

# Affordable Housing Implementation Framework for the Village of Cumberland

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# Table of Contents

<b>1. Executive Summary .....</b>	<b>2</b>
<b>2. Introduction and Background .....</b>	<b>3</b>
2.1. Purpose of This Report .....	3
2.2. How the Framework was Developed.....	4
2.3. F.I.R.E. Actions – A tool to Maximize Municipal Impact .....	5
2.1. Affordable Housing Spectrum .....	7
2.2. Local Policy Context and Challenges to Meet Housing Needs and Demand .....	8
<b>3. Contextualizing Housing Policy in Cumberland: Strengths, Weaknesses, Opportunities and Threats (SWOT) .....</b>	<b>11</b>
3.1. Strengths.....	11
3.2. Weaknesses .....	11
3.3. Opportunities .....	12
3.4. Threats.....	12
<b>4. Housing Policy Implementation Framework .....</b>	<b>13</b>
4.1. Discussion of Primary Areas for Action to Create Housing Affordability .....	13
4.2. Discussion of Secondary Areas for Action to Create Housing Affordability.....	15
4.3. Strategic Actions for the Village of Cumberland.....	16
<b>Appendix 1: Comprehensive Overview of Municipal Measures to Regulate and Incentivize Affordable Housing in Cumberland (FIRE) .....</b>	<b>19</b>
<b>Appendix 2: Public Consultation Feedback .....</b>	<b>21</b>
Response Review Summary.....	22
Responses from Open House .....	23
Online Survey Responses.....	24
<b>Appendix 3: Development Process .....</b>	<b>28</b>

## 1. Executive Summary

In the summer of 2016, the Village of Cumberland's Homelessness and Affordable Housing Select Committee (the Committee) reviewed evidence-based information contained in the companion document *Summary of Housing Needs and Issues in the Village of Cumberland*. Arising from the presented information, a set of recommended actions were developed and presented to the public in an Open House and online format in September 2016 (see Appendix 2). Feedback received on these occasions impacted the Committee's understanding of key opportunities and problem areas as outlined in section 3.

**Arising from the discussion of local policies and challenges this framework provides for a 'hands-on' approach.** The priority actions, outlined in section 4, are to **(1) build the capacity to be an active stakeholder in developing affordable housing** and to **(2) develop policies that encourage the development and protection of affordable non-market and market rental housing in particular.**

Secondary objectives that are also of importance are to (3) support vulnerable populations through supportive and transitional housing and to explore and (4) pursue opportunities for affordable ownership housing as they arise.

To work towards these objectives, the Committee presents the following framework for the development and retention of affordable housing in the Village of Cumberland.

Specific proposed actions, as further outlined in section 4.3 of the report are to

1. Establish longer-term Housing Committee or Coordinator
2. Agree on incentives/resources the Village is willing to contribute to an affordable housing development
3. Develop and enact affordability guidelines for housing agreements with developers that protect designated units in perpetuity
4. "Affordable Housing in Cumberland" brochure on how the Village supports market and non-market developers in the development process
5. Facilitate partnerships, specifically with development and non-profit partners to identify project opportunities for any type of housing
6. Assess feasibility and willingness of local non-profits and developer partners to build new (affordable rental) housing in Cumberland
7. Support applications to senior government for funds (e.g. CMHC, BC Housing)
8. Develop regulations to protect existing rental market housing stock
9. Develop Land Bank and/or Affordable Housing Reserve through affordable housing contributions

## 2. Introduction and Background

### 2.1. Purpose of This Report

In January 2015 the Village of Cumberland struck the Homelessness and Affordable Housing Committee with a three-year work plan that includes (1) collecting information on priority housing needs issues and (2) developing a framework for implementing the high-level affordable housing policies outlined in the OCP, including consideration of the regional context and other stakeholders (e.g. non-profits in the region).

This document represents the second action item: a framework for implementing housing policies.

To develop targeted housing tools and measures, this five-year Implementation Framework was **developed by** the Village of Cumberland's Homelessness and Affordable Housing Select Committee in close collaboration with M. Thomson Consulting. The Implementation Framework's **purpose** is to be a road map that considers high-level Official Community Plan goals and local issues and opportunities and translates these into a limited set of concrete and feasible implementation measures.

The development of the Framework had several key objectives:

- 1) Develop a summary of key housing needs and priority housing issues in an accessible format that will allow the Village to focus on specific areas of the affordable housing spectrum (see companion document, *Summary of Housing Needs and Issues in the Village of Cumberland*);
- 2) Identify particular opportunities and challenges in developing affordable housing in Cumberland;
- 3) Outline strategies to effectively capitalize on arising opportunities (capital development, partnerships, others); and
- 4) Identify specific policies, tools and measures that allow the municipality to support and facilitate new affordable housing development.

While it is understood that the Village is only a facilitator in maximizing impacts in affordable housing, given local constraints, this Framework places the Village in a leadership role in forging partnerships with non-profits, senior government and development sector that could result in new affordable housing. This Framework gives strong consideration to the local context, the role of the market and the position of senior government in meeting the demand for affordable housing options.

## 2.2. How the Framework was Developed

The Village of Cumberland hired M. Thomson Consulting in May, 2016 to develop an Affordable Housing Implementation Framework. The following steps informed the development of the Framework:

1. **Summary of Housing Needs and Issues.** The consultant developed a report outlining the context of planning for housing in the Village, which included a review of key documents (e.g. OCP and background reports) and indicators of Village demographics, income and housing affordability. This document is available as a separate report titled *Summary of Housing Needs and Issues in the Village of Cumberland (2016)* and can be obtained via the Village Office.
2. **Workshop with Homelessness and Affordable Housing Committee.** In July, 2016, the consultants held a half-day workshop with members of the Committee to (a) Outline key findings from the *Summary of Needs and Issues* (b) Prioritize strategic directions with regards to housing in the Village and (c) Identify opportunities and challenges with regards to developing housing in the Village.
3. **Open House on Affordable Housing Implementation Framework.** In September 2016 30 residents of Cumberland and the Comox Valley attended an Open House. The Open House presented (a) The findings of the *Summary of Needs and Issues* (b) Strengths, weaknesses, opportunities and threats (SWOT) identified in the July workshop by the Committee (c) Priority areas for housing in Cumberland and (d) Strategic actions, representing concrete steps toward developing affordable housing. Open House participants were invited to share comments in several forms, including informing the SWOT analysis and providing commentary either through available forms or online. These comments were then integrated into the Framework. Appendix 4 contains responses received online and via the Open House and the posters are presented in Appendix 6.

### 2.3. F.I.R.E. Actions – A tool to Maximize Municipal Impact

Based on the legislative context in BC, there are four types of actions that municipalities can undertake to encourage and steer housing development. The implementation framework considers actions in all of the following four FIRE action areas:

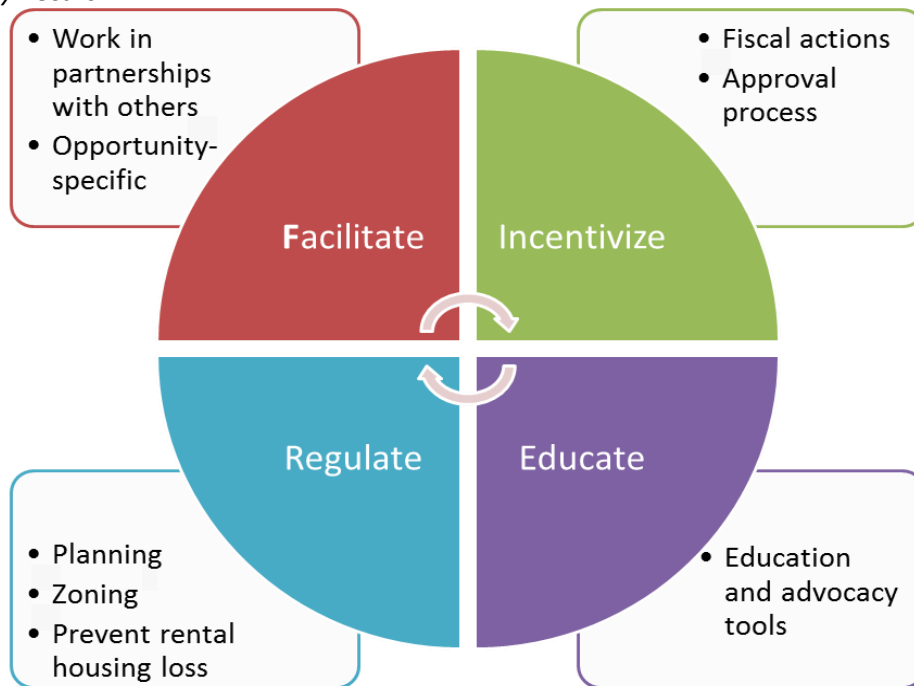
**Facilitate:** Acting as a local champion of housing issues through Committee work, task forces, etc. Typically long-term facilitation efforts include facilitating partnerships between the non-profit and private sectors using public resources to develop priority types of housing.

**Incentivize:** Create motivation for the private and non-profit sectors to develop affordable housing, typically through fiscal incentives or reduction of approval process timelines.

**Regulate:** The introduction of restrictive guidelines (e.g. zoning guidelines) or policies (e.g. rental housing loss guidelines) that restrict the types of housing built while also aiming to maintain specific kinds of housing stock (e.g. movable dwellings and rental stock).<sup>1</sup>

**Educate:** Work with a range of stakeholders to ensure that they are aware of what type of housing is needed, and often includes collecting and tracking key statistics (e.g. rental availability)

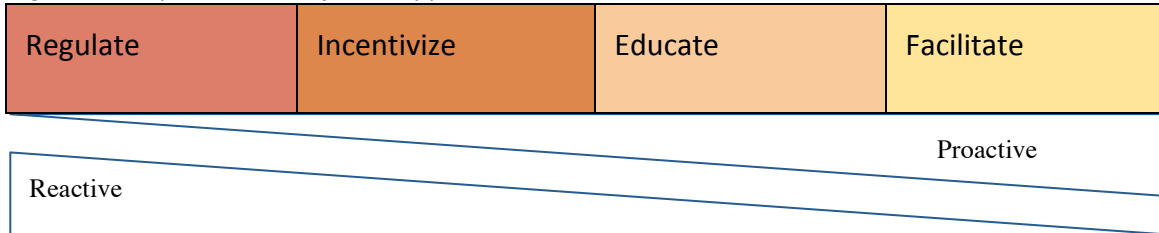
Figure 1: The F.I.R.E. Actions – developed by PD Krause and M. Thomson, based on work by Randy Pecarski



<sup>1</sup> These dwelling types are also subject to the BC Building Code, which is outside municipal jurisdiction.

FIRE actions can range from reactive (e.g. regulating responses to growth and development) to proactive (actively facilitating partnerships for new types of housing). While proactive actions will demand more involvement and resources than reactive approaches, they will also provide more control and certainty in most cases.

Figure 2: Responsiveness of FIRE Approaches



In light of the local development context, to encourage the desired types of housing a stronger role as facilitator is necessary for the Village.

## 2.1. Affordable Housing Spectrum

The affordable housing spectrum, shown in Table 1 below, shows a range of housing types that meet different needs. It is a guiding framework to understand where municipalities can focus their efforts. The three major housing categories are market housing (rental and ownership), non-market housing (including affordable, or below market, rental and ownership) and emergency and supportive housing. Moving from right to left on the spectrum, three different categories require progressively more government intervention. Emergency and supportive housing typically requires significant financial incentives and ongoing operating supports, non-market housing may include government support (e.g. rental subsidies), while market housing will have no (direct) government intervention with regards to affordability (not considering federal tax incentives).

**Local governments, through facilitation of partnerships, incentivization, regulation and education (F.I.R.E), can impact all three forms of housing. The degree of intervention that is necessary increases as we move towards Emergency and Supportive Housing.**

*Table 1: Affordable Housing Spectrum*

Emergency shelters	Transitional Housing	Special Needs/ Supportive Housing	Affordable Rental Housing	Affordable Home Ownership	Market Rental	Home Ownership
Emergency and Supportive Housing			Non-Market Housing		Market Housing	



## 2.2. Local Policy Context and Challenges to Meet Housing Needs and Demand

This section provides an overview of current local and regional initiatives and policies that aim to meet housing needs and demand, as well as key challenges, being:

1. Regional priorities focus on Emergency and Supportive Housing
2. Existing Smart Growth policies support densification in Cumberland
3. Existing development capacity is sufficient to meet unit demand
4. Regulatory context limits ability to leverage market to support affordable housing

The 2014 Official Community Plan, the 2010 CVRD Regional Growth Strategy, as well as a 2011 study by Butler Associates Consulting on Comox Valley Housing Needs, Gaps, Barriers and Opportunities contextualize the state of affordable housing in the Comox Valley and Cumberland in particular. Information gathered through the public consultation is further considered.

### 1. Regional priorities focus on Emergency and Supportive Housing

The Village of Cumberland is the smallest municipality within the Comox Valley Regional District, which is further comprised of the Town of Comox, the City of Courtenay and three electoral areas. In 2011 the CVRD's Standing Committee on Housing and Homelessness defined **ongoing regional priorities** regarding the populations in greatest need for having their housing concerns addressed. These are, in order of priority:

1. Mentally ill and addicted
2. Women fleeing abusive relationships
3. Families
4. Youth (over 15 years)
5. Seniors living alone

These priorities build on a 2011 research report by Butler and Baznik (2011). Since then, a number of not-for-profit and community service organizations have regionally organized through the Comox Valley Coalition to End Homelessness, allowing stakeholders to speak with one voice.<sup>2</sup> In line with these objectives, in December 2015 the Regional District established a Homelessness Supports Service, resulting in the allocation of funding as recommended by the Coalition to End Homelessness' Five Year Plan to the Comox Valley Transition Society and Comox Valley Recovery Centre.

Regional priorities clearly focus on Emergency and Supportive Housing. Currently no support mechanisms for other areas of the housing spectrum were established regionally. **While a concerted, region-wide initiative through the work of the Coalition**

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<sup>2</sup> Coalition 2015: 1

is supported by the Village through active participation of stakeholders from the Village, some of its local priority needs may differ from regional objectives.<sup>3</sup>

## 2. Existing Smart Growth policies support densification in Cumberland

The 2010 CVRD **Regional Growth Strategy** stipulates that new development should occur in “Core Settlement Areas”, supporting gradual intensification of residential land uses. Concurrently, an increase of multi-family residential and attached housing units are a core objective regionally. Transit-oriented development is a key component for employment and housing.

In line with regional objectives, the Village’s 2014 Official Community Plan (OCP) features some very progressive policies that aim to ensure that the quality of life and place is not compromised while achieving managed growth. The OCP states that “the Village strives to provide a mix of housing options, ensuring that people of all ages and incomes have an opportunity for housing that is well built, safe, and located in liveable neighbourhoods. Among others the Village aims to double the existing population in close proximity to the Downtown core through residential infill development.<sup>4</sup> Council recently passed a new zoning bylaw, which allows coach houses in a number of areas of the Village in addition to secondary suites.

The Village focuses strongly on enabling market housing development through regulation. Measures used by the Village are:

- Increased density in areas appropriate for affordable housing
- Infill housing
- Secondary suites and/or coach houses in most single family zones
- Official Community plan commits to providing a range of housing choices
- Mixed Use Zoning

The Village’s responses to housing issues thus far have been focused largely on regulation and incentives around certain forms of housing, particularly density in the Village core. While Smart Growth measures are important to create sustainable and liveable communities, they are not directly linked to housing affordability. **The development of the Village’s Homelessness and Affordable Housing Select Committee, however, represents a more proactive, educational approach to housing issues. This type of approach is necessary in the development context of Cumberland (see below).**

## 3. Existing development capacity is sufficient to meet unit demand

According to the OCP (2014) out of a total of 1375 existing units, 89% are Single Family Residential units, 10% are Townhouses or Manufactured Homes and 1% are Multi Family Units/apartments.

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<sup>3</sup> See companion document, *Summary of Housing Needs and Issues in the Village of Cumberland (2016)*.

<sup>4</sup> Village of Cumberland 2014: 21f., 29

Until 2030 the Village projects a demand for between 302 (1% growth) and 2,116 new units (5% growth). The two largest areas slated for residential property development, Coal Valley Estates and the proposed Trilogy Development on the Interchange Lands, are estimated to have the development capacity to accommodate the vast majority of this new growth through single family and multi-family units. Their total combined capacity is 2,889 units.<sup>5</sup> Zoning is in place to accommodate this growth.

**No additional amenity contributions can be required in these development areas under current zoning. Should a rezoning occur, the Village could consider requesting affordable housing contributions (land, units or cash-in-lieu) from any developers at this time.**

#### **4. Regulatory context limits ability to leverage market contributions to support affordable housing**

Based on the above, with regards to regulation and the Village's ability to create a land bank that requires affordable housing contributions through market developments, the build-out plan in place has been set without consideration for dedicate affordable housing resources (e.g. a land bank or affordable housing reserve fund). Without making more land available for development, no resources can be leveraged from the market in these large developments. While the OCP focuses on density around the Village core, this approach —though a strong direction from a land-use perspective — will not solve affordability issues without direct intervention from the Village, as demand for housing will likely continue to outweigh supply. Although a land bank or housing reserve has been suggested as a solution, not only by the consultants but also at the Open House, this approach has little real potential in the short-term, without new development on the horizon.

In some municipal contexts, where municipalities are seeing proposed development rezonings that can result in affordable housing contributions, prioritizing a regulatory and incentivization-based approach is successful. **However, given the development limitations in Cumberland, this Framework recommends a more 'hands-on' approach from the Village.** The Priority Areas and Strategic Actions in this section therefore emphasize the Facilitate and Educate components of the F.I.R.E. Actions, with the Village acting in a strong leadership and coordination role. The Strategic Actions recommend the Village focus on brokering partnerships between the municipality, development sector and non-profit housing sector in order to identify key (re)development opportunities. During the Open House, many of these suggested opportunities were in and around the village core. By prioritizing these types of developments in pursuing partnerships and development sites, the Village can follow through on the commitments to SmartGrowth principles outlined in the OCP, while leveraging affordable housing developments.

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<sup>5</sup> Village of Cumberland 2014:38ff.

### 3. Contextualizing Housing Policy in Cumberland: Strengths, Weaknesses, Opportunities and Threats (SWOT)

A SWOT-analysis was prepared to help the Village of Cumberland contextualize decision-making with regards to housing affordability. Strengths and Weaknesses provide a point-in-time assessment of the existing local context and Opportunities and Threats are dynamic factors that may foster or hinder change if not properly accounted for or utilized.

The SWOT analysis shows some clear limitations and challenges in developing affordable housing in Cumberland.

3.1. Strengths	3.2. Weaknesses
<ul style="list-style-type: none"> <li>• Housing will likely be a long-term priority for the Village</li> <li>• The Homelessness and Affordable Housing Select Committee has been established and has an opportunity through its mandate to play a facilitation role</li> <li>• The community has a great village spirit and is supportive of progressive projects (e.g. Community Forest); tapping into community momentum for housing could be a significant asset due to its progressing thinking and willingness to partner (both community and council)</li> <li>• Cumberland is a desirable community; people want to live here</li> <li>• Small size of municipality allows flexibility and creativity and to move faster on development applications and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of infrastructure is impacting understanding of affordability in the village; infrastructure needs impact ability to waive DCCs, increase property taxes, etc.</li> <li>• Limited capacity to gift financial resource contributions towards affordable housing developments</li> <li>• Limited financial capacity to engage a coordinator for the committee. Competing resource requirements with new Economic Development function.</li> <li>• Limited amount of municipally owned land. Existing land typically has restrictions (i.e. Ecogift, covenants, etc.)</li> <li>• Lack of developable land that doesn't already have some sort of development guidelines on it. Most land is already rezoned/OCP changes completed. This land is also centrally controlled by a few landholders</li> <li>• Inability to incentivize developments through DCC reductions due to infrastructure needs</li> <li>• Low-pressure development context</li> <li>• Lack of available lands overall</li> <li>• Lack of low-cost, central housing for seniors (walkable)</li> <li>• Lack of financial resources to incentivize housing</li> <li>• Those in need don't have a loud voice</li> <li>• Building Act restrictions</li> </ul>

3.3. Opportunities	3.4. Threats
<ul style="list-style-type: none"> <li>• Council could change terms for the Committee to make it a standing committee and provide mandate as facilitator of new development projects</li> <li>• Examine feasibility of small/tiny home as cluster villages and whether there is need for further manufactured home parks</li> <li>• Review existing zoning to ensure co-op and other forms of desired housing options are possible in existing zones; consider revising zoning</li> <li>• Ensure inclusionary zoning or density bonusing measures are clearly outlined prior to future rezoning processes</li> <li>• Interest to provide policy framework for incentives for non-profit partners, including <ul style="list-style-type: none"> <li>- land contributions/leases of Village-owned property where scattered site or larger developments could happen</li> <li>- development of funding mechanisms to enable incentivization (e.g. affordable housing reserve), land bank</li> <li>- limited duration property tax exemptions</li> </ul> </li> <li>• Facilitate relationship building with developers and non-profits, including connecting to private property owners, (e.g. King George on Dunsmuir Avenue, land on Union Road, other housing/retail opportunities on Dunsmuir Avenue)</li> <li>• New provincial funding available</li> </ul>	<ul style="list-style-type: none"> <li>• Interchange and Coal Valley lands constitute a challenge as the properties are zoned for multi-family housing that is not being developed; Releasing additional development areas is not foreseen in the OCP.</li> <li>• In Coal Valley, a current 96 unit multi-family property is undeveloped.</li> <li>• Two landowners control a majority of developable land in Cumberland and no affordability mechanisms are in place to steer the tenure or rents in the area</li> <li>• Flipping as real estate rationale</li> <li>• Cultural shift to viewing housing as asset/investment, rather than a lifetime home; some investors may flip properties in light of the overall rise in real estate land values</li> <li>• Potential for market re-alignment (i.e. increase in interest rates or adjustment of inflated prices regionally)</li> <li>• A significant number of AirBnB short-term rental properties <sup>6</sup></li> </ul>

<sup>6</sup> See footnote 6 in the next section.

## 4. Housing Policy Implementation Framework

Based on the discussion of local policies and challenges above, this Framework provides for a ‘hands-on’ approach. **Clear priorities identified for Cumberland are to build capacity to (1) be an active stakeholder in developing affordable housing through new policies and to (2) develop and protect affordable and market rental housing as an active partner in the development process;** and (3) innovate new forms of housing by exploring opportunities for piloting supportive and transitional housing and (4) affordable ownership housing, as they arise.

### 4.1. Discussion of Primary Areas for Action to Create Housing Affordability

#### 1. Capacity Building for Affordable Housing

Two very different capacity development measures are required to create affordable housing that meets needs in Cumberland. On the one hand, the Village has to maintain and develop the administrative capacity to implement the suggested measures to create in the short-to medium term. This could mean extending the term of the Committee, hiring a Coordinator to facilitate housing partnerships, or designating additional staff time to pursue this work. An important challenge to note, as discussed in the previous section, is the Village’s relatively scarce resources for funding new staff to focus specifically on housing, particularly in light of the Village’s need to fill an economic development role. Any movement on affordable housing will require an ongoing ‘champion’ of the file.

On the other hand, the Village has to develop the long-term capacity to be able to support affordable housing developments through additional resources, such as financial incentives. It is vital that, as Cumberland grows, new developments contribute resources that can be leveraged for affordable housing, which the Village can then use to develop new projects. While there are limitations around existing proposed developments (as rezoning is complete) any new rezoning is an opportunity to require an amenity contribution for affordable housing.

Only by developing both short- and long-term capacities will the proposed efforts succeed.

#### 2. Develop and Protect Affordable and Market Rental

With 57% of renter households (145 households) paying 30% or more of their income toward shelter costs, and no change in the number of renting households between 2001 and 2011 (despite new accessory suite bylaws), developing new rental opportunities, both below market and at market rates, represents a key area for the Village to focus on in addressing housing affordability and availability issues. Families with children, both couples and lone-parents, who earn 80% of median income or less face affordability

gaps when renting an appropriate house. For median earning lone-parent families, this gap is \$455 per month for a two-bedroom unit, while for median earning individuals, the gap is \$235. Although even couples with children earning less than median income (80% of median) appear able to afford a three-bedroom unit, **the lack of available stock is a central concern** (only 6 three-bedroom units were listed in a four-month rental survey conducted by the consultants).

In addition to current low vacancy rates and high rents, market changes can threaten existing rental units. For example, the introduction of web-based short-term vacation rental sites (e.g. AirBnB) and the conversion of purpose-built rentals to strata can impact existing rental units<sup>7</sup>.

Thus far the Village has aimed to strengthen the secondary rental supply through accessory dwelling units (secondary suites and coach houses). While important and likely effective in adding units over the long-term, such infill programs do not typically have strong short and medium term impacts on affordability and supply.

While in 2001 a quarter of households in Cumberland were renters, in 2011 only one-fifth of all households rented their homes (Census, 2011). As the Village grew during this time period, rental housing has not keeping pace with household growth, despite being a key component in attracting and retaining demographically diverse residents. **The main priority for the Village should therefore be to develop and protect affordable and market rental units in Cumberland.**

Building on the need for more affordable housing, at the Open House it was said that other forms of housing form that may add to supply are desired by locals and may be prevented by the Village's regulatory framework and the BC Building Code regulations. These include tiny homes and cluster housing. While these may not create protected, purpose-built affordable rental housing units, which is the key need in Cumberland, they constitute new forms of smart growth development, which community members like to see. The Village should make every reasonable effort to support these as another avenue to smart growth, contingent on community groups bringing ideas forward. Tiny homes in particular, due to their mobility<sup>8</sup> and low construction cost, can constitute a considerably more affordable housing form that may alleviate pressures on the rental market.

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<sup>7</sup> The consultants monitored the prevalence of vacation rentals in Cumberland via AirBnB. for June/July 2016 on a daily basis. At any given time, no more than 4-5 properties were listed. As of Oct. 9, an average of 9 listings was available for short-term rental in Cumberland. This constitutes a significant increase that is not reflected in this analysis. These suites are not considered legal, as they have no business licenses in place.

<sup>8</sup> Mobility of tiny homes means that it is considered a recreational vehicle and must be CSA certified.

## **4.2. Discussion of Secondary Areas for Action to Create Housing Affordability**

### **1. Support Vulnerable Populations through Supportive and Transitional Housing**

As the largest municipality in the Comox Valley, the bulk of supportive housing and lower barrier services are located in the City of Courtenay. The City of Courtenay has a population of more than 24,000 compared with Cumberland's less than 3,400. With this in mind, any initiatives aimed at vulnerable populations will need to reflect the smaller scale of the community, as well as the relative scarcity of services in comparison to Courtenay. Because of the concentration of services in Courtenay, units that require significant supports (e.g. 24-hour staffing) are unlikely to be funded in Cumberland. These units will therefore need to serve individuals transitioning out of a 24-hour supported environment into a somewhat or wholly independent living situation. A small number of supportive or semi-independent units would need to be integrated into larger-scale developments to create project feasibility (e.g. Priority Area #2).

### **2. Seize Opportunities for Affordable Ownership Housing**

While affordable ownership has been successfully implemented in Western Canada, it is typically driven by a strong development market (e.g. Whistler) or by the resource support of a larger municipality (e.g. Attainable Homes Calgary). Affordable ownership schemes in BC have had mixed success and have not been widely established as a model of affordable housing in BC.

Any new affordable ownership program would need to include a strong non-profit partner capable of playing the role of equity partner with tenant-owners, to hold the land in trust over the long term, and/or to manage housing agreements that ensure long-term housing affordability. These housing agreements would have to include a resale formula that balances an opportunity for tenant-owners to build wealth and equity, while also ensuring that homes that are resold are not subject to market increases.

Any affordable ownership scheme in Cumberland will be necessarily both experimental, and long-term.



### 4.3. Strategic Actions for the Village of Cumberland

Municipalities can pursue a range of measures to support housing affordability. These range from direct incentives or regulations to softer education tools and facilitation measures as shown in section 2.3 (F.I.R.E). The following is an overview in order of priority of all suggested actions. **Impact Potential** refers to the relative ability to create housing units that are affordable relative to other measures presented.

The **Implementation Period** refers to the potential for **immediate** implementation (until February 2017), **short-term** (until summer 2017), **medium-term** (Summer 2018) and **long-term** (after 2018).

#	Strategic Action	Municipal Role	Impact Potential	Period	Priority Area			
					Capacity	Rental	Supp./Transit.	Ownership
1	<b>Approve affordable housing framework</b>	n/a	n/a	Immediate	X			
<i>The Village has to approve or amend the Housing Implementation Framework.</i>								
2	<b>Establish Longer-term Housing Committee or Coordinator</b>	Facilitate	n/a	Immediate	X			
<i>To coordinate the implementation of the framework, the Housing Committee has to be established as a longer-term body. This could be supported through a designated coordinator who would continue to guide the work of the Committee and facilitate the partnerships outlined in the strategic actions below. Resource availability and lines of communication and accountability have to be established through the Terms of Reference.</i>								
3	<b>Agree on incentives/resources the Village is willing to contribute to an affordable housing development</b>	Incentivize	High	Short	X			
<i>The following may be considered as incentives to support housing developments: Reduced parking requirements for affordable housing/in areas with good access to transit, offsets to municipal development cost charges, fast-tracking development applications, property tax exemption or forgiveness, grants/capital contributions to facilitate affordable housing</i>								

#	Strategic Action	Municipal Role	Impact Potential	Period	Priority Area			
					Capacity	Rental	Supp./Transit.	Ownership
4	<b>Develop and enact affordability guidelines for housing agreements with developers that protect designated units in perpetuity</b>	Educate, Incentivize	High	Short		X	X	X
<p><i>Pursuant to section 483 of the Local Government Act, municipalities can enter into a housing agreement with a housing developer. A housing agreement defines the level of affordability required in exchange for development rights. Clear guidelines will enable developers to develop financial feasibility assessments and business models. BC Housing's Housing Income Limits (HILS) for affordable rentals, as well as a total shelter cost payment of 30% of household income, for households earning 80% of median income or less for affordable ownership units constitute typical requirements. Clear guidelines will enable developers and non-profits to develop financial feasibility assessments and business models. Housing Agreements should be structured to ensure affordability in perpetuity on designated units. These agreements can be registered with BC Housing to monitor compliance. New market rentals can be protected through rental protection measures, such as restrictive covenants. Any supportive or transitional units created through a new development project would need to be protected through a Housing Agreement. Housing agreements for affordable ownership need to include resale formulae that balance the need to maintain affordability with the express purpose of allowing tenant-owner households to build equity through their ownership.</i></p>								
5	<b>"Affordable Housing in Cumberland" brochure on how the Village supports market and non-market developers in the development process</b>	Educate	Moderate	Short	X	X	X	X
<p><i>As costs and regulations can vary from municipality to municipality, a simple guide to development in the Village of Cumberland can bring a better understanding of the development process to the boards and staff of non-profits and to the executives of market developers</i></p>								
6	<b>Facilitate partnerships, specifically with development and non-profit partners to identify project opportunities for any type of housing</b>	Facilitate	Very High	Short		X	X	X
<p><i>The Committee has identified non-profits supporting vulnerable individuals in Courtenay through its March 17, 2016 report to Council. Other potential partners should be identified and approached. In order to ensure effective partnerships are developed, the Village should formalize discussions with developers and non-profits, to educate them on current housing needs and to identify tangible projects that can be moved forward. A dedicated champion or group (e.g. the Committee), supported by staff resources is important. A conference or workshop is a potential tool that the Village could host to educate non-profits and developers. The Committee will need to identify which potential partners have the greatest capacity to develop and/or operate housing units and potentially support clients.</i></p>								

#	Strategic Action	Municipal Role	Impact Potential	Period	Priority Area			
					Capacity	Rental	Supp./Transit.	Ownership
7	<b>Assess feasibility and willingness of local non-profits and developer partners to build new (affordable rental) housing in Cumberland</b>	Facilitate, Educate	Moderate	Medium		X	(X)	(X)
<p><i>By collaboratively exploring financial feasibility and approaches to reducing development costs, incl. through incentives, such as reduced parking, grants to reduce property taxes or DCCs, and a streamlined development review process the Village can actively support the development of desired housing units. The feasibility of deep affordability (~\$375) through cross-subsidization with market rental units, or the availability of senior government subsidies is important. This also applies to creating supportive units that could be included in a rental housing building.</i></p>								
8	<b>Support applications to senior government for funds (e.g. CMHC, BC Housing)</b>	Facilitate	High	Medium		X	X	X
<p><i>The Village can strongly shape initial seed funding applications by supporting specific applications. These can range from simple letters of support to matching funds for needs assessments, business planning, etc. If the Village is able to donate land to a project, this can underscore the likely success of the project in any funding application. Seed funding initiatives play a key role in the long-term feasibility, and can lead to interest free loans of up to \$200,000 from CMHC and construction and mortgage financing at highly competitive rates from BC Housing.</i></p>								
9	<b>Develop regulations to protect existing rental market housing stock</b>	Regulate	Medium	Medium		X		
<p><i>Bringing protections to purpose-built rental and mobile homes, as well as limiting short-term vacation rentals in existing rental stock (e.g. secondary suites) can ensure that existing rental housing is protected.</i></p>								
10	<b>Develop Land Bank and/or Affordable Housing Reserve through affordable housing contributions</b>	Facilitate, Incentivize	High	Long-term	X	X	X	X
<p><i>Over the long term the Village should work to ensure that any new developments that require increased density donate to housing resources. This can include the construction of new units to be managed by a non-profit, the donation of land for the purpose of affordable housing or the contribution of money to an Affordable Housing Reserve.</i></p>								

## Appendix 1: Comprehensive Overview of Municipal Measures to Regulate and Incentivize Affordable Housing in Cumberland (FIRE)<sup>9</sup>

### Regulate

**Develop restrictions of strata conversions:** conversion control policies restrict the conversion of designated rental units to strata title. Typically this conversion is restricted when vacancies go below a designated threshold (e.g. 4%).

**Develop demolition control policies on existing rentals and manufactured areas:** demolition controls can be used to limit the redevelopment of mobile home parks or compensate residents when demolition occurs. Municipalities are able to control the issuing demolition permits for rental units or rezone mobile home, and may require compensation for the demolition of rental units (e.g. Vancouver requires \$5,000 per unit lost).

**Develop stronger restrictions on short-term vacation rentals (e.g. AirBnB):** the introduction of web-based short-term vacation rentals sites (e.g. AirBnB) has been an issue in many communities across BC as they may replace long-term rentals. By regulating the use of units as vacation rentals, municipalities are able to disincentivize their conversion through regulation, stronger enforcement and education about what is permissible under existing bylaws.

### Incentivize

**Reduced parking requirements for affordable housing/in areas with good access to transit:** exemption from parking requirements is another tool to reduce the cost of developing affordable units. The Village can incentivize affordable housing by exempting affordable housing located near transit/the Village core from parking requirements or reducing those requirements.

**Fast-tracking development applications:** Lengthy approval processes can add costs to developments, so by fast-tracking affordable housing development applications this cost saving can be applied to the affordable units.

**Property tax exemption or forgiveness:** A municipality can choose to provide a property tax exemption to affordable housing developments. The Province generally exempts properties that receive a municipal exemption.

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<sup>9</sup> These measures are adapted from the SPARC BC report *Municipal Strategies to Address Homelessness in British Columbia* and the 2007 *Metro Vancouver Affordable Housing Strategy*.

**Grants/capital contributions to facilitate affordable housing:** Municipalities can provide a variety of grants to affordable housing projects, ranging from grants for start-up costs (e.g. needs assessment) to capital grants for construction. These may come from general revenue or an affordable housing reserve fund.

## Educate

**Monitor rental housing stock:** The municipality can monitor rental listings through a rolling or point in time survey to monitor average rents and availability of rental units.

**Guide to development process for affordable housing options:** construction costs, including soft costs (such as DCCs, insurance, etc.) and land costs are the main factors impacting housing affordability. To understand which incentives the municipality provides to lower costs in the development process or through provision of discounted land, it can be helpful to provide information to developers on the development process. To encourage elected officials to consider any incentives, a reverse education process on the development process and its economics may be helpful to help decision makers support affordable housing development.

**Develop affordability guidelines:** affordability guidelines will enable developers to develop financial feasibility assessments and business models. BC Housing's Housing Income Limits (HILS) for affordable rentals, as well as a total shelter cost payment of 30% of household income, for households earning 80% of median income or less for affordable ownership units constitute examples of affordable housing requirements.

## Facilitate

**Develop additional resources for affordable housing (e.g. land bank, housing reserve fund):** through density bonusing or inclusionary zoning, or other processes municipalities can acquire resources to dedicate to affordable housing. These donations can be units built or land donated by a developer to a municipal land bank or cash in lieu for an affordable housing reserve fund.

**Village owned sites leased or donated to non-profits:** When municipalities acquire land they can choose to donate that land outright or lease it to a non-profit for the purpose of affordable housing development.

## Appendix 2: Public Consultation Feedback

The Village of Cumberland's Housing Select Committee, in close collaboration with M. Thomson Consulting, held an Open House on September 21, 2016 and provided an online survey to gather feedback to the proposed affordable housing framework. On both occasions the framework was presented via posters and as graphic images which are contained as appendix to this report.

The following five questions were asked of the public (and in a more condensed format at the Open House)

1. Please review Posters#2a and #2b before answering. Do you see any opportunities such as properties, resources or any other ideas that can be added to the poster?
2. Please review Posters#2a and #2b before answering. Do you see any barriers or challenges to developing affordable housing that should be added to the poster?
3. Please review Posters #3 and #4 before answering. Do you have any comments about the road map to rental housing?  
Do you have any comments about the road map to transition/supportive housing?
4. Please review Posters #3 and #4 before answering. Do you have any comments about the road map to affordable ownership?
5. Please review Posters #3 and #4 before answering. Do you have any other comments on affordable housing in Cumberland?

The SWOT analysis was enhanced by community members providing further suggestions on Strengths, Weaknesses, Opportunities and Threats to affordable housing in Cumberland at the Open House. Responses were directly incorporated into the report in section 3.

## **Response Review Summary**

8 written responses were received at the Open House and 4 submissions were provided online. Three key themes: (a) Zoning for secondary suites and accessory dwellings, (b) opportunities for tiny houses and (c) development incentives were themes that were mentioned in more than one response.

### **a) Zoning for secondary suites and accessory dwellings**

- Respondents indicated that zoning should be extended to allow for development of infill housing in more neighbourhoods in the village to create accessory residential dwellings;
- Encouraging accessory dwelling units is seen as another way to create more affordable housing units.

### **b) Opportunities for tiny houses**

- The Village mandates minimum lot sizes in its residential zones. Mandatory minimum sizes for accessory dwelling units have been eliminated in the new zoning bylaw. Tiny houses could supplement coach houses and other forms of secondary dwellings that are in line with the Village's smart growth development principles.

### **c) Land Bank**

- Multiple respondents encouraged the idea of a land bank.
- Implementing this idea is contingent upon developing mechanisms that can sustainably generate financial capacity over the long term, as discussed in section 4.

## Responses from Open House

#	<b>Review Poster #3 and #4 before answering: Do you have any other comments regarding the road maps for:</b> <ul style="list-style-type: none"> <li>- <b>Rental housing market</b></li> <li>- <b>Supportive transitional housing</b></li> <li>- <b>Affordable ownership</b></li> </ul>	<b>How do you think the Village can manage its housing opportunities and challenges?</b>  <b>Incl. your general comments here</b>
1	a. Change existing zoning or create new zoning that can accommodate cluster housing, co-ops or tiny houses (100,200,300 sf) b. Create new minimum lot sizes to accommodate single person or family tiny homes c. Allow for tiny homes on trailers on home owners' properties to be lived in legally, either on or off grid/sewer (e.g. might have composting toilet/solar panels)	a. Creating New Zoning b. Thinking outside the box c. Land Bank
2	a. Allow secondary suites as much as possible b. Ease zoning and allow existing illegal suites to exist c. Land bank	a. Not really. Private market continues to dictate the costs of housing and rental situations. b. The village should develop a land bank so that we could see possible co-op/ [??] in low income housing to increase housing affordability.
3	a. Workforce Housing – Mount Washington	
4	a. I trust that this is an evidence-based process that is well proven. It is complex and long-term. b. It would be nice to demonstrate an easily achievable goal or outcome. c. There isn't a lot of education and measures to gauge success.	a. I think if the VOC identifies a small/medium-sized initiative with somewhat immediate outcomes that the public can clearly observe, then additional projects can be preserved
5	a. Our only realistic option is to change zoning to allow more widespread development of legal (safe, inspected, healthy) secondary suites	a. Encourage social housing by means of taxation incentives.
6	a. In other places developers must pay a percentage of value of property into a fund for affordable housing, or donate part of the site. Even a small amount would be a start.	a. Look at how zoning, especially "downtown", could encourage infill and higher density, greater height. b. What are other communities doing? Places like Tofino and Whistler have explored innovative policies
7	a. 25% Gov't taxes can make unaffordable b. Developers need to consider affordability (% of units) c. Decrease minimum lot size for Micro Housing (i.e. Roberts Creek) d. Microhome Zoning as a 2 <sup>nd</sup> suite (mobile? Off-grid?)	n/a
8	n/a	a. All businesses should help with housing b. When there is housing for the homeless the same number of units should be made available for elders



## Online Survey Responses

Please review Posters#2a and #2b before answering.		Please review Posters #3 and #4 before answering.			
Do you see any opportunities such as properties, resources or any other ideas that can be added to the poster?	Do you see any barriers or challenges to developing affordable housing that should be added to the poster?	Do you have any comments about the road map to rental housing?	Do you have any comments about the road map to transition/supportive housing?	Do you have any comments about the road map to affordable ownership?	Do you have any other comments on affordable housing in Cumberland?
	I would like to see more flexibility around suites. For example the requirement only 40% of a home may be used for a suite. I would like to see 50/50 rather than 60/40. And maybe others would find that helpful as well. If a person needed only 40% of their space, why couldn't they rent out 60% of their house?				
I'm really pleased to see the King George mentioned as a possible old building that could be redeveloped into affordable apartments		Allowing and encouraging carriage or small lane way houses, as well as basement suites would help. The character of Cumberland would not be radically altered and it would give	I've always thought the Union Seniors cottages [ Camp and Egremont ] look like a wonderful model for senior's housing. The retired folks who live there have their individual gardens, they engage with the community, each little unit looks like a nice home.		Cumberland is such a dynamic lively community these days. The forest and parks are a huge draw but clearly another reason is the number of young families that have chosen to live here. Which of course is largely because

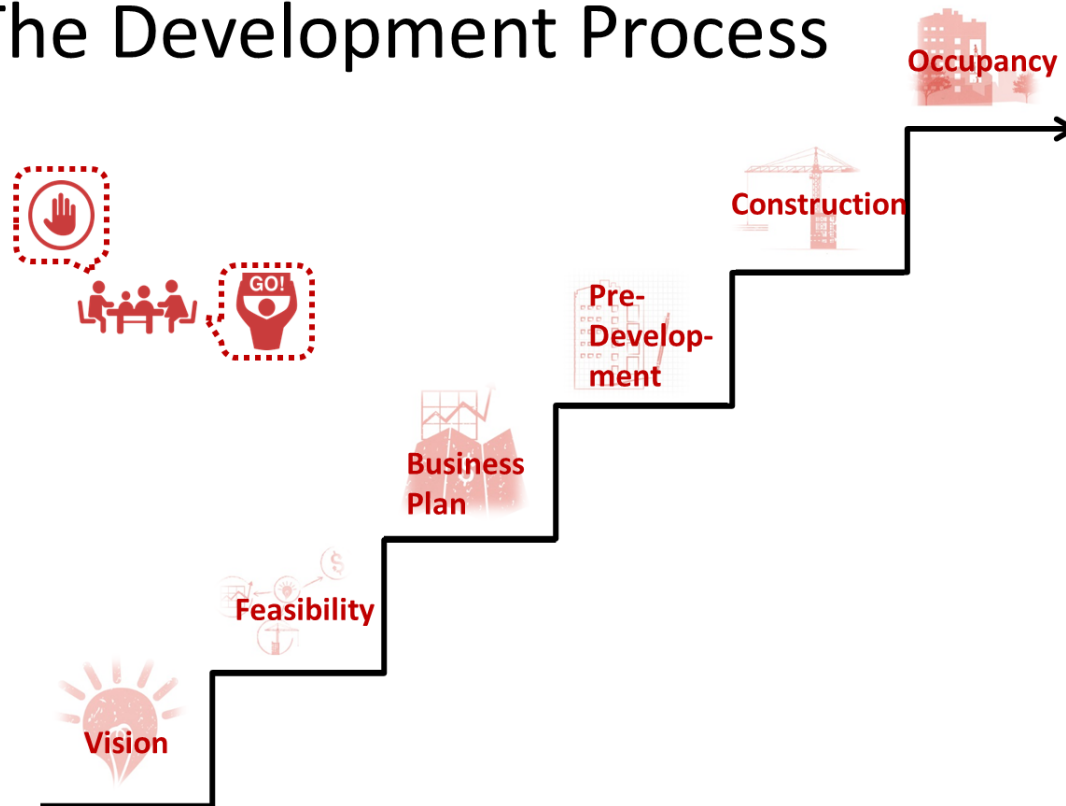
Please review Posters#2a and #2b before answering.		Please review Posters #3 and #4 before answering.			
<b>Do you see any opportunities such as properties, resources or any other ideas that can be added to the poster?</b>	<b>Do you see any barriers or challenges to developing affordable housing that should be added to the poster?</b>	<b>Do you have any comments about the road map to rental housing?</b>	<b>Do you have any comments about the road map to transition/supportive housing?</b>	<b>Do you have any comments about the road map to affordable ownership?</b>	<b>Do you have any other comments on affordable housing in Cumberland?</b>
		existing land owners an economic opportunity [ rental income] as well as provide jobs for local builders. Unique small scale building projects have a long tradition in Cumberland !			they have been able to afford to live here. We don't want to lose that.
Should not be referring to any specific properties. Having a zoning bylaw that now allows for small secondary dwellings should solve problems.	money	Way too busy of a poster to have people read.			
The main opportunity I see that is missed is the existing stock of affordable housing in Cumberland,	One of the barriers is asking landlords with existing "non-conforming" suites and accessory dwellings to bring them up to code. This is unrealistic in	On the one hand, you say you want to increase the stock of affordable housing in Cumberland. On the other hand you are starting to hassle	Your road map seems to be leading to expensive solutions which will probably never happen (kind of like the multi-million dollar sewage treatment project). Start thinking outside the box. Start allowing or at least ignoring "non-conforming"	Same comment - these all look long long-term solutions costing a lot of money. There are already	I am already hearing about people who are being evicted from "non-conforming" suites and accessory dwellings because their landlords cannot afford the cost, or

Please review Posters#2a and #2b before answering.		Please review Posters #3 and #4 before answering.			
<b>Do you see any opportunities such as properties, resources or any other ideas that can be added to the poster?</b>	<b>Do you see any barriers or challenges to developing affordable housing that should be added to the poster?</b>	<b>Do you have any comments about the road map to rental housing?</b>	<b>Do you have any comments about the road map to transition/supportive housing?</b>	<b>Do you have any comments about the road map to affordable ownership?</b>	<b>Do you have any other comments on affordable housing in Cumberland?</b>
which the Village is currently in the process of making even smaller by insisting that landlords of "non-conforming" suites and accessory dwellings bring them up to code.	many cases because of the costs involved.	landlords to bring their non-conforming suites and accessory dwellings up to code. Don't you realize these are contradictory goals?	suites and accessory dwellings. They are some of the most affordable options in Cumberland and now you want to get rid of them.	solutions in Cumberland for affordable housing but now you want to get rid of them.	do not want the hassle, of bringing these dwellings up to code. Just waiving building fees is not going to cut it. It is very expensive to install plumbing etc. to bring these dwellings up to code and in my opinion most landlords are going to evict the tenants rather than spend money they probably don't have. This will DECREASE the stock of affordable housing in Cumberland. So if you are really serious about affordable housing in Cumberland, the Village should back completely off this plan to get landlords to bringing their non-conforming suites and accessory dwellings up to code. There is a great deal of distress being caused to both landlords and tenants

Please review Posters#2a and #2b before answering.		Please review Posters #3 and #4 before answering.			
<b>Do you see any opportunities such as properties, resources or any other ideas that can be added to the poster?</b>	<b>Do you see any barriers or challenges to developing affordable housing that should be added to the poster?</b>	<b>Do you have any comments about the road map to rental housing?</b>	<b>Do you have any comments about the road map to transition/supportive housing?</b>	<b>Do you have any comments about the road map to affordable ownership?</b>	<b>Do you have any other comments on affordable housing in Cumberland?</b>
					by this proposal. It is NOT helping the affordable housing situation, in fact it is making it WORSE.

## Appendix 3: Development Process

# The Development Process



Graphics produced by PDKrause and  
**Vancity** Community Foundation