation on an interim basis) will administer the Waitlist and ensure that Applicants' personal information is kept confidential.

The waitlist is also a tool to screen applicants for eligibility, as well as to rank priority based on greatest need or other priorities established. Those applying for Community Housing (controlled by a housing agreement) must either be on the list or meet the qualifications (i.e. possess a certificate from the Community Housing Agency stating that they qualify). SSI Community Housing Agency projects would select applicants based on standing on the list and suitability of accommodation.

Other uses for the waitlist include the provision of housing needs data to local government and housing groups regarding need, provide those in need of housing with a mechanism to find suitable housing, and to provide housing suppliers with a list of qualified applicants.

Models of Waitlists

Various techniques for ranking specific Applicants on a waitlist are employed in different jurisdictions; one of the more common techniques employed (including BC Housing) is that of a weighted point system. In this model, each priority category and qualification criteria is assigned a weight, based on importance, urgency, and community need and values. Flexibility is built into the ranking system to allow special consideration for emergency situations and/or extended waiting periods by individual applicants.

III e) Qualification Certificates

The CHTF expects that much of the affordable housing on Salt Spring will be provided by individual homeowners renting suites and cottages. Homeowners need the ability to select their tenants carefully. Likewise renters need freedom to select appropriate living arrangements. Therefore the CHTF proposes that a Qualification Certificate be issued by the Housing Agency to anyone who qualifies for the Wait List. The Qualification Certificate is valid for a limited time period, probably one year. Anyone with a current Qualification Certificate is then eligible for any privately-owned registered rental accommodation, which can then be advertised in the normal way.

IV. Environmental, agricultural and sustainability issues

The OCP provides principles and guidelines regarding protection of ecological and agricultural land values and other sustainability issues; energy is not yet addressed. Given development pressures, greater clarity and new or clearer definitions would be helpful.

IV a) Location of community housing

The OCP, B.2.2.2.8 states:

Affordable housing projects for families and seniors could be allowed in or near island villages.

Villages have many environmental advantages, including reduced need for automobile transportation and potential for advanced water and waste treatment. But the OCP defines villages as Ganges, Fulford and Channel Ridge only.

Additional existing village areas such as Vesuvius, Maliview-Fernwood, and other developed areas could be officially designated in the OCP as villages suitable for community housing if services such as water and sewer are available or planned for, and if mixed-use zoning is provided so that residents have pedestrian access to a corner store.

The word “near” is problematic in that it invites sprawl and the consequent loss of agricultural and forested land. Infill developments within defined village boundaries are preferable for reasons of environmental sustainability, unless a project is linked to food production and ecological living.

The existing village containment boundaries are not easy to identify. Clearly marked boundaries for all villages are needed to ensure that community housing is located within the villages and not outside them. This is an important point because greenfield (undisturbed) sites are less expensive to develop than small infill sites and brownfield (previously developed) sites. Greenfield sites are therefore more attractive to developers—both for-profit and non-profit. Developments on relatively flat land inevitably remove agricultural potential, even if the land is not zoned as agricultural land. Maps and zoning designations should clearly identify areas within village containment boundaries.

Special case: Local organic food production is an important component of environmental sustainability; increased local food production is an objective of the Salt Spring Community Energy Strategy and the recently completed Island Natural Growers Produce Study. Community housing projects with an active food-growing component, e.g. housing for farm workers, may need to be located adjacent to agricultural land. Community housing projects with active food-growing components which can be maintained over time through covenant or similar mechanism may need to be located outside the village containment boundaries.

RECOMMENDATIONS

4.0 Environmental Considerations

- 4.1 The following locations are not suitable for community housing:
- land in a drinking watershed;
 - sites where sensitive ecosystems would be threatened by adjacent development;
 - sites where rare or endangered species would be disturbed by adjacent development;
 - land zoned for agriculture and / or in the ALR, except for community housing projects with an active agricultural component, and / or which employ other measures to ensure no net loss of agricultural potential;
 - sites adjacent to sources of pollution, including air and water borne chemical and biological contaminants and EMFs, which might pose elevated health risks to occupants, especially to young children.
- 4.2 Community Housing, especially larger projects, should preferably be located within clearly defined village containment boundaries.
- Existing village and hamlet areas such as Vesuvius, Maliview-Fernwood, and other developed areas should be officially designated in the OCP as villages or hamlets suitable for Community Housing if services such as water and sewer are available or planned for, and if mixed-use zoning is provided so that residents have pedestrian access to a corner store.
 - The Trust should review and clearly define the village containment boundaries;
 - New or existing hamlets, as defined in the OCP, are also suitable for Community Housing.
 - Planned trail networks from and within the villages should be completed and expanded to ensure pedestrian access to greenspace and services for community housing residents;
 - Community Housing projects with active food-growing components, which can be maintained over time through covenant or similar mechanism, may be located outside the village containment boundaries.

IV b) Densities

Environmentally sustainable housing is generally tightly clustered, with the balance of the site retained as greenspace. The LUB 355 Table 9.9.2 specifies a maximum density for R11 of 35 dwellings per ha (15 dwellings per acre), if on community sewage system, with a maximum lot coverage of 30%. This works out to be a footprint of about 85 square metres (915 square feet) per dwelling, i.e. 170 square metres (1830 square feet) for a two-storey dwelling. This does not facilitate small, tightly clustered dwellings with maximized greenspace. Other residential zones allow greater lot coverage (33%, except for R2 at 25%) and fewer densities per hectare (1 to 25, except for R1 at 37). A lower allowable lot coverage, at least for larger lots, combined with a higher number of dwellings per hectare, may be more appropriate to meet environmental objectives. In this regard, the areas where three storey buildings are permitted should be reviewed, since three storey residential buildings provide greenspace advantages as well as cost benefits.

RECOMMENDATION

4.0 Environmental Considerations

- 4.3 For Community Housing only, LUB 355 Table 9.9.2 should be reviewed with the intent to increase maximum densities and decrease maximum lot coverage for residential zones within the village containment boundaries. The village areas where three storey buildings are permitted should also be reviewed with the same intent.

IV c) Construction standards

In Canada, energy use is the critical determinant for sustainable housing, although related issues such as water use and waste treatment, indoor air quality, longevity, and use of non-toxic and recycled-content products are also part of the equation. The two recognized standards, R-2000 and EnerGuide for Houses, were both developed by Natural Resources Canada (NRCan)⁴. Both standards involve a computer thermal analysis of the house, a visual inspection and fan depressurization test. A Canadian Energy Star home rating system is being pilot tested in Ontario. It is largely based on the EnerGuide for Houses rating system, although there is also a prescriptive option.

The R-2000 standard includes minimum requirements for each aspect of the dwelling and includes water conservation and other environmental standards. Builders must be R-2000 certified. R-2000 houses achieve energy-efficiency of approximately 40 percent above building code requirements and use at least 30 percent less energy than conventional new houses. Building to the R-2000 Standard adds between four and seven percent to the cost of a new home. The average payback is seven years.

EnerGuide for Houses is applicable to new (EGNH) and existing (EGH) housing and provides a rating system; it does not at present include water conservation or materials issues, although indoor air quality is addressed. It is less rigorous than the R-2000 standard but also less expensive, both in terms of administration (it costs about \$350 to get an unsubsidized EGNH or EGH rating and any homeowner or builder can apply) and capital costs of measures. EGH ratings range from 0 to 100, with 100 requiring no purchased energy. New houses built to code generally rate in the 70's, depending on their design.

RECOMMENDATION

4.0 Environmental Considerations

- 4.4 A minimum energy performance standard, EnerGuide for New Houses (EGNH) rating of 78, with 80 or over preferred, is suggested for new Community Housing.

IV d) Infrastructure and site servicing options

Infrastructure and site servicing includes water supply, wastewater treatment, storm water handling, power supply, roads, bicycle paths and walkways, parking areas, and other shared services such as geothermal heating systems. The LEED green building rating system, although designed for non-residential projects, provides alternatives for all these areas. Costs can often be offset by savings in other areas, for example a geothermal heating loop would be offset by lower heating costs, the inclusion of covered, secure bicycle racks would be offset by a reduction in parking spaces. Specific measures to be considered include:

- Minimize building footprint and maximize native vegetation, or provide community gardens;
- Manage storm water runoff with permeable surfaces and collection and natural treatment systems;
- Zero increase in water demand through on-site and off-site conservation measures and rainwater collection; consider storm water and/or greywater use for non-potable purposes;
- Secure, covered bicycle storage and/or car-share co-op membership in lieu of some parking spaces;
- Passive solar design and natural day lighting;
- Optimize energy performance of project using computer analysis, e.g. EGNH rating of 80; consider shared ground source heat pump;
- High-efficiency LED outdoor safety lighting to minimize night sky pollution and off-site lighting;
- Locate electrical transformers away from residences;
- Recycle construction waste and provide recycling containers for occupants.

⁴ <http://oee.nrcan.gc.ca/r-2000/english/english.html>

RECOMMENDATION

4.0 Environmental Considerations

- 4.5 Community Housing projects should incorporate infrastructure and servicing measures to reduce impact of development on energy, water, and other resources.

IV e) Alternative housing options

Several SSI groups are discussing alternative housing or ‘ecovillage’ projects. There is a desire for low-cost, environmentally-sustainable, rural accommodation for organic farmers, wild crafters, and artisans. The ecovillages by definition would have low negative impact on the environment and would seek to improve resources such as water quality and forest through improved land stewardship. Construction methods, materials and infrastructure proposed for these projects generally do not conform to provincial standards, although they may be well-accepted in other parts of the world. Projects of this description could meet part of the demand for community housing and would fall within the goals of the OCP:

B.1.8.5 To ensure the continued development of land use opportunities for non-traditional residential settlement. Opportunities that are based on the communal stewardship of land, conservation of resources and alternative forms of infrastructure are of special importance.

The challenge is to find a mechanism to facilitate at least one demonstration project. One option might be to designate a lot as a permanent camp site with a community building providing cooking, bathing, sanitary and laundry facilities and built to code. Families could then provide ‘camping’ accommodation for themselves which would presumably not have to meet the BC Building Code Part 9 (residential). Alternatively, an exemption from Part 9 might be feasible under a “pilot project” designation.

RECOMMENDATION

4.0 Environmental Considerations

- 4.6 Alternative Community Housing projects demonstrating environmental sustainability, such as ecovillages, should be encouraged by planning staff and the Local Trust Committee.

V. Quantifying community benefit and developer benefit

The ability to clearly define and quantify community and developer benefit is a critical part of the assessment of applications and the subsequent development of projects. Other communities work closely with, and require full transparency from, developers providing low-income and community housing.

There are several possible development scenarios for affordable housing projects, involving various combinations of for-profit or non-profit developers, who may act simply as project managers, or who also may own the land on which the housing is to be built. When project management and housing construction services are being provided on a stand-alone contractual basis (e.g., to a housing agency or local government entity), they should be provided on a cost basis, and costs can be quantified with reasonable accuracy.

In situations where a for-profit developer is also the owner of land, local government should establish clear guidelines addressing the issue of developer return or profit versus community benefit. These guidelines will assist the Local Trust Committee in making decisions, but should also help developers by clarifying the ground rules for affordable housing proposals. Policies and guidelines should be established that clearly define and quantify the extent to which the community can benefit and developer can profit from affordable housing projects, particularly in situations where for-profit developers are also landowners. For example, a developer should not profit from the increase in land value associated with upzoning for affordable housing.

Salt Spring Community Housing Task Force
PART 3 Background Report

December 7, 2005

The current OCP provides some direction on the issue of community versus developer benefit with respect to amenities such as park land or recreation facilities, but there are no such guidelines for affordable housing. One approach to defining community versus developer benefit would be to establish a formula that is analogous to the amenity zoning policy outlined in the OCP (H.3.3.1).

Table: Impact of density and sale price on net profit

Cost	Market			Affordable	
	A- Market	B- Market	C- Market	D- Affordable	E- Affordable
Units	1	3	10	10	20
Square feet	1,000	3,000	10,000	10,000	20,000
Land (value, pre-rezoning)	150,000	150,000	150,000	150,000	150,000
Hard costs (\$100/sq.ft.)	100,000	300,000	1,000,000	1,000,000	2,000,000
Soft costs (\$25/sq.ft.)	<u>25,000</u>	<u>75,000</u>	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
Total construction cost	125,000	375,000	1,250,000	1,250,000	2,500,000
Total cost	275,000	525,000	1,400,000	1,400,000	2,650,000
Developer profit (20% cost)	<u>55,000</u>	<u>105,000</u>	<u>280,000</u>	<u>280,000</u>	<u>530,000</u>
Total cost	330,000	630,000	1,680,000	1,680,000	3,180,000
Average cost/unit	330,000	210,000	168,000	168,000	159,000
Average sales price	230,000	230,000	230,000	175,000	175,000
Total sales	230,000	690,000	2,300,000	1,750,000	3,500,000
Total cost	<u>-330,000</u>	<u>-630,000</u>	<u>-1,680,000</u>	<u>-1,680,000</u>	<u>-3,180,000</u>
Net profit = land value increase	-100,000	60,000	620,000	70,000	320,000

Market

- A- Building only 1 modest home (\$230,000) is not feasible (\$100,000 loss) if the land cost is \$150,000. The \$100,000 reflects the amount the land is over-priced for the development of a single unit for \$230,000.
- B- Building 3 modest homes (\$230,000) provides the developer a 20% return on cost (total cost, including land) plus a \$60,000 surplus. This surplus reflects the amount of benefit the owner obtains from increased density. In other words, the developer could afford to pay \$60,000 more for the land and still make the return of 20%. As such, the land value is deemed to have increased to \$210,000 by re-zoning (\$150,000 cost + \$60,000). This assumes no sales price caps, i.e. selling at \$230,000.
- C- Building 10 modest homes (\$230,000) provides the developer a 20% return on cost, plus a \$620,000 surplus. Land value is therefore increased to \$770,000 by re-zoning (\$150,000+\$620,000). This demonstrates the dramatic increase in land value as densities are increased (no sales price caps).

Affordable

- D- Building 10 affordable homes (price cap \$175,000), profitability is reduced, and a developer can not afford to pay as much for the land (compared to a market development). As such, the increase in land value is more modest (\$70,000). However, the developer is still able to earn the same profit of 20% (\$280,000). If the "affordable" units are built to the same quality, the purchaser receives most of the benefit by purchasing a home for \$175,000 that would normally cost upwards of \$230,000.
- E- Building 20 affordable homes (price cap \$175,000) provides the developer a 20% return on cost, plus a \$320,000 surplus. Land value is therefore increased to \$470,000 by rezoning (\$150,000+\$320,000). This demonstrates the increase in land value with greater densities, even with sales price caps.

Developer vs. Community benefit

The benefit of the increased density can be quantified by calculating the increase in profit potential of a development. This profit increase can be attributed to a decrease in per unit land costs, and/or an increased developer margin, and is considered to be an increase in the land value (all else being equal). Some additional costs savings can be achieved as fixed costs are spread among more units; this is not considered in this illustration.

This also assumes that the developer profit of 20% is attributed only to the developer (i.e. not considered as part of the benefit to be split with the community).

Using the examples above, the following **increases in land value** can be achieved by rezoning:

	<i>Sale price</i>	<i>total increase in land value</i>	<i>per unit increase in land value</i>
B- 3 modest homes	\$230,000	60,000	20,000
C- 10 modest homes	\$230,000	620,000	62,000
D- 10 affordable homes	\$175,000	70,000	7,000
E- 20 affordable homes	\$175,000	320,000	16,000

RECOMMENDATIONS	
3.0 Larger-scale (four units or more) Community Housing projects	
3.1	The proposed unit mix (size, type, ownership/rental, and sale prices / rental rates) should be recommended to the Trust by the Housing Agency based on demonstrated need, in consultation with the housing provider.
3.2.a)	Upzoning is to be contingent upon a Developer’s Housing Agreement ⁷ which specifies the developer’s commitments to the community, including but not limited to unit mix, selling prices, allowable profit, completion dates, default provisions, and which requires the placement of individual Unit Housing Agreements with covenant on each Community Housing unit at completion.
3.2.b)	Selection of projects by the Housing Agency to be based on a process using a template per Appendix B.
3.3	Each unit to be registered with the Salt Spring Housing Agency.
3.4	Housing applicants to be selected from wait list and/or hold current Qualification Certificate.
3.5	The calculation of return on investment should be clearly defined. All costs should be transparent and readily substantiated. To ensure transparency, the housing provider should pay for all appraisals and quantity surveys (these costs should be included in the “cost base”), but the client should be the Housing Agency or the Islands Trust. The intent is to quantify developer and community benefit in order to ensure maximum community benefit.
3.6	Larger-scale Community Housing projects should be located within the village containment boundaries, or within new or existing hamlets to avoid sprawl (see 4.2).
<i>Minority Opinion:</i> Location of new subdivisions for Community housing should be permitted within easy walking distance of the main roads.	
3.7	Larger-scale Community Housing projects may include a variety of tenure types and housing forms including: Rental; free-hold ownership; strata; co-op; co-housing; serviced housing such as the Meadowbrook and Abbeyfield models; rental units on rental lots or pads; and ownership units on rental lots or pads such as the Brinkworthy and proposed ecovillage models. Innovative tenures that support community housing should be encouraged.

The calculation of developer return should be clearly defined, and all costs should be transparent and readily substantiated. To ensure transparency, the developer should pay for all appraisals and quantity surveys (these costs should be included in the “cost base”), but the client should be the Islands Trust.

Housing construction, particularly during a period of high building activity and escalating costs, is not a risk-free enterprise, and commonly includes a “profit margin” to the contractor / builder. A profit / risk factor of about 20% may be appropriate for “normal” market conditions.⁵ The inclusion of a contingency or risk factor means that the developer / builder should bear total responsibility for cost overruns.

The calculation of community and developer benefit should also include consideration of park land and trails dedication, provision of sidewalks, water, sewer; storm water, building services such as energy and water conservation measures above code requirements, property tax exemptions; and income tax benefits.

VI. Housing Agreements

In general, all Community Housing will be subject to a (tri-partite?) Housing Agreement between the property owner and the planning authority (or Community Housing Agency) (and the Capital Region Housing Corporation or other body committed to long-term sustainable, affordable housing?). The Housing Agreement is permanently registered on title. There should be a Housing Agreement for any situation in which the Trust has “up zoned” the property (i.e., conferred a benefit on the property owner). These situations include:

- Provision of additional densities;
- Conversion of seasonal cottages to year-round status;
- Creation of rental suite(s) within an existing dwelling or outbuilding.

RECOMMENDATION

1.0 General

- 1.2 All Community Housing — ownership and rental — is to be protected by means of a Housing Agreement and / or a covenant registered on title.

Sale price and resale price of ownership units

The initial sale price and subsequent resale price formula must be specified in the Housing Agreement to ensure affordability.

For multiple unit projects (including multiple detached dwellings) the formula should ensure that a range of prices are available. For example, if the maximum allowable price is \$220,000 (3 bedroom Community Housing Three, from Table 1.), then the average unit price for the development might be set at \$175,000 and the number of units in various size and price categories would be stipulated in the agreement, per Table 1.

Resale price formula for determining price escalation should be simple (e.g., based on CPI index, or the rate of increase of wages in the community).

In this report we make a distinction between the General Instrument or Developer Agreement, and the Housing Agreement for each dwelling unit, and released one the project is complete and the Housing Agreements are all registered (?). The General Instrument must be registered on the title of the land as a condition for development approvals. The Housing Agreement must be registered on title for the unit to which it relates before conveyance.

⁵ The expected rate of return will be higher in active building periods and lower during slow times, which suggests that private sector involvement in affordable housing projects may vary with market conditions. This does not necessarily mean that the rate of return to the private sector should be recalculated, but that greater non-profit involvement should be encouraged.

VI a) General Instrument / Developer Agreement

Implementation of an approved General Instrument is a condition of any rezoning application approval or building permit approval for any Community Housing Project. The form of the General Instrument will vary, depending on the size and type of the project, but must include, at minimum, the following:

1. Description of the development, including whether the Units will be rented or owner-occupied, or a combination thereof;
2. The number, size and location, and price range of the Units, to include a table listing each unit by address, size, number of bedrooms, initial price / rental rate, and anticipated date of completion;
3. Provisions / documents for the Housing Agreement to be placed on title for each unit, to include:
 - title restrictions,
 - initial price or rent,
 - resale restrictions,
 - rental restrictions,
 - occupant qualification criteria,
 - monitoring provisions,
 - rights of first refusal,
 - provisions for waiving,
 - penalty clauses.
4. The qualification criteria for potential occupants (see CHTF Recommendation 7.0);
5. A marketing plan;
6. Provisions for monitoring the ongoing affordability of the units, and the process for qualifying prospective resident households for income eligibility; and means for reviewing eligibility on an ongoing basis;
7. Incentives by the Islands Trust, the Community Housing Agency, and other agencies (if any);
8. Provisions for First Right of Refusal to a public agency;
9. Penalties for non-compliance or non-completion;
10. Any additional obligations;
11. Assignment / discharge / termination clauses;
12. The requirement for provision of project cost information, sufficient to quantify and verify the developer vs. community benefit, to the satisfaction of the Housing Agency.

VI b) Housing Agreement

Each Community Housing dwelling unit shall be protected with a Housing Agreement registered on title. This applies to all units, including secondary rental suites in owner-occupied dwellings and other cases not subject to a General Instrument. The terms and conditions of the Housing Agreement will vary, but should include the following:

1. Title– the Housing Agreement shall be registered against the title to the property to which it relates;
2. Term– the Housing Agreement shall be in perpetuity, subject to provisions;
3. Initial purchase price or rental price of unit. (see CHTF Recommendations, Table 1);
4. Resale restrictions (see CHTF Recommendation 6.5);
5. Rental restrictions (see CHTF Recommendation 6.4);
6. Occupant qualification criteria– occupants shall hold valid Qualification Certificates (see CHTF Recommendation 7.0);
7. Monitoring– the owner shall submit an annual statement confirming the occupancy of the unit;

8. First Right of Refusal shall be given to a public agency or non-profit entity willing and able to meet the conditions (not applicable to secondary suites and cottages). In the event of the sale of a unit, if the seller is unable to find an eligible and qualified purchaser, the named entity shall have the right to purchase said unit at the price that could be charged to an income-eligible purchaser.
9. Provisions for temporary waiver under the following circumstances:
 - destruction of unit through fire, flood, or other act of nature;
 - demolition of unit is required (by public agency or by structural engineer's report);
 - long-term lack of qualified occupants (subject to confirmation by Housing Agency);
 - special need of owner (secondary rental suites and cottages only, and subject to approval by Housing Agency).
10. Penalty clauses– the penalty for non-compliance in principle should be at least two times the value of the benefit of non-compliance, plus enforcement costs;
11. Approval and enforcement– the Housing Agreement and its rights and obligations shall be approved and enforced by the Islands Trust and / or the Housing Agency or other designated authority.

VII. Community Housing Agency

The CHTF believes that an overseeing body, a Community Housing Agency or Housing Authority, is needed to manage Community Housing on Salt Spring. It is appropriate for small communities with extraordinary housing pressures to seek to manage their housing. For example, Tofino is in the process of establishing a Housing Authority.

RECOMMENDATION

1.0 General

- 1.12 Priority be given to the establishment of a local, independent non-profit Housing Agency, with ongoing tax support provided by Islands Trust and CRD, plus funding from other sources, to administer the recommendations provided in this document, supplemented by research from Islands Trust, CRD and other agencies.
- 1.13 The Board of the Housing Agency should be comprised of volunteers, at least one of whom should be a Community Housing resident, appointed by CRD and Islands Trust local elected officials. Board terms should be staggered and limited.

VII a) Functions

In the short term, a Community Housing Agency would administer housing policies and would:

- Manage wait lists and qualification certificates;
- Hold, monitor and enforce housing agreements;
- Hold first right of refusal on affordable housing;
- Undertake Needs Assessments and set priorities based on need;
- Work with housing providers to establish suitable mix of units and prices.

In the longer term, a Community Housing Agency would also:

- Act as affordable housing developer / project manager / contractor;
- Own and / or manage affordable housing.

VII b) Organization

In the short term, an existing entity such as Capital Region Housing Corporation or the Community Services Society could perform some of the functions of a Community Housing Agency. In the longer term, a Community Housing Agency could take the form of a CRD Commission (e.g., like the Parks and Recreation Commission), an Islands Trust entity or a non-profit entity.

Any public funding would also require public accountability, for example by electing Community Housing Agency Board members and / or by having elected officials sit on the Board. Note that Trustees might be in a conflict of interest position regarding any projects which required land use decisions by the Local Trust Committee.

VII c) Funding and Staffing

In the short term, the Agency could be managed and operated by a volunteer Board, without staff. Funding sources could include grants from (e.g., CRD, Islands Trust, and housing agencies such as CMHC) or donations.

In the longer term, a Community Housing Agency could receive tax support (e.g., through the recently established CRD Housing Trust Fund or a local tax levy) and fees for rental / owned housing. Once sustainable funding is secured, part time staff for the Agency could be considered.

The CRD can provide an annual tax contribution to a non-profit entity (e.g., like the SSI Library Society or Artspring), but it cannot provide direct tax funding or grants-in-aid to an Islands Trust entity. Also, access to financing through the Municipal Financing Authority (including the possibility of RRSP-eligible “community bonds”) would only be available through the CRD. The CRD, Islands Trust and non-profit organizations can provide charitable tax receipts for donations.

VII d) Enforcement

Mechanisms for cost-effective enforcement of housing agreements would have to be developed.

VIII. Disposition of community / public lands / assets

All residents have an interest in public assets, including community/publicly held or controlled land. Public land is a valuable asset, which can be used to help meet community goals and objectives. The public generally view these assets held or controlled (by Trust Council or other body) to be held in trust for all residents.

Their disposal or transfer (including long-term lease) should therefore be based on strong evidence that it is done in the best interest of the community, and in a manner that ensures fairness to all potential recipients. It should be a requirement that recipients of community land for housing be non-profit providers whenever possible. Only in cases when a non-profit sponsor is not available or lacks the development capacity, should private sector involvement in the development be considered.

Building local capacity in all aspects of housing development and operation is highly desirable, and strong preference should be given to those proponents that specifically include this as a feasible objective in their project plan.

The intent of the policy should consider both governance/accountability issues, as well as the best interest of the community.

The policy should be designed to ensure that:

- the prime benefit from any disposal of public land accrues to the public
- there is an open and transparent public process
- there is fair and equal opportunity for all members of the public to participate
- the decision should be based on an objective evaluation of options available

- the selection process should be based on evaluation criteria designed to achieve the greatest adherence to community priorities and goals.

For public land identified for housing, the key areas of community housing policy should be considered in any disposition decision made. Consideration of the following Community Housing policy areas are critical to ensure that the decisions address the community's greatest housing needs, as well as reflect community values:

- Land must be protected by a Housing Agreement that ensures affordability in perpetuity
- Land use should be directed towards projects meeting a demonstrated need
- Priority should be given to non-profit housing providers and those meeting the needs of lower income residents
- Environmentally sensitive areas should not be developed
- Efforts should be made to concentrate higher density housing within village boundaries
- Housing should be constructed to meet high energy standards
- Projects should be targeted to residents meeting defined Community Housing qualification criteria
- Consideration should be given to the long-term lease of land as an alternative to sale or transfer.

VIII a) Proposal selection process

For housing developments involving community (public) land or public funds (grants, subsidy), most jurisdictions use a Request for Proposal (RFP) process to solicit and evaluate proposals. This process generally begins with a Request for Expressions of Interest (REOI), which is designed to capture general interest from proponents and develop a "short list" of potential proposals.

The process is designed to be open and transparent, and widely advertised to ensure as much public participation as possible. In order to encourage the practice of forming partnerships and collaborations between interested parties, the list of participants should be made available to the public.

This process should begin after the priorities and goals for the community have been articulated in an adopted Community Housing policy.

VIII b) Request for Expressions of Interest (REOI)

A REOI is an opportunity primarily for housing providers – societies, developers, institutions, program delivery agents – to present their general concept for consideration. It may also be used as an opportunity for members of the community to present their ideas on the best use of the property, or to express their housing needs and/or preferences. There should be a stated deadline for submissions.

The results can also provide Trust Staff/Trustees (or Housing Agency, steering committee, etc.) to consider combinations of uses and/or the potential for partnerships between complementary proposals.

REOI packages provided to interested participants include:

Specific guidelines/governing principles to encourage proposals to address certain site specific and basic requirements, public or social policies, etc. Some examples:

- environmental sustainability
- timely development
- employment for local residents
- mixed income housing
- rental or ownership tenure (or both)
- community or resident collaboration

Information requested from REOI participants:

Developers (private or non-profit) are to provide the same basic information, generally consisting of such things as:

- general and basic description of housing proposal
- target market
- description of how proposal will meet community need and priorities
- firm/society background
- housing development experience and examples of other developments successfully undertaken

- Financial and technical capacity of proponent to complete proposed project
- development philosophy (tied to established governing principles)
- proposed partnerships with other entities (including government)
- utilization or development of local development/management capacity

The REOI process can involve participation in either a voluntary or mandatory information session that can help proponents understand the process, make their submissions more focused, and help streamline evaluation.

Evaluation criteria for the EOIs may include meeting with proponents and/or requesting additional information, and should not be as rigorous as criteria for the RFP. The EOI is a preliminary step to develop a short-list of parties invited to participate in the RFP, and often acts as a self-selecting mechanism for parties to help them decide if the RFP is suitable for their organization (the RFP process can involve significant effort, and parties completely unsuited for the development should not be encouraged to expend resources).

VIII c) Request for Proposals (RFP)

The RFP process is open to those who participated or were short-listed from the REOI process. More detailed information than required in the EOI is obtained. There should be a stated deadline for submissions.

The development of the RFP requirements can include participation of parties not directly involved in the process, such as the CHTF, the Community Centre, or the Capital Region Housing Corporation. The public is often offered the opportunity to review and comment on proposals received, allowing public input to be considered in the selection process.

Most housing development RFPs include the following information and requirements:

RFP packages provided to interested participants include:

- Project introduction and statement of purpose
- Target market (income, tenure)
- Property description – site, location, size, zoning, constraints, etc.
- Project intent/goals (public/community housing policy, target prices)

Submissions from RFP participants include the following information:

Proponent and development team

- Proponent – name(s), contact information, resumes of key personnel, development team members
- Proponent experience – housing development and management, scope and success of other projects
- Proponent capacity – financial capacity to finance and complete the project

Proposed development

- Narrative description
- Conceptual site plan and design theme
- Adherence to guiding principles (see description REOI above)
- Environmental and energy efficiency features
- Infrastructure and site servicing plans
- Construction budget (templates sometimes provided)
- Construction schedule
- Sales or rental feasibility
- Affordability to target market
- Involvement of public or private partners (government, service groups, etc.)
- Partnerships and in-kind participation of other parties

Evaluation and selection criteria are quantitative and weighted, and would typically include such things as:

- Experience of proponent (the primary indicator of likelihood of success)
- Financial capacity of proponent
- Features that build local capacity
- Degree to which proposal meets affordability policy goals
- Degree to which proposal meets guiding principles
- Feasibility (financial viability, market analysis)
- Completeness of proposal
- Public acceptance

APPENDIX A

Housing Needs Assessment Recommended Outline

1. Analysis of Demographics

Demographic profile - housing demand is largely driven by changes in the number and composition of households. The analysis should consider the current situation as well as a forecast for a period of (say) 5 years, and includes such things as:

- Current and past census data to identify population growth rates
- Comparison to CRD and provincial averages
- Include such things as age distribution, individual and household incomes, number and size of households, special needs populations (elderly, disabled, homeless), single parents, poverty population, etc.
- Analysis of survey data and/or waitlist data, with rationalization/reconciliation of any significant differences
- Inclusion of anecdotal evidence and other local knowledge
- Population forecast data to identify future expected populations (include features identified above, and compare to CRD and provincial average.
- Others?

Economic profile - economic opportunity can be compared to population growth and provide some context for existing and forecasted housing conditions.

- Sources of income – employment, retirement, income supports, self-employment
- Employment – sources/sectors, trends, forecasts, wages, seasonal fluctuations, employer and employee concerns and perceptions (impacts of housing related issues), commuting patterns
- Others?

Affordability - estimate the housing costs that would be affordable, given population and incomes

- Price ranges (homeowner) and rents deemed affordable, based on population income and household size.
- Application of CHTF definition of “acceptable” housing, including affordability, suitability, and adequacy.
- Other?

2. Analysis of Housing Stock

Housing inventory – census data, property tax records, building department records, as well as local knowledge can be used to develop an estimate of the existing housing supply. This can include such information as:

- Number of units, type, size, age, condition, vacancy rates – Rental and Homeowner
- Supported, assisted, special needs, subsidized, and institutional housing
- Seasonal residences
- Housing under construction and planned (development and building permits)
- Homeowner and rental housing costs
- Anecdotal evidence and other local knowledge
- Other?

APPENDIX A

3. Identification of Gaps in Supply of Affordable Housing

Gaps in supply – Compare the current supply (inventory) of housing to the amount estimated to be required (based on demographic profile) for both the current situation and the forecasted period

- Inventory– number of units, types, tenures, price ranges
- Current and forecasted shortfall (gaps) and/or excesses in various categories

Affordability - include a comparison of the cost of the existing (and planned) housing inventory to the costs deemed affordable to the current population

4. Prioritise Population Groups in “Core Housing Need”

Priority categories - quantify housing needs for those identified as in core need, categorized as follows:

- Low-income families and individuals
- Moderate income families and individuals
- Essential service workers
- Employees forced to leave the community
- Single parents
- Elderly
- Youth
- Homeless and at-risk of homelessness
- Special needs and transition housing
- Urgent housing need
- Length of time on housing waitlist

Appropriate housing - estimate the amounts of appropriate housing type for the priority groups, including such features as:

- Type, tenure, size and price ranges
- Locations?
- Others?

Qualification Criteria – given the limited and finite supply of land available for Community Housing, the requirements to qualify for this housing should first and foremost reflect the priorities established. In addition to the priority “Core Need” categories established above, some minimum qualifying criteria should be put in place, such as:

- Income limits based on family size
- Canadian citizenship or landed immigrant status
- Minimum SSI residency requirements and/or SSI employment/livelihood
- Asset limits (including restrictions on ownership of other properties) and inclusion of a return on assets in income qualification calculations
- Ability to qualify for adequate mortgage (homeownership)
- Legal age

Information required from Applicants to apply the qualification criteria and establish priority should be obtained through the use of a waitlist.

APPENDIX A

Waitlists - The CHTF believes that a very effective way to track need and identify categories of need is to establish a Wait list. Consolidated data from this list (minus identification) would then be available to relevant bodies. The wait list will include ownership and rental options. It is assumed that the Salt Spring Community Housing Agency (or Capital Regional Housing Corporation on an interim basis) will administer the Waitlist and ensure that Applicants' personal information is kept confidential.

The waitlist is also a tool to screen applicants for eligibility, as well as to rank priority based on greatest need or other priorities established. Those applying for Community Housing (controlled by a housing agreement) must either be on the list or meet the qualifications (i.e. possess a certificate from the Community Housing Agency stating that they qualify). SSI Community Housing Agency projects would select applicants based on standing on the list and suitability of accommodation.

Other uses for the waitlist include the provision of housing needs data to local government and housing groups regarding, provide those in need of housing with a mechanism to find suitable housing, and to provide housing suppliers with a list of qualified applicants.

Models of Waitlists

Various techniques for ranking specific Applicants on a waitlist are employed in different jurisdictions; one of the more common techniques employed (including BC Housing) is that of a weighted point system. In this model, each priority category and qualification criteria (see page 4.) is assigned a weight, based on importance, urgency, and community need and values. Flexibility is built into the ranking system to allow special consideration for emergency situations and/or extended wait periods by individual applicants.

5. Policies that give Priority to those in “Core Housing Need”

Policies areas to consider that give priority and encourage the development of housing targeted to those in most need:

- Fast-track approvals
- Higher densities
- Reduction and/or waiver of fees, taxes, etc.
- Support in access to government funding
- Others?