

Bowen Island Municipality Affordable Housing Working Group Report

Date: February 18, 2012
To: Mayor and Council
CC: Brent Mahood, Chief Administrative Officer
Hap Stelling, Director of Planning
From: Affordable Housing Working Group (AHWG)
Subject: AHWG Final Report and Recommendations

Recommendations:

1. That Council receive the report from the AHWG dated February 18, 2012.
2. That Council approve the following recommendations:
 - i. Proceeding with the incorporation of the Bowen Island Housing Corporation (BIHC).
 - ii. Direct staff to advertise for the founding directors of the BIHC based on the criteria and terms of reference for directors, and request the AHWG to review the applications and make recommendations to Council for the appointments;
 - iii. Include Affordable Housing in Council's strategic plan
 - iv. Direct staff to work with Belterra Cohousing to complete the registration of covenants on the affordable housing units produced under Affordable Housing Policy #08-03, and on associated administrative procedures, pending completion of the incorporation of the BIHC;
 - v. Direct staff to work with the founding directors of the BIHC to implement the following actions from the initial BIHC work plan, including:
 - a. The completion of the incorporation process for the BIHC, including approval from the Inspector of Municipalities,
 - b. The identification of a portion of the community lands in Snug Cove deemed suitable for the development of affordable housing, with direction to create a development proposal in partnership with the private sector, and
 - c. The creation of a Housing Reserve Fund as the repository for funds received under Affordable Housing Policy #08-03 when the project is too small to generate the specified non-market units.
 - vi. Approve an annual allocation of \$7,000 for operational funding for the BIHC in the BIM 5-year financial plan, and a pro-rated \$3,500 amount for 2012, based on the draft work plan proposed in the report and subject to Council approval of the final work plan to be prepared by the founding directors.
 - vii. Direct staff to update the AHWG web page on the BIM website with current material to be provided by the AHWG.
 - viii. Dissolve the AHWG once the founding directors for the BIHC have been appointed by Council.

EXECUTIVE SUMMARY

The AHWG was created by Council in 2007 as the successor to a number of successful community-based initiatives. Its purpose was to provide the municipality and the community with a set of basic tools to begin to secure the range of affordable housing required on Bowen Island to meet needs and goals that had been articulated through extensive public engagement and community collaboration.

Most of the AHWG's work has been completed, including:

- Affordable Housing Policy #08-03 to secure 15 percent of the Gross Floor Area in all rezonings for non-market housing units;
- A waitlist with qualified applicants seeking to purchase units produced under the Affordable Housing Policy;
- Covenants approved by Council and ready for use to register on units of affordable housing for purchase or rental;
- Organizational framework and funding model for the Bowen Island Housing Corporation (BIHC) prepared; and
- Articles of incorporation for the BIHC drafted and reviewed and staff and legal counsel.

Due to the economic downturn of the last few years and other local factors, there has been little development activity on Bowen since 2008. However, one project will generate five non-market units developed under the Affordable Housing Policy, subject to completion of rezoning and construction. With this project, the new policy, covenants and administrative process will be ground-tested and fine-tuned, if necessary, in anticipation of future rezoning opportunities.

In order to complete its final task, the AHWG is seeking Council's approval to proceed with the incorporation of the BIHC so that it can bring back to Council in May or June a proposed slate of qualified candidates to serve as the founding directors. One of the initial tasks of the founding directors will be to complete the incorporation, including obtaining the approval of the Inspector Municipalities.

Council has previously endorsed the concept of the BIHC (2009 July 20). In this report, the AHWG provides information responding to questions and concerns raised by Council, and reviews the benefits of the corporation model as the most effective strategy to stimulate the delivery of affordable housing to meet the needs and aspirations of the Bowen Island community.

The proposed work plan for the founding directors of the BIHC specifies a number of initiatives, including the initiation of an affordable housing project on the community lands and the creation of a housing reserve fund as the repository for funds received.

In the years since the AHWG was created, the housing crisis on Bowen Island and throughout Metro Vancouver has worsened. The AHWG believes that the creation of the BIHC is the critical next step in the municipality's process of developing the internal capability to create partnerships that will result in the production of affordable housing units and a greater diversity of housing types. In spite of the recent encouraging amendments to the OCP, it is likely that most of the new housing built on Bowen will continue to take the form of single-family dwellings which are affordable only to high-income households. It will require the leadership of the BIHC to perform the role of catalyst and champion for the diversity of housing needed to meet the needs of Bowen's diverse community. The AHWG respectfully requests that Council provide authorization to proceed to the next step.

1. Background

The AHWG, successor to the Bowen Community Housing Association's Affordable Housing Strategy Committee, was created by Council in December 2007¹ to carry out a set of tasks outlined in its Terms of Reference (Appendix H). Council provided a budget to enable the AHWG to retain the services of affordable housing consultant Tim Wake. The AHWG reported key milestones to Council in September 2008² and June 22, 2009,³ and has prepared this report to describe the final stage of its work.

The context and framework for the work of the AHWG has been the community vision expressed in the original Bowen Island Official Community Plan (OCP) and recently re-affirmed by the community in the OCP update completed in 2011:

*Bowen Island is known and loved as a small, friendly, caring community characterized by:
A population diverse in income, age and lifestyles.
Varied and affordable housing options.
Many people active in community life.
Well-protected natural ecosystems and green spaces.⁴*

This vision is supported by the following specific objectives related to housing:

- Objective 148: To remain a diverse community that is a welcoming home to residents of varying incomes, lifestyles and ages.*
- Objective 149: To provide for a range of housing types and tenures on Bowen Island within the overall context of the spirit and intent of this OCP.*
- Objective 150: To generate affordable housing, implement Bowen Island Municipality Housing Policy #08-03.⁵*

The core purpose of the AHWG was to provide the municipality and the community with a set of basic tools to begin to secure the range of affordable housing required on Bowen Island to meet needs and goals that have been articulated through extensive public engagement and community collaboration.

The AHWG was created at a time when affordable housing was identified as a priority in Council's strategic plan, and the AHWG recommends that Council continue to re-affirm this priority.

¹ BIM Council Meeting, 2007 December 3, [Minutes](#)

² BIM Council Meeting, 2008 September 8, [Minutes](#)

³ BIM Special Committee of the Whole Meeting, 2009 June 22, [Minutes](#); and BIM Special Meeting of Council, 2009 July 20, [Minutes](#)

⁴ Vision Statement 1.3.1, [OCP Bylaw No. 282, 2010](#), Text page 7

⁵ Diversity and Affordable Housing 7.2, [OCP Bylaw No. 282](#), 2010, Text page 100

2. AHWG Work Update

2.1 AHWG work previously reported to Council

The milestones completed and previously reported to Council include the following:

- **Municipal Affordable Housing Policy #08-03** to secure 15 percent of the Gross Floor Area in all rezonings as Affordable Housing⁶ adopted by Council (Tasks 1-3).
[The first five units generated under this policy are in the Belterra Cohousing project.]
- **Criteria to qualify individuals for affordable housing opportunities** generated under Affordable Housing Policy #08-03 approved by Council (Task 4).
- **Communications plan** executed to educate the community about the Affordable Housing strategy initiatives and to build the waitlist (Task 5, 14-15).
- **Waitlist for affordable housing ownership units** created, including interim administrative system: currently 9 households are on the waitlist, including 3 that are registered for Belterra units secured under Affordable Housing Policy #08-03 (Task 4/5, 18).
- **Covenants to be registered on units of Affordable Housing for purchase and rental** under Policy #08-03 developed and adopted by Council subject to the creation of the BIHC (Tasks 6-7, 19).
- **Articles of incorporation for the BIHC** drafted and reviewed with legal counsel (Tasks 9-10)
- **Organizational framework for the BIHC** developed (Task 16-17)

A summary of the status of the tasks in the AHWG's work plan can be found in Appendix F.

2.2 AHWG work described in this report

At the time of the report to Council on June 22, 2009, the only major initiative not yet completed was the formation of the BIHC. At this meeting, Council unanimously passed the following two resolutions:

*That Council endorse the concept of the creation of a Bowen Island Housing Corporation; and
That staff be requested to provide Council with a more detailed report.*

AND

That Council approve the following affordable housing covenants:

- 1. The Standard Housing Agreement 219 Covenant and Rent Charge and Indemnity*
- 2. The Standard Right of First Refusal and Option to Purchase;*

Subject to the creation of the Bowen Island Housing Corporation.

Shortly thereafter, BIM experienced the loss of both planning staff members whose knowledge and support had been critical to the work of the AHWG. In December, the AHWG Council Liaison made the following report to Council:

Unfortunately without a planner the requested report has not been forthcoming. The process needs to continue to move forward. Hence it was agreed with CAO Slegtenhorst that the AHWG would continue to work with the Consultant on the issues to be covered by the report and the items needed to be completed in order to get approval from the Inspector of Municipalities for the creation of the Housing Corp. One of the items to be completed is a

⁶ 'Affordable housing' means non-market residential dwelling units that may only be owned or rented under the terms of housing covenants registered on title in favour of the Bowen Island Municipality. [[OCP Bylaw No. 282, 2010](#), Glossary p. 151].

business plan. The AHWG had already identified the need for this but thought that work was best done by the founding board. Therefore the AHWG will be developing recommendations to council for the formation of the founding board so that they may finalize the business plan and complete the work of incorporating the MHC. The AHWG hopes to be able to bring a further report to Council in January 2010.

Since that time, the AHWG worked with Council liaison, CAO and consultant to compile the information that Council requested. However, subsequent changes in senior administrative staff, and later the demands of the OCP update on staff and community time and attention during 2010-11, resulted in a significant delay in the completion of the work. In 2011, the AHWG lost two of its contributing members when they moved from the Island, further depleting the availability of knowledgeable volunteer resources. The AHWG made the decision to make its final report following the 2011 municipal election.

The first part of the report (Section #3) deals with key aspects of the formation of the BIHC, with its initial work plan, and with issues and concerns raised previously by Council. The second part of the report (Section #4) summarizes other work carried out by the AHWG that has not previously been reported to Council.

3. Bowen Island Housing Corporation

3.1 Benefits of the Housing Corporation Model for Bowen Island

Affordable housing is not going to appear on Bowen Island simply because we have identified a need, encouraged it in the OCP and put a policy in place. The active collaboration of two important groups is essential in order to make it happen. One of those groups is the Bowen Island Municipality, which has a powerful tool it can utilize to stimulate the creation of affordable housing: rezoning. The other of those groups is the development community, which has the ability to deliver affordable housing in conjunction with new developments. However, in order to generate the affordable units, there needs to be a suitable process, and someone to facilitate the determination and administration of the affordable housing component of the development.

This approach has been successful in generating non-subsidized housing units, for purchase and rental, in Banff and Canmore, in Burnaby (at SFU), and, in significant numbers, in Whistler.⁷ It is being attempted in Vernon, Ucluelet and Tofino, and contemplated in the City of Vancouver.

In all of these jurisdictions, a group of volunteers, a society, or a not-for-profit corporation has provided the facilitation or the bridge between the development community and the municipality that has enabled the affordable housing to be created and to be preserved as affordable over time.

These models have all been ground-tested, and their comparative advantages demonstrated:

- **Volunteer committees** have been utilized in some of these jurisdictions; they have very real limitations, notably in capacity, professional training, and the ability to finance a project.
- **Societies** have been utilized successfully in jurisdictions where there is significant provincial or federal government support available, and where rental housing is being created, typically involving government subsidies for specific target groups.
- **Professional non-profit, municipally-owned housing corporations** have proven successful in creating and managing affordable homeownership and rental units in smaller communities such as Canmore, Whistler and Banff.

A municipal housing corporation with all the shares held by BIM is the structure recommended to generate affordable housing on Bowen Island. Its advantages include the capacity to accomplish the following:

- 1) Be accountable to BIM Council without being an ongoing financial burden on the local tax base.
- 2) Draw on community expertise through a volunteer skills-based board of directors.
- 3) Have the professional skills-based capacity to create development partnerships to deliver affordable housing.
- 4) Advise Council as an informed referral body on the affordable housing component of rezoning proposals.
- 5) Provide continuity of service and consistency of work on affordable housing matters.
- 6) Develop a local community network of affordable housing knowledge and expertise.
- 7) Have the authority to enter into the financial agreements necessary to develop affordable housing.
- 8) Limit BIM's legal liability with respect to affordable housing stock.
- 9) Take on the responsibility of administering affordable housing waitlists, covenants to protect the affordability of housing stock, rental policies, and resale of covenant-protected housing stock.
- 10) Be a municipally-endorsed champion for affordable housing on Bowen Island.

⁷ Social housing for rental requiring subsidies to reduce rents is a far greater challenge in today's financial climate and must be addressed through specialized strategies.

In summary, based on the recommendations from the AHWG's affordable housing consultant, as well as from housing consultants engaged for the foundational work on the affordable housing needs assessment and housing strategy, a municipal housing corporation (the BIHC) has been selected as the most effective type of organization for Bowen Island if affordable housing is going to be reliably generated and maintained.

3.2. BIM Legal Counsel Review of BIHC Articles of Incorporation

The concept of creating a housing corporation, the shares of which would be owned by BIM has been discussed by staff and members of the AHWG with Murdy McAllister, the municipal solicitor.

The affordable housing consultant drafted a set of article of incorporation for the BIHC based on articles already ground-tested by municipalities including Tofino and Whistler. BIM staff and the municipal solicitor have reviewed the draft articles and provided their initial comments. They have also provided comments on the process to follow in order to get approval from the Inspector of Municipalities to create the BIHC.

The municipal solicitor has not raised any issues that suggest that the municipality should not proceed with the BIHC. Their comments can all be suitably addressed by the founding directors who would be tasked with creating the BIHC and becoming the initial Board of Directors. The final draft articles of incorporation will be presented to Council for final approval prior to submission to the provincial government for formal registration.

3.3 Compliance with Provincial Requirements for Applications

In 2006, the provincial government produced a *Guide for Local Officials for Launching and Maintaining a Local Government Corporation*, which sets out the steps to be followed and information that the Inspector of Municipalities may require.⁸

In preparation for incorporation of the BIHC, the AHWG and the consultant have proceeded with reference to the requirements in this guide with the objective of ensuring compliance with requirements. This preparatory work will be conveyed to the founding directors of the BIHC to expedite completion of the incorporation process.

3.4. Funding Model and Business Plan for BIHC

The approach to funding a housing corporation on Bowen Island is outlined in the *Organizational Framework and Sustainable Funding Options for the Bowen Island Housing Corporation* (Appendix D).

One of the responsibilities of the BIHC is to develop a plan for financial self-sufficiency. This goal will become realistic once the work of the BIHC is well under way, including affordable housing projects in partnership with the private sector and a housing reserve fund.

⁸ [Launching and Maintaining a Local Government Corporation](#): A Guide for Local Officials, BC Ministry of Community Services, 2006.

Once an affordable project is under development, the costs associated with steering the affordable housing component will be funded by the project. Three *pro formas* have been prepared to provide examples of how this type of project funding could be generated through rezoning. BIHC would draw a fee from each project to fund its work (Appendix E).

In the short term, the BIHC will have to rely solely on seed funding from BIM until such time as it partners with a developer in its first affordable housing project. However, it is prudent to assume that there will be an ongoing cost to BIM for an indefinite period in the early years for continuing the housing work that has to-date been conducted by the AHWG, such as managing the waitlist and website and holding meetings. As well, the early work on potential projects may require consultant support before the project can be a source of fees. This ongoing cost to BIM is projected to be about \$7,000 per year (Appendix C), and proposed to be included in BIM's annual 5-year Financial Plan. The proposed grant request for 2012 is \$3,500, as the founding directors are expected to begin their work mid-year.

While this is not an insignificant amount for a small municipality, it compares favourably to the cost of staff time to administer and manage the work associated with the Affordable Housing Policy waitlist and covenanted housing units, and can be seen as an investment with a potentially significant benefit to the whole community.

The source of operational funding for a municipal housing corporation does not need to be limited to municipal funds generated through property tax. Other communities have successfully established a Housing Reserve Fund and utilized a small portion of those funds to support the operation of a housing corporation until it can be self-sufficient.

The *Organizational Framework* constitutes a preliminary business plan for the BIHC. As noted above, the draft budget relates to the BIHC's work of administering municipal policies and its work of facilitating affordable housing. When a specific project is identified, a business plan relating to the BIHC's role in delivering the affordable housing component of the project will be developed.

The BIHC will report annually to Council on its previous year's work, and on its work plan and budget request for the upcoming year. It is recommended that the work of the BIHC be reviewed at the end of five years to assess the benefit being provided to the community.

3.5. Relationship to Other Bowen Island Organizations

The BIHC will be in a unique position to support island societies working to provide housing solutions by acting as a node of local expertise and information. Community groups will be able to access information about affordable housing initiatives and issues in the minutes of BIHC meetings and other publications. Organizations like the Bowen Community Housing Association, currently dormant, are potential partners where there is a need for a local society to manage specialized or subsidized housing units, or to build community awareness and support for a specific housing project.

3.6 BIHC Initial Work Plan

The first task of the founding group of BIHC directors will be to complete the creation and registration of the BIHC. In addition to finalizing the draft of the articles of incorporation for presentation to Council, the founding directors will complete the work necessary to obtain the approval of the Inspector of Municipalities for the incorporation of the BIHC.

At the same time, the founding directors will continue the affordable housing work that has been underway under the direction of the AHWG and take that work to the next stage. Their first task will be to develop a work plan with reference to the *Organizational Framework and Sustainable Funding Options for the Bowen Island Housing Corporation* (Appendix D). However, in setting the objectives for the first year, the work plan will give priority to the following elements:

- Assumption from staff of responsibility for registration of covenants on the Belterra Cohousing affordable housing units and associated administration.
- Administration of the affordable housing waitlist.
- Management of the website and web-based communications.
- Endorsement of the operating framework for the BIHC
- Creation of a Housing Reserve Fund as the repository for funds received under Affordable Housing Policy #08-03 when the project is too small to generate the specified non-market units.
- Identification of a portion of the community lands in Snug Cove deemed suitable for the development of affordable housing, and the transfer of title of that portion to the BIHC with a mandate to create a development proposal in partnership with the private sector.

Once the BIHC has been formally created and the initial work is underway or completed, the BIHC will create its future work plans by drawing on the roles and responsibilities outlined in the *Organizational Framework* referred to above. These comprise the following:

1. Act as a resource to BIM Council and staff on issues pertaining to the development of an inventory of affordable housing on Bowen Island.
2. Secure a sufficient and diverse supply of non-market housing to support a local economy and community on Bowen Island.
3. Ensure BIHC financial self-sufficiency.
4. Administer covenants and controls over non-market housing to ensure perpetual affordability.
5. Research affordable housing occupancy and demand.
6. Act as the primary community resource for affordable housing on Bowen Island.

A list of recommended actions for each of these roles and responsibilities can be found in the *Organizational Framework* (Appendix D).

3.7 BIHC Board Structure and Directors

As noted, it is critical for the success of the BIHC in carrying out its mandate to have a board composed of community volunteers who have expertise and experience in delivering housing to meet specified affordability criteria. The board is meant to be a lean, focused and performance-oriented working group. The recommended number of voting directors on the board is seven, comprising five community volunteers and two Councillors.

The board can establish committees on specific projects or initiatives to engage other community stakeholders or expertise. The board may also invite other Bowen organizations that are actively working on housing solutions to participate as non-voting liaison directors, where this can support or accelerate the achievement of specific objectives in the BIHC's work plan. It is intended that representation of community interests relating to housing and shelter issues will occur through participatory planning and engagement processes with community stakeholders in relation to specific projects and initiatives, rather than through appointments to the board.

Guidelines for BIHC board directors and their selection are attached in Appendix B.

As noted above, the AHWG recommends that Council proceed without delay on the recruitment of the founding directors to carry out the incorporation of the BIHC and proceed with the initial work plan. A draft advertisement for the founding directors is attached in Appendix A. The AHWG offers to review applicants with staff and Council's liaison to ensure that the group of founding director combine the set of skills and experience necessary to achieve the objectives.

3.8 Summary

In conclusion, based in further research and enquiry in response to Council's questions, the AHWG can report that the list of benefits that stand to be enabled by the creation of the BIHC is long and encouraging, and that the list of risks and potential harm is effectively non-existent. As the BIHC can undertake work only with municipal authority, there is no danger of financial exposure beyond the inefficient or inappropriate application of funds, which is the same risk that applies in the case of any funds granted by or overseen by the municipality.

On the contrary, it can be argued that the risks and potential harm of not proceeding with the BIHC are, in fact, significant and include the following:

- With the AHWG having completed its assignment, and the Bowen Community Housing Association dormant, there will be no generic housing organization to advocate for affordable community housing.
- Without the BIHC, BIM will need to identify other strategies, agencies and resources to meet commitments or respond to needs related to the delivery of affordable housing; for example:
 - Establish an alternate system for administering the covenanted affordable housing units at Belterra Cohousing, and the Bowen Island Affordable Housing Purchase Waitlist.
 - Find a different affordable housing agency to receive municipal land under OCP Policy 368.
 - Identify another process, person or organization and other resources to set up a Housing Reserve Fund or Housing Trust Fund under OCP Policies 359 and 367 as the vehicle for receiving contributions generated by the Affordable Housing Policy.

The creation of the BIHC would enable the momentum that coalesced in 2006 with the Affordable Housing Symposium to continue to develop and build the community's capability to actually meet some of the affordable housing goals expressed during the development of the Affordable Housing Strategy and re-affirmed in the updated OCP.

Many community voices have participated over many years in this effort to develop the internal capacity to shape our housing future. The recommendation for a housing corporation first emerged out of the Affordable Housing Strategy in 2007. At that time, Council decided that the idea was premature and established the AHWG as an interim phase with a set of tasks to perform. The AHWG completed its tasks, which might, arguably, have been completed more effectively by the BIHC had it been created at the outset. In 2009, Council endorsed the concept of the BIHC.

From the perspective of the AHWG in the trenches, and based on the additional information and background provided in this report, there seem to be no good reasons to not proceed with the creation of the BIHC. With the preliminary groundwork that has been done, the emerging BIHC is poised to begin the work of actually making affordable housing units the rule rather than the exception.

4. AHWG Completion Report

This final report from the AHWG summarizes the work carried out by the group in compliance its terms of reference (Appendix H).

4.1 AHWG Tasks

The summary of tasks in Appendix F identifies one task that has been deferred and three tasks that cannot be completed without Council authority. The deferred task is the rental component of the affordable housing waitlist, which would be activated once there is a particular rental project under consideration. The three tasks which require Council authority for completion relate to the formation of the BIHC. As explained in this report, the AHWG believes that it will be more effective for these tasks to be completed by the founding directors of the BIHC.

The AHWG met formally 16 times to carry out its work. In addition to the work outlined in its terms of reference, AHWG provided comment on six rezonings referred to the AHWG by Council. In addition, the AHWG participated in the OCP Update, providing recommendations for amendments, and in Council's Sustainable Framework Working Group (SFWG), contributing to the affordable housing component of the SFWGs Development Assessment Tool and Sustainability Framework.

This report includes a chronology of key stages in the evolution this community capacity-building initiative, starting with an informal grassroots movement in 2005, developing into an organized grassroots initiative through the Bowen Community Housing Association in 2006 and later into the municipally endorsed Affordable Housing Working Group. The formation of the BIHC represents a natural evolutionary step towards a legal and administrative structure that can effectively address the community's affordable housing needs. (Appendix J)

4.2 AHWG Budget Report

The budget provided by BIM for the work carried out by the AHWG is summarized below:

| | | Budget | Actual |
|---------|-----------|---------------|---------------|
| Phase 1 | 2008 | 10,000 | 9,600 |
| Phase 2 | 2008-2011 | 35,000 | 27,650 |

Appendix I provides further details and shows the cost of the earlier community-initiated housing work of completing the Affordable Housing Needs Assessment and the Affordable Housing Strategy, which was funded largely from sources other than BIM.

4.3 AHWG Archives

The AHWG has compiled an archive of key documents relating to its own work and also to the earlier work of the Affordable Housing Symposium, the Affordable Housing Needs Assessment and the Affordable Housing Strategy. The archive is in digital form that will be made available to the new BIHC directors, and will be accessible online to the community at the websites of BIM and the BIHC. One printed copy of these documents will be available for reference at the BIM library.

4.4 AHWG Members

Elizabeth Ballantyne, Chair
Brian Hodgins
Gordon Reid (BCHA liaison)
Bruce Howlett
Tim Wake, Consultant - Affordable Housing
Jacqueline Massey, Consultant - Communications
Alison Morse, Council Liaison

Sara Baker (resigned 2011; moved off Bowen)
Morganne Keplar (resigned 2009; conflict of interest)
Faye White (resigned 2011; moved off Bowen)

5. Conclusion

Since 2006, the Bowen community and BIM have invested \$70,000 and uncountable hours of volunteer time in building capacity to take action to increase the affordable housing choices available on Bowen. The formation of the BIHC will create the structure to attract individuals keen to take affordable housing projects from idea to implementation, initially in the category of non-market, non-subsidized units for ownership, as these are the most viable under current regulatory and market conditions and specifically support by Council's Affordable Housing Policy #08-03.

This report has focused on addressing issues and concerns about the idea of a housing corporation, initially in 2007 and more recently in 2009 (Appendix K). The AHWG, with its consultant, has conducted further research and examination of the concept and of alternative approaches. We have found nothing to suggest that there is a more appropriate, effective and efficient tool for empowering the municipality and the community to take action for affordable housing that will bring results and make a difference.

Basic groundwork has been done by the AHWG acting in lieu of a municipal housing corporation: an affordable housing policy has been enacted, an affordable housing purchase waitlist has been launched and has approved members, a community education program has been conducted, and covenants have been drafted and are ready to be used for properties identified for affordable housing. All the pieces are in place to proceed with the next step of formally creating the organization: draft articles of incorporation have been reviewed by municipal legal counsel, an operating framework for the Bowen Island Housing Corporation has been prepared, the community has endorsed the idea, and Council has approved in principle the creation of the BIHC and embedded in the updated OCP its potential role in the delivery of affordable housing.

In concluding, the AHWG wishes to convey to Council its appreciation for this opportunity to serve Council and the Bowen community in identifying practical strategies to address Bowen's affordable housing challenges. With this report, the AHWG stands ready to transfer this work to an entity more appropriately and robustly constituted to begin the work of increasing the diversity of housing choices that will support the diverse community that we celebrate and that is being eroded through market forces.

Appendices

- A. Draft Ad for Founding Directors of the BIHC
- B. Guidelines for BIHC Directors Selection
- C. BIHC Annual Operating Budget (five-year plan)
- D. Organizational Framework and Sustainable Funding Options for the BIHC
- E. Pro Formas for Potential Affordable Housing Projects on Bowen
- F. AHWG Work Plan Phases 1 and 2 Status Report
- G. BIM Affordable Housing Policy
- H. AHWG Terms of Reference
- I. Summary of Housing Work Costs and Funding Sources 2007-2011
- J. History of Affordable Housing Initiatives on Bowen Island 2005-2011
- K. Minutes of Council Meetings dealing with Affordable Housing Work

Appendix A

Ad for the Founding Directors of the BIHC (draft)

Request for Applications

Bowen Island Housing Corporation Founding Directors

Bowen Island Municipality (BIM) is seeking applications from qualified individuals to serve as the founding directors of the Bowen Island Housing Corporation. The Bowen Island Housing Corporation will work with the Municipality, the community and the development industry to facilitate the delivery of affordable market and non-market housing on Bowen Island.

Criteria for Potential Directors

The board of the Bowen Island Housing Corporation will be a skills-based working board, with limited resources to access qualified staff or consultants. The skills of directors will be a crucial factor contributing to the success of the housing corporation in ensuring the production of a diversity of housing on Bowen to meet the community's needs. The initial tasks of the founding directors will be to complete the registration of the Bowen Island Housing Corporation, and then to develop affordable housing on Bowen Island by building on the foundation of recent policies and initiatives. Background information is available as part of the [agenda package for the BIM Council Meeting on February 27, 2012](#).

The skills sought include expertise in:

- real estate development
- construction and delivery of housing units
- real estate investment and finance
- delivery and management of affordable non-market and social housing

Bowen residency is preferred but not essential.

Interested applicants are asked to submit a letter outlining their interest and relevant experience by May 15, 2012 to:

Bowen Island Housing Corporation
c/o Kathy Lalonde
Corporate Officer, Bowen Island Municipality
981 Artisan Lane
Bowen Island, BC V0N 1G0
klalonde@bimbc.ca

Appendix B

Bowen Island Housing Corporation Guidelines for Selection of Directors

Number of Directors

The number of voting directors recommended is seven. This number is sufficient to ensure a diversity of perspectives, and small enough allow for efficient meetings and reliable participation. Two of the seven directors will be Councillors, and the remaining five will be community volunteers.

Bowen residency is preferred, but not essential.

Criteria for Directors

This will be a working board, with limited access to qualified staff or consultants. The skills of the board directors will be a crucial factor contributing to the success of the housing corporation in ensuring the production of a diversity of affordable housing on Bowen to meet the community's needs.

The skills sought will include expertise in:

- real estate development
- construction and delivery of housing units
- real estate investment and finance
- delivery and management of affordable non-market and social housing

Selection of Directors

The list of founding directors will be developed by the AHWG group and recommended to Council for ratification. Potential candidates will be sought through advertisements placed by BIM and through other available channels.

In the future, new candidates will be selected by the Board of the BIHC and submitted annually to Council for ratification.

Use of Committees to Expand Community Participation

As this will be a small working board, the use of committees on specific projects may create opportunities to bring in other community volunteers with relevant experience and provide mentoring for potential future board directors.

Liaison Directors

Representation of community interests relating to housing and shelter issues will occur through participatory planning and engagement processes with community stakeholders in relation to specific projects and initiatives, rather than through appointments to the board. However, the board may choose to invite a Bowen Island society actively pursuing affordable housing options to appoint a liaison to participate on the board as a non-voting director.

Similarly, the board may appoint a director to represent the BIHC as a liaison on the board of another relevant Bowen organization, if requested.

Appendix C

BIHC Initial Annual Operating Budget (if no project underway) (For municipal 5-year Financial Plan)

Bowen Island Housing Corporation Budget, cash flow basis

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue | | | | | |
| Grant from BIM | 6113 | 7000 | 7000 | 7000 | 7000 |
| Interest | | | | | |
| Administration fee from developers (\$100 per lot, 15 lots per year) | 1500 | 1500 | 1500 | 1500 | 1500 |
| Total revenue | <u>7613</u> | <u>8500</u> | <u>8500</u> | <u>8500</u> | <u>8500</u> |
| Expenditures | | | | | |
| Incorporation costs | 1000 | | | | |
| Minute taking, board meeting expenses | 300 | 400 | 400 | 400 | 400 |
| Consultant | | | | | |
| managing rental waitlist | | | | | |
| managing purchase waitlist | 1000 | 2000 | 2000 | 2000 | 2000 |
| meeting with developers on potential projects | 2500 | 3000 | 3000 | 3000 | 3000 |
| meeting with board | 1000 | 1000 | 1000 | 1000 | 1000 |
| Advertising | 500 | 500 | 500 | 500 | 500 |
| Annual corporation filing fee | | 50 | 50 | 50 | 50 |
| Website Maintenance | 1200 | 1200 | 1200 | 1200 | 1200 |
| Total Expenditures | <u>7500</u> | <u>8150</u> | <u>8150</u> | <u>8150</u> | <u>8150</u> |
| Excess of Revenue over expenditure | 113 | 350 | 350 | 350 | 350 |
| Cash balance beginning of year | | 113 | 463 | 813 | 1163 |
| Cash balance end of year | <u>113</u> | <u>463</u> | <u>813</u> | <u>1163</u> | <u>1513</u> |

This budget is the fall back position if there is no project.

Admin fee from developer to offset costs, \$100/per new lot.

Assume developer pays for cost of registering at land titles

BIM grant to come from same source as earlier grants

This budget assumes that all housing built be by developers, rental or sale, and sold by them

Appendix D

Organizational Framework
and
Sustainable Funding Options
for the
Bowen Island Housing Corporation

Prepared for the

Affordable Housing Working Group
Bowen Island Municipality

by

Tim Wake
Affordable Housing Consultant
May 2009

Presented to Council 2009 June 22

Introduction

The Bowen Island Municipality (BIM) is in the process of creating a municipal corporation to facilitate the creation and administration of a full range of affordable housing opportunities for the residents of Bowen Island. The Bowen Island Housing Corporation (BIHC), a wholly-owned subsidiary of BIM, will work with the Planning Department, housing stakeholders and the development community to create these opportunities.

The work of BIHC has actually commenced prior to formal incorporation, building on the foundation of an Affordable Housing Needs Assessment, Affordable Housing Strategy and Housing Affordability Update prepared by Margaret Eberle and funded through the Bowen Community Housing Association. The work is being conducted by the Affordable Housing Working Group (AHWG) with the assistance of two paid consultants, Tim Wake, Affordable Housing Consultant, and Jacqueline Massey, Communications Consultant.

The incorporation of BIHC has been contemplated for some time. It is consistent with the objectives set out in the current Official Community Plan (OCP). Its existence should be incorporated into the OCP update that is currently underway. It is recommended that incorporation of BIHC proceed without delay as the formal process can take considerable time. In the meantime, the work of BIHC can continue with an interim board to ensure that the municipality is ready to act once the incorporation is finalized.

This report looks at the role and mandate of BIHC moving forward and how the corporation might be organized on a flexible platform to match its capacity to the resources available and to the tasks as they emerge. Funding requirements, funding sources and a phased approach to manage expenses are all reviewed.

Mandate of Bowen Island Housing Corporation

The primary mandate for Bowen Island Housing Corporation (BIHC) is to create an inventory of high quality, durable and affordable rental and ownership housing that will suit the diverse and evolving needs of the Bowen Island community.

BIHC will focus on the production of non-market housing for Bowen. The **Affordable Housing Continuum** shown in Table 1 represents the entire spectrum of affordable housing, from fully subsidized (at left) to low end of market housing (at right). The greatest housing need on Bowen, as identified in the *Bowen Island Housing Needs Assessment* (Eberle Planning and Research, 2007) is among low and moderate income households. This need will primarily be met by BIHC focusing on the middle portion of the Continuum and creating Non-Market Housing, consisting of Affordable Rental Housing and Affordable Homeownership as described below.

Table 1
Affordable Housing Continuum

| | | | | | | |
|-------------------------------|----------------------|----------------|----------------------------------|----------------------------------|---------------------------|---------------------------|
| Emergency Shelters | Transitional Housing | Social Housing | Affordable Rental Housing | Affordable Home Ownership | Affordable Rental Housing | Affordable Home Ownership |
| Government Subsidized Housing | | | Non-Market Housing | | Market Housing | |

From *Creating Market and Non-Market Affordable Housing: A Smart Growth Toolkit for BC Municipalities* By Deborah Curran and Tim Wake, March 2008, Table 2. Page 3.

Description of Non-Market Housing

Non-Market Housing is composed of both Affordable Rental Housing and Affordable Home Ownership.

Affordable Rental Housing is housing where the total monthly shelter cost (gross monthly rent including utilities – heat, hydro and hot water – but excluding parking and cable television charges) is at or below one times the average regional rent, by unit type (number of bedrooms), as reported annually by the Canada Mortgage and Housing Corporation.

Affordable Ownership Housing is housing with a purchase price that is affordable to households of low and moderate income, which are households within the lowest 60 per cent of the income distribution for the region, as determined by Statistics Canada. Affordable in this context means monthly housing costs (i.e. mortgage principal and interest payment amortized over 25 years and assuming a 25 per cent down payment, and taxes) do not exceed the average monthly rent for the region, by unit type, as reported annually by the Canada Mortgage and Housing Corporation. Affordable ownership price includes the Goods and Services Tax and any other mandatory costs associated with purchasing the unit.

From *Creating Market and Non-Market Affordable Housing: A Smart Growth Toolkit for BC Municipalities* By Deborah Curran and Tim Wake, March 2008. Page 4.

Roles and Responsibilities of Bowen Island Housing Corporation (BIHC)

BIHC will create an inventory of Non-Market Housing by taking on the Roles and Responsibilities outlined below.

1. Act as a resource to BIM Council and Staff on issues pertaining to the development of an inventory of affordable housing on Bowen Island
2. Secure a sufficient and diverse supply of non-market housing to support a local economy and community on Bowen Island
3. Ensure BIHC financial self-sufficiency
4. Administer covenants and controls over non-market housing to ensure perpetual affordability
5. Research affordable housing occupancy and demand
6. Act as the primary community resource for affordable housing on Bowen Island

Outline of Actions arising out of Roles and Responsibilities

The recommended actions for each of these roles and responsibilities are listed below:

1. Act as a resource to BIM Council and Staff on issues pertaining to the development of an inventory of affordable housing on Bowen Island

- Assist Council and Staff with the application of the BIM Affordable Housing Policy to project proposals and rezoning applications
- Assist Council and Staff in the establishment of policy on alternative housing models, such as co-housing, co-operative housing, community land trusts and flex-housing
- Advise third party developers on the most suitable and beneficial affordable housing components to complement their market development proposal

2. Secure a sufficient and diverse supply of non-market housing to support a local economy and community on Bowen Island

- Facilitate the planning approval of non-market housing projects
- Facilitate the development of a diversity of rental housing units (including BIHC owned rental) for Bowen Island residents and employees
- Prepare a detailed plan outlining opportunities to include various types of affordable housing on each of the community lands sites acquired from the GVRD
- Work with island partners such as Abbeyfield to facilitate the development of non-market seniors housing for Bowen Island residents and retiring employees

- Promote and facilitate infill and mixed-use development, including affordable housing in Snug Cove and adjacent neighbourhoods
- Encourage redevelopment which includes affordable housing, especially within walking distance to Snug Cove

3. Ensure BIHC financial self-sufficiency

- Develop a five year business plan for BIHC identifying revenue sources and projected expenses
- Explore partnerships with other housing organizations in the region and pursue the formation of a multi-jurisdictional housing organization to provide support in areas that are common to jurisdictions across the region
- Develop a phasing plan to match BIHC capacity to the evolving responsibilities and requirements on Bowen Island (i.e. start small and grow as necessary)
- Explore options for a virtual office and contracting work to provide flexibility and keep expenses at a minimum
- Utilize best efforts to secure startup funding through grants, partnerships, subsidies and seed funding opportunities
- Follow best practices to ensure fiscal responsibility and utilize the private sector for the supply of goods and services
- Make recommendations to BIM on innovative approaches to finance BIHC projects such as a dedicated Affordable Housing Fund, developer contributions for affordable housing, and a Community Lands dedication

4. Administer covenants and controls over non-market housing to ensure perpetual affordability

- Maintain standard covenants to be registered on title of any project that will include non-market housing
- Develop a communication plan to help all Bowen residents, and especially those occupying non-market housing, understand the intent of the covenants and the process around applying them
- Manage and update the waitlists and the waitlist process to ensure an equitable and orderly allocation of new affordable housing opportunities to qualified Bowen Island residents
- Conduct information meetings, workshops and open houses to showcase, rent, sell and re-sell non-market housing units through a well established waitlist process
- Obtain annual Occupancy Declarations from all owners of non-market housing

- Pursue any breaches of restrictive covenants and where appropriate, take legal action

5. Research affordable housing occupancy and demand

- Prepare an inventory of potential affordable housing sites on Bowen Island complete with details of size, location, current zoning, ownership, development potential, and proximity to transit and services
- Monitor income trends amongst Bowen Island residents, especially those on the affordable housing waitlists to establish affordability levels for Bowen households
- Establish a means of tracking inflow and outflow of households and individuals to and from Bowen to identify and quantify demographic shifts
- Conduct annual research to monitor changes in housing demand
- Conduct focus group sessions with potential occupants of non-market housing on Bowen Island
- Monitor the occupancy of existing affordable (low end of market) housing on Bowen Island

6. Act as the primary community resource for affordable housing on Bowen Island

- Provide information online and through articles in local media on all non-market housing initiatives, projects, policies, and procedures
- Provide ongoing education to the community and the development community regarding the importance of non-market housing on Bowen Island
- Provide landlords and tenants with basic information on tenancy issues and connect them with the services of the Residential Tenancy Office
- Continue to provide a comprehensive delivery of housing information services through the BIHC website
- Research alternative financing and purchasing options available to BIHC and BIM for non-market housing
- Conduct workshops, forums and design charrettes to engage the community in the provision of innovative housing solutions

Organizational Structure

The Bowen Island Housing Corporation will be governed by a Board of Directors that will be selected based on skills and experience in the areas of policy development, community education and engagement, housing development, legal and financial management, land-use planning, project financing and project management. The Affordable Housing Working Group (AHWG) will prepare a call for applications, and a committee of the AHWG will recommend a slate of Directors to BIM Council for approval.

The Board of Directors will make decisions about priorities for the Housing Corporation, how to secure funding for the start up of the organization, which pilot project(s) to pursue, and how quickly to ramp up the capacity of the organization. The Board will need to have some financial expertise to oversee financing of development projects and the prudent management of BIHC funds.

Ultimately, BIHC will oversee covenants on dozens of non-market affordable housing ownership and rental units and perhaps oversee the management of its own rental inventory. This may require one to two full time employees. In the early stages, it will be more practical to contract specific tasks and responsibilities as revenue and funding allow, at the discretion of the Board of Directors.

BIHC still needs to be registered with the Corporate Registry, which will require Ministry of Finance approval. The municipality's lawyers expect completion later this year.

Business Plan and Budget

The principal questions for now are:

- **What funding is required in the next few years to complete the tasks at hand?**
- **Where will this funding come from?**
- **How will we measure progress?**

Funding Level

Over the past three years, the funding requirements for the housing work completed have been approximately \$20,000 per year.

**Table 2
Funding of Housing Work on Bowen Island 2007 – 2009**

| | | |
|--|------------------|-----------------|
| 2007 Affordable Housing Needs Assessment & Affordable Housing Strategy (BCHA) | | |
| | CMHC | \$7,000 |
| | BIM | |
| | Grant- in Aid | \$1,100 |
| | BI | |
| | Donors | \$15,370 |
| | | \$23,470 |
| 2008 Housing Work Phase 1 (AHWG) | | |
| | BIM | \$10,000 |
| 2008-2009 Housing Work Phase 2 (AHWG) | | |
| | BIM | \$25,000 |
| Total | | \$58,470 |

The list of tasks for the AHWG Phase 1 and Phase 2 Work Plans is shown in Appendix A. A review of this list indicates that good progress has been made in three years, but, as the list of actions above shows, there is still much to be done. This work cannot, and need not, take place all at once, or in a short time frame. At the same time, there is momentum in what has been accomplished and, if the affordable housing work is to continue moving forward, we must not lose that momentum.

Moving forward, at least \$20,000 per year will be continue to be required on an annual basis. The actual amount will depend on which action areas are chosen. The first task will be to constitute a Board of Directors, and begin assigning priority to the actions. Board members may be able to act as a resource to assist in the delivery of some of the actions, but a paid staff will be required in order to make meaningful progress.

Source of Funding

To a large extent, progress will be contingent on securing funding. This leads to the second question, where the funding will come from. There are very real limits to how much more grant funding will be available from CMHC, the BC Housing Endowment Fund and the Real Estate Foundation of BC. CMHC and BC Housing have indicated that they can only provide seed funding for a physical project, not for the operation of a housing organization. A Letter of Inquiry, the first step in the grant application process, has been submitted to the Real Estate Foundation of BC. The Foundation has indicated there will be less grant funding available this year in light of reduced real estate sales, and a 50% reduction in total funding is anticipated. Thus, we need to look for a made in Bowen solution.

There are three possible sources for this funding:

1. Create a Bowen Island Affordable Housing Fund

This would be a fund created by Council and would require some kind of development surcharge bylaw to generate revenue. The fund would be utilized, at the discretion of Council, towards any process, including BIHC, that would create affordable housing on Bowen.

The details of the development surcharge bylaw would need to be worked out with Planning Staff and Council. The contribution to the fund may be cash-in-lieu of actually creating affordable housing or providing land for affordable housing.

In order to be effective, this approach requires a steady stream of new development on Bowen. Some members of the development community on Bowen have indicated support for this type of approach, but it does require a substantial market component to generate the funds.

2. Create a Land Bank

Land is the component of housing that makes it unaffordable. Land values escalate over time, beyond the rate of inflation, and outpace the increase in the value of any improvements on the land. Contributions to a land bank can come from BIM, from the Province (Crown Land), from a developer as per the Bowen Affordable Housing Policy, or through the dedication of a previously disturbed site.

Donations of land from benefactors, private owners or estates can be issued a tax receipt by BIM for the fair market value of the land.

This land can then be used to develop affordable housing, or it can be sold to generate funds to be utilized in creating affordable housing. In some cases, for example a dedication of Crown Land, there may be restrictions on selling the land for any use other than affordable housing, civic facilities or some other not-for-profit use.

The community lands currently held by Bowen Island Municipality are not restricted in this way, and some proceeds from the sale of a portion of those lands could be utilized to fund affordable housing initiatives, including BIHC.

3. Seed Funding from BIM

The Bowen Island Municipality may identify the creation of affordable housing as a priority and provide seed funding to get BIHC rolling while working on establishing a Housing Fund and a Land Bank and waiting for contributions to build up.

This approach would extend the funding process that has been in place for the housing work done in 2008 and 2009. These funds would be included in the budget for the Planning Department.

Measuring Progress

The third question was about measuring progress. The ultimate measure is units of affordable housing created, or households housed through the efforts of BIHC. This will be a good measure in the long run, but in the near term, results will have to be measured in terms of action steps in process or completed, with a qualitative analysis of the impact of those actions.

Business Plan

A review of the 19 actions set out for Phase 1 and 2 of the AHWG project as shown in Appendix A indicates reasonable progress in two years. The next two years will need to focus on getting funding mechanisms and housing projects going.

2009 - 2011

A business plan for the next two years would consist of some specific top priority actions from the **Actions** section above and an annual budget of \$25,000 - \$30,000. This business plan should be developed by the new Board of Directors with contract assistance as required.

An example of what the list of priority actions might look like for the next two years is shown below:

- Prepare a detailed plan outlining opportunities to include various types of affordable housing on each of the surplus lands sites
- Promote and facilitate infill and mixed-use development, including affordable housing in Snug Cove and adjacent neighbourhoods
- Encourage redevelopment which includes affordable housing, especially within walking distance to Snug Cove
- Explore options for a virtual office and contracting work to provide flexibility and keep expenses at a minimum
- Utilize best efforts to secure startup funding through grants, partnerships, subsidies and seed funding opportunities
- Prepare an inventory of potential affordable housing sites on Bowen Island complete with details of size, location, current zoning, ownership, development potential, and proximity to transit and services
- Provide information online and through articles in local media on all non-market housing initiatives, projects, policies, and procedures

2012 – 2015

A longer term business plan could contemplate some permanent staff positions, perhaps part-time at first, and a physical location on Bowen. Ultimately many of these organizations end up with a small office in one of their own projects to reduce rent and overhead.

The action list for 2012 – 2015 would include all the items from the **Actions** section above that had not been completed. It is difficult to accurately estimate what the annual budget would be for this phase of the corporation, but it could be in the order of \$100,000. It will depend on the success of the funding mechanisms, and the opportunities to facilitate and partner on affordable housing projects. Projects under development may require project management from BIHC, providing additional workload but also additional revenues. This approach has been successful in Whistler and in Banff.

There are at least two possibilities for sustainable funding beyond the Housing Fund and the Land Bank. The first would be to create an inventory of rental housing owned by the corporation and allocate a percentage (say 10%) of the gross rental income towards the operation of BIHC. The second would be to create an endowment fund from the sale of Land Bank assets, invest the endowment, and allocate the interest income to BIHC.

Summary Recommendation

Create the Bowen Island Housing Corporation

The next step in building the capacity for affordable housing on Bowen Island is to establish a housing organization whose primary responsibility will be to create and manage an inventory of affordable housing. The direction to create this organization, the Bowen Island Housing Corporation needs to come from Council.

Appendix E

Bowen Island Project Development Pro Formas (AHWG)

Notes to Accompany Three Affordable Housing Pro Formas

These pro formas show three different scenarios for the development of affordable housing on Bowen Island. They are all based on a generic one-acre site that would be rezoned for multi-family housing (apartment, condo or townhome). These pro formas could be enhanced considerably with increased density and a commercial component.

In all three pro formas, the market/non-market mix is shown as a percentage of gross floor area (GFA) and also by unit count. As the affordable units are smaller on average, the percentage of non-market or affordable units is higher by unit count than is shown by area.

All scenarios require a partnership with a local developer. The developer shows a profit on the development, while delivering the non-market units essentially at cost. The market units range in price from \$191,250 to \$467,500. The affordable non-market units range from \$101,250 to \$202,500. For the purposes of this analysis, all units are ownership. It is possible some market units would be rented out, but all the affordable non-market units would be owner-occupied.

1, Mixed Residential on Community Lands

This scenario assumes a modest charge (\$500,000) to the project for the land provided by the municipality. If the land were to be donated to the project, the market/non-market split would go from 12/5 to 9/8 (65%/35% of the GFA).

A project on Community Lands would yield a higher ratio of affordable non-market units because the land component is less expensive. That saving translates into more affordable units.

2. Developer-Owned Site - Mixed Residential Development 17 units/acre

Unfortunately, this scenario demonstrates that a mixed residential project is unlikely to succeed with land purchased at market value even with an upzoning to a density of 17 units per acre. The return on investment to a development partner would not be an adequate incentive.

3. Developer-Owned Site - Mixed Residential Development 25 units/acre

At a density of 25 units per acre, this scenario produces 5 units of affordable non-market homeownership. This represents 16% of the GFA and 20% of the units. It also demonstrates that a higher density is required to make the numbers work when the land is valued at the market price.

Appendix E (cont'd)

1. Mixed Residential Development on Community Lands

| | | | |
|---|------------------|-------------------|--------------------|
| Assumptions | | | |
| Land Cost | \$500,000 | | |
| Site Servicing Cost | \$150,000 | | |
| % Affordable | 25% | | |
| # of Affordable Units | 5 | | |
| Vertical Construction Cost psf | \$200 | | |
| Market Sales Price psf | \$425 | | |
| Affordable Sales Price psf | \$225 | | |
| <hr/> | | | |
| Unit Type | Unit GFA | Unit Count | GFA |
| Studio | 450 | 5 | 2,250 |
| One Bedroom | 650 | 5 | 3,250 |
| Two Bedroom | 900 | 5 | 4,500 |
| Three Bedroom | 1100 | 2 | 2,200 |
| Totals | | 17 | 12,200 |
| <hr/> | | | |
| Project Costs | Unit Cost | GFA | \$ |
| Land Cost (payable to BIM) | | | \$500,000 |
| Vertical Construction | \$200 | 12,200 | \$2,440,000 |
| Soft Costs (20% of construction cost) | 20% | | \$488,000 |
| Site Prep, Site Services, Parking, Roads, Landscaping | | | \$150,000 |
| Base Project Cost | | | \$3,578,000 |
| Project Management | 3% | | \$107,340 |
| Construction Financing | 5% | | \$178,900 |
| Contingency | 8% | | \$286,240 |
| Total Development Cost | | | \$4,150,480 |
| <hr/> | | | |
| Sales | Price | Unit Count | Total |
| Market Studio | \$191,250 | 3 | \$573,750 |
| Market One Bedroom | \$276,250 | 3 | \$828,750 |
| Market Two Bedroom | \$382,500 | 4 | \$1,530,000 |
| Market Three Bedroom | \$467,500 | 2 | \$935,000 |
| Affordable Studio | \$101,250 | 2 | \$202,500 |
| Affordable One Bedroom | \$146,250 | 2 | \$292,500 |
| Affordable Two Bedroom | \$202,500 | 1 | \$202,500 |
| Total Sales Revenue | | 17 | \$4,565,000 |
| <hr/> | | | |
| Surplus | | | \$414,520 |
| % of Total Development Cost | | | 10% |

Appendix E (cont'd)

2. Developer-Owned Site - Mixed Residential 17 Units/Acre

| | | | | |
|---|------------------|-------------------|--------------------|--|
| Assumptions: | | | | |
| Land Value Before Rezoning | 1,000,000 | | | |
| Site Servicing Cost | \$150,000 | | | |
| % Affordable | 15% | | | |
| # of Affordable Units | 3 | | | |
| Vertical Construction Cost psf | \$200 | | | |
| Market Sales Price psf | \$425 | | | |
| Affordable Sales Price psf | \$225 | | | |
| Unit Type | | | | |
| | Unit GFA | Unit Count | GFA | |
| Studio | 450 | 5 | 2,250 | |
| One Bedroom | 650 | 5 | 3,250 | |
| Two Bedroom | 900 | 5 | 4,500 | |
| Three Bedroom | 1100 | 2 | 2,200 | |
| Totals | | 17 | 12,200 | |
| Project Costs | | | | |
| | Unit Cost | GFA | \$ | |
| Land Value Before Rezoning | | | 1,000,000 | |
| Vertical Construction | \$200 | 12,200 | \$2,440,000 | |
| Soft Costs (20% of construction cost) | 20% | | \$488,000 | |
| Site Prep, Site Services, Parking, Roads, Landscaping | | | \$150,000 | |
| Base Project Cost | | | \$4,078,000 | |
| Project Management | 3% | | \$122,340 | |
| Construction Financing | 5% | | \$203,900 | |
| Contingency | 8% | | \$326,240 | |
| Total Development Cost | | | \$4,730,480 | |
| Sales | | | | |
| | Price | Unit Count | Total | |
| Market Studio | \$191,250 | 4 | \$765,000 | |
| Market One Bedroom | \$276,250 | 3 | \$828,750 | |
| Market Two Bedroom | \$382,500 | 5 | \$1,912,500 | |
| Market Three Bedroom | \$467,500 | 2 | \$935,000 | |
| Affordable Studio | \$101,250 | 1 | \$101,250 | |
| Affordable One Bedroom | \$146,250 | 2 | \$292,500 | |
| Total Sales Revenue | | 17 | \$4,835,000 | |
| Surplus | | | \$104,520 | |
| % of Total Development Cost | | | 2% | |

Appendix E (cont'd)

3. Developer-Owned Site - Mixed Residential 25 Units/Acre

| | | | | |
|--------------------------------|---|------------------|--------------|--------------------|
| Assumptions: | | | | |
| Land Value Before Rezoning | | 1,000,000 | | |
| Site Servicing Cost | | \$150,000 | | |
| % Affordable | | 16% | | |
| # of Affordable Units | | 5 | | |
| Vertical Construction Cost psf | | \$200 | | |
| Market Sales Price psf | | \$425 | | |
| Affordable Sales Price psf | | \$225 | | |
| | Unit Type | Unit GFA | Count | GFA |
| | Studio | 450 | 5 | 2,250 |
| | One Bedroom | 650 | 7 | 4,550 |
| | Two Bedroom | 900 | 8 | 7,200 |
| | Three Bedroom | 1100 | 5 | 5,500 |
| | Totals | | 25 | 19,500 |
| | Project Costs | Unit Cost | GFA | \$ |
| | Land Value Before Rezoning | | | \$1,000,000 |
| | Vertical Construction | \$200 | 19,500 | \$3,900,000 |
| | Soft Costs (20% of construction cost) | 20% | | \$780,000 |
| | Site Prep, Site Services, Parking, Roads, Landscaping | | | \$150,000 |
| | Base Project Cost | | | \$5,830,000 |
| | Project Management | 3% | | \$174,900 |
| | Construction Financing | 5% | | \$291,500 |
| | Contingency | 8% | | \$466,400 |
| | Total Development Cost | | | \$6,762,800 |
| | Sales | Price | Count | Total |
| | Market Studio | \$191,250 | 3 | \$573,750 |
| | Market One Bedroom | \$276,250 | 5 | \$1,381,250 |
| | Market Two Bedroom | \$382,500 | 7 | \$2,677,500 |
| | Market Three Bedroom | \$467,500 | 5 | \$2,337,500 |
| | Affordable Studio | \$101,250 | 2 | \$202,500 |
| | Affordable One Bedroom | \$146,250 | 2 | \$292,500 |
| | Affordable Two Bedroom | \$202,500 | 1 | \$202,500 |
| | Total Sales Revenue | | 25 | \$7,667,500 |
| | Surplus | | | \$904,700 |
| | % of Total Development Cost | | | 13% |

Appendix F

Affordable Housing Working Group Work Plan 2008 - 2011

| Task # | Phase 1 | Status |
|---------------|--|-------------------|
| 1 | Formulate policy options for BIM to ensure the delivery of some affordable housing benefit with every rezoning | Completed 2008 |
| 2 | Review with staff and prepare report for Council | Completed 2008 |
| 3 | Seek Council approval of policy | Completed 2008 |
| 4 | Establish criteria and policies to qualify individuals and families for affordable housing opportunities on Bowen Island | Completed 2008 |
| 5 | Develop a communication plan to ensure that Council and the community have a good understanding of the housing initiatives that are being undertaken | Completed 2008 |
| 6 | Draft covenants to be registered on title of any lands to be zoned for affordable housing, including a portion or adjacent parcel for all lands to be rezoned. | Completed 2009 |
| 7 | Review and revise covenants with BIM staff, legal counsel and Board. | Completed 2009 |

Appendix F (cont'd)

Affordable Housing Working Group Work Plan 2008 - 2011

| Task # | Phase 2 Tasks | Status |
|---------------|---|---------------------------------|
| A. | <i>Establish Housing Organization</i> | |
| 8 | Research & apply for housing organization 'startup funding' to supplement BIM funding | Completed 2009 |
| 9 | Choose a name for the organization and draft Articles of Incorporation | Completed 2009 |
| 10 | Review and revise Articles with BIM staff, legal counsel and Council | Completed 2009 |
| 11 | Seek approval from Council to proceed with registration | Requested 2009 |
| 12 | Solicit applications for the first Board of Directors | Pending Council Direction |
| 13 | Select and confirm Directors, convene first Board Meeting | Pending Council Direction |

Appendix F (cont'd)

Affordable Housing Working Group Work Plan 2008 - 2011

| Task # | Phase 2 Tasks | Status |
|---------------|---|--|
| B. | Commence Housing Work | |
| 14 | Execute Communications Plan | Completed 2008 |
| 15 | Organize and hold two public meetings | Completed 2008 |
| 16 | Create organizational framework for professional office to create and administer affordable housing | Completed 2009 |
| 17 | Develop sustainable funding model options for housing organization, develop business plan | Completed 2009 Expanded 2011 |
| 18 | Establish an affordable housing waitlist for rental and ownership housing on Bowen Island | Ownership Completed 2009 Rental Deferred |
| 19 | Seek Council approval of covenants | Completed 2009 |

Appendix G

Bowen Island Municipality

POLICY

Policy Adopted: June 9, 2008

Policy #08-03

Affordable Housing Policy

BACKGROUND

The need for affordable housing on Bowen Island has been studied and documented in the Affordable Housing Needs Assessment, conducted by Margaret Eberle (Eberle Planning and Research) and presented to Council in May, 2007. This was followed by the completion of a Bowen Island Affordable Housing Strategy that contained a number of recommendations, which was presented to Council in September, 2007.

Among these was a recommendation that BIM Council “act immediately and take steps to leverage affordable housing through the development and rezoning process by BIM working with developers”. This policy responds specifically to the recommendation.

STATEMENT OF INTENT

The intent of this policy is:

- a) To guide Council and staff in their deliberations with development proponents on the delivery of affordable housing units as part of any new development or redevelopment.
- b) To provide clear objectives and targets for the consistent delivery of affordable housing in conjunction with all development.
- c) To create a level playing field so that all development contributes to affordable housing solutions on Bowen Island in a meaningful, beneficial and equitable way.
- d) To create a mix of affordable rental and affordable ownership housing on Bowen Island.

APPLICABILITY

This policy applies to any new development (residential, commercial or industrial) granted through a rezoning application or other development approvals, such as subdivisions.

Appendix G (cont'd)

Bowen Island Municipality Affordable Housing Policy

DEFINITIONS

Affordable Housing – Non-market residential dwelling units that may only be owned or rented under the terms of housing covenants registered on title in favour of the Bowen Island Municipality.

Market Housing – Residential dwellings that are sold on Bowen Island without restriction as to occupancy, rental rate or price.

Compact Housing – Market Housing or Affordable Housing that is efficiently designed in studio to three bedroom units ranging in size from 40 sq.m. to 130 sq.m.

Development – Any activity that subdivides or increases the permitted density on a parcel of land. Development includes the creation of residential dwelling units, commercial space or tourist accommodation, and industrial units.

Social Housing – Provides housing to individuals that by and large are recipients of government income support programs. Government generally delegates the management of Social housing to a non-profit organization. Social housing may or may not offer supportive services.

AFFORDABLE HOUSING CONTRIBUTION

In the interest of creating a diverse inventory of affordable housing, including social housing, on Bowen Island to meet the needs of long term residents, young families, seniors, those with special needs and those employed on the Island, all new development will be encouraged to create:

- a) A mix of housing types and sizes in each new development
- b) Housing that is within walking distance of amenities, transit and services
- c) Housing that is compact, accessible and meets the Green Building Standards set out by the Bowen island Municipality
- d) Fifteen percent (15%) of the Gross Floor Area (GFA) as Affordable Housing (as defined by the Affordable Housing Working Group, or the Bowen Island Housing Corporation). For example, a project with a GFA of 500 sq.m. will include 75 sq.m. of affordable housing units. These units are intended to be cost neutral to the developer.

An occupancy permit for any phase of market housing in a development will not be issued until the corresponding affordable housing has been granted occupancy.

Appendix G (cont'd)

Bowen Island Municipality Affordable Housing Policy

Affordable housing units should be integrated, wherever possible, with market residential units.

The majority of affordable housing units should be located within walking distance to Snug Cove. Other locations should be close to transit.

Consideration should be given to relaxing parking requirements and encouraging a car co-op arrangement in all affordable housing projects.

Rental units and ownership units are needed in a variety of sizes from Studio to Three Bedroom. Apartment and Townhouse units are needed most, but there should be some semi-detached and single detached units. Proponents should be encouraged to provide a mix of these units in each development.

Affordable Housing Working Group Terms of Reference

Overview

Rapid housing price increases in the last few years have raised concerns that Bowen Island is in danger of losing its valued social diversity and becoming an island paradise accessible only to high-income groups. Long-time residents and newcomers alike are having difficulty finding housing at a price that they can afford. In addition, the business community is challenged to find and keep employees as a result of high housing costs. Many communities like Bowen find themselves in similar circumstances and are taking action to respond to this crisis.

The Bowen Community Housing Association, a community non-profit society, with municipal support, has steered the completion of a professionally-directed Housing Needs Assessment and a Draft Affordable Housing Strategy, including recommended goals and actions. The Draft Strategy was presented to Council on September 17th, together with recommendations. Council received the report and passed a motion referring the Strategy to staff for review, to the Director of Finance for inclusion in the 2008 budget planning process, and to Council's strategic planning process on September 20th.

In further discussions, Council acknowledged the seriousness and urgency of the affordable housing supply issue, and is committed to adopting a proactive, ongoing affordable housing agenda. In order to secure the range of affordable housing needed in the community, the municipality will need to develop and acquire the necessary capacity and tools, on a scale that is in balance with its resources and other critical priorities.

A number of planned developments on Bowen offer the potential for providing much-needed rental and ownership affordable housing units that will be perpetually affordable. It is important for Council to act quickly to put in place the resources, capacity and organizational structure to empower the municipality to ensure that these opportunities are realized in the most beneficial way possible.

Approach:

Currently, working groups comprised of experienced and skilled community members are making significant contributions in planning for civic facilities, surplus lands, transportation, and for Snug Cove and a sustainability framework for Bowen. Council believes that a similar approach, consisting of the establishment of an Affordable Housing Working Group, will build the community's capacity for catalyzing the delivery of needed perpetually affordable housing by integrating this initiative into the municipal planning framework.

Purpose:

To provide Council and staff with:

- the tools and capacity to proactively pursue the production of affordable housing that meets the housing needs identified in the Housing Needs Assessment and begins the implementation of the Affordable Housing Strategy, and
- information needed to assist with planning financial support for the launch of the affordable housing initiative, to aid in the 2008 budget process.

Objectives

1. *Draft an interim Affordable Housing Policy* for BIM to guide negotiations with developers during rezonings, with specific focus on developments which are in the early stages of planning and provide opportunities for perpetually affordable housing, such as the Cape Roger Curtis, Belterra, Surplus Lands, and the Snug Cove Master Plan. The policy will clarify the applicability of tools and issues including:
 - a. Inclusionary zoning
 - b. Density bonus
 - c. Basis for minimum affordability requirements – units per acre, floor space ratio
 - d. Prioritization of developer contribution (housing, land, cash-in-lieu)

Appendix H (cont'd)

Affordable Housing Working Group Terms of Reference

- e. Location of Bowen's affordable housing
 - f. Prioritization of types of housing in relation to needs and opportunities.
2. *Begin the work of the municipal housing organization.* As outlined in the Draft Affordable Housing Strategy, the mandate of this organization - a small, effective arm's-length municipal agency - includes the following:
- a. to facilitate and/or develop affordable rental housing and entry-level ownership housing by leveraging housing units through the development process or with community partners,
 - b. to manage a waiting list of qualified prospective tenants or buyers,
 - c. to hold title to the units (and land, as appropriate),
 - d. to manage the units as perpetually affordable housing, and
 - e. to develop and enforce the necessary legal agreements.

The steps that can be taken immediately include:

- a. Establish criteria and policies to qualify individuals and families for affordable housing opportunities,
- b. Draft covenants to be registered on title of any lands to be zoned for affordable housing, and review these with BIM staff and legal counsel,
- c. Develop a communication plan to ensure that council and the community have a good understanding of the housing initiatives that are being undertaken.
- d. Outline timing and process for next steps.

Resources and Budget

The Working Group is authorized to hire a consultant to develop the Interim Affordable Housing Policy and to begin the work of the municipal housing organization, as described above, under the direction of the Working Group.

A budget of up to \$10,000 is assigned to the Working Group for this project. It is expected that this expense will be recovered under the municipality's planning cost recovery agreements with proponents seeking rezonings, given that the urgency to act on this matter is precipitated by the timing of specific developments currently underway.

It is recognized that completing the process of establishing the housing organization will require a further allocation of approximately \$25,000 in the 2008 budget year. The consultant will be asked to explore external sources of start-up funding to reduce the municipality's contribution.

Composition and Authority to Act

- o The Working Group reports to Council through its Chair, to be appointed by Council.
- o The Working Group has the authority to meet with Municipal staff in support of its work plan.
- o The role of the Working Group is to be an advisory body to the consultant, who reports to the CAO.
- o The Working Group will be comprised of the members of the Bowen Community Housing Association's Affordable Housing Strategy Committee.
- o Councillor Alison Morse will act as Council liaison with the Working Group.
- o The CAO will act as staff liaison, and may assign other staff in support of the work plan.
- o After this work plan is completed, this Working Group shall be disbanded, unless Council decides to extend its work.

Timeframe:

This project is to be initiated by December 1, 2007. The Working Group and Consultant will bring back a full report to Council on progress toward the objectives and on next steps at the end of February, 2008.

Appendix I

Housing Work Costs and Funding Sources 2007-2011

Affordable Housing Working Group 2008-2011 - Work Plan Budget

| Description | | Source of Funds | Cost |
|------------------------|---|-----------------|---------------|
| Phase 1 2008 | Affordable Housing Policy Affordable Housing Waitlist 1 Communications Plan Affordable Housing Covenants 1 | BIM | 9,600 |
| Phase 2 2008-11 | Affordable Housing Waitlist 2 Community Information Program Affordable Housing Covenants 2 Housing Corporation Research Articles of Incorporation Organization Framework & Model | BIM | 27,651 |
| AHWG Total | | | 37,251 |

BIM Legal and Meetings Costs

| Description | | Source of Funds | Cost |
|--------------------------------------|-----------------------------------|-----------------|--------------|
| Minutes | AHWG meetings | | 1,635 |
| Municipal solicitor | Review of documents, consultation | BIM | 7,810 |
| Legal and Meeting Costs Total | | | 9,445 |

Bowen Community Housing Association 2007

| Description | | Source of Funds | Cost |
|--|--|---------------------------|---------------|
| Affordable Housing Needs Assessment and Affordable Housing Strategy | | CMHC 7,000.00 | 23,470 |
| | | BIM Grant-in-Aid 1,100.00 | |
| | | BI Donors 15,370.00 | |
| BCHA Total | | | 23,470 |

| | |
|--|---------------|
| Total for Affordable Housing Work 2007-2011 | 70,166 |
|--|---------------|

Budget Note:

Council authorized a budget of \$10,000 for AHWG Phase 1 work in 2008 and \$25,000 for AHWG Phase 2 work in 2008-9. An additional \$10,000 was authorized to complete the work of incorporation of BIHC. Only part of this budget was utilized due to the decision to assign the work of completing the incorporation to the founding directors of the BIHC.

Appendix J

History of Affordable Housing Initiatives on Bowen Island: Selected Highlights

The visible roots of today's efforts to build community capacity to ensure that there is a diversity of housing choices to support the diversity we value can be seen in the discussions and gatherings that took place in 2005.

As with most grassroots initiatives, documentation is scarce, and there were earlier efforts to create alternative and affordable housing models and communities. However, in 2005, some residents became aware of the number of community members who were leaving the island due to rising housing costs and decreased availability of affordable dwellings (see chart, next page). Many will remember the stories in the Undercurrent and the pivotal meetings at the Gallery, which led to the formation of the Bowen Community Housing Association (BCHA).

In 2006, inspired by the growing community energy and concern about the issue of housing affordability, a small group took the initiative to organize a 2-day Affordable Housing Symposium at Cates Hill Chapel. Attended by 125 people, the event concluded with a commitment to four key steps to bring the delivery of a diversity of affordable housing choices on Bowen Island closer to reality:

- Legalize secondary suites
- Prepare an Affordable Housing Needs assessment
- Modify the OCP to enable the production of affordable and diverse housing
- Secure Surplus lands for affordable housing choices

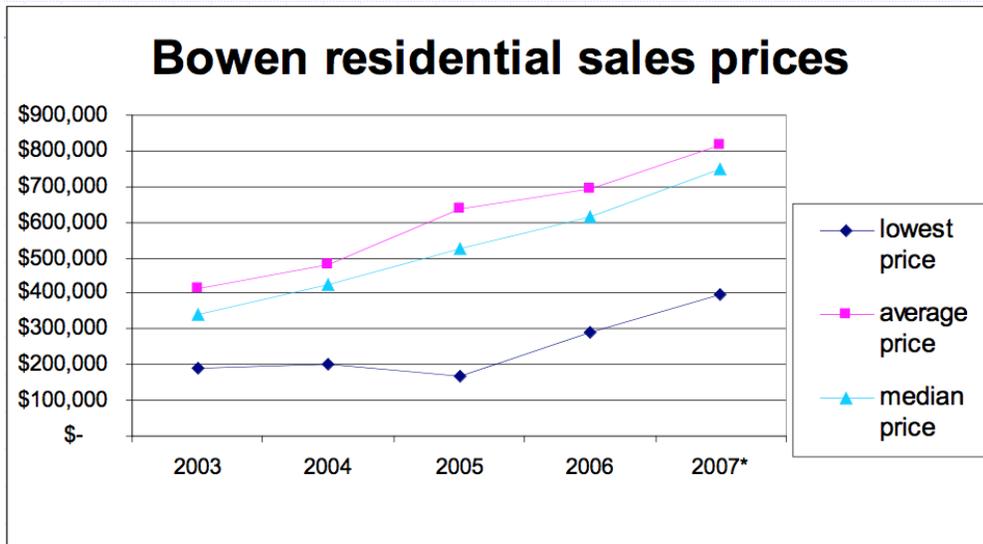
Five years later, all four steps had been taken, thanks to the collective action of the community, organized through the BCHA, and the partnership of BIM, which provided both financial support and civic sanction, the assistance of the development community, which provided financial support in the early stages, and moral and financial support of individual community members.

Selected Milestones

| | |
|------|--|
| 2006 | The public hearing on the proposed Secondary Suites bylaw was attended by over a hundred residents. Both written and verbal submissions were overwhelmingly in support of the bylaw. The BCHA was instrumental in building community interest in and support for the bylaw. |
| 2006 | A small committee of the BCHA developed terms of reference for an affordable housing needs assessment, and in the space of a few months had secured \$24,000 in funding and contracted with an affordable housing consultant to proceed with both the needs assessment and the development of a draft affordable housing strategy. |
| 2007 | Under the leadership of the BCHA's expanded Affordable Housing Strategy Committee, the Affordable Housing Needs Assessment and the draft Affordable Housing Strategy were completed, with extensive public engagement, and reported to Council with recommendations for next steps. |
| 2007 | Council created the Affordable Housing Working Group (AHWG) with terms of reference proposed by the BCHA. |
| 2008 | Council adopted the Secondary Suites Bylaw |

- 2008 Council adopted the Affordable Housing Policy developed by the AHWG. The policy secures 15% of the gross floor area in all rezonings as Affordable Housing,* and approves the covenants to secure Affordable Housing units in rezonings under the policy.
- 2008 Council authorized the creation of a waitlist for qualified applicants for Affordable Housing units. The waitlist is launched with a public information campaign and applications received were processed and logged.
- 2011 The allocation of at least 0.5 acres of the **Community (Surplus) Lands** to affordable housing was embedded in the updated OCP>
- 2011 Council adopted the updated OCP, which had been amended to incorporate numerous provision to support the delivery of affordable housing.

The BCHA played a key role in facilitating the successful completing of these four tasks through its work of advocacy for the affordable housing issues, providing the human dimension of the impact of the housing crisis, and providing a grassroots framework for incubating and supporting essential initiatives.



Source: Bowen Island Affordable Housing Needs Assessment, 2007. Page 15

*'Affordable housing' means non-market residential dwelling units that may only be owned or rented under the terms of housing covenants registered on title in favour of the Bowen Island Municipality. [OCP Bylaw No. 282, 2010, Glossary, p. 151).

Appendix K

Minutes of Council meetings relating to Affordable Housing

2009 June 22 CoW

Elizabeth Ballantyne , Affordable Housing Working Group re: Final report

Elizabeth Ballantyne, Chair of the Affordable Housing Working Group and Tim Wake, Affordable Housing provided overviews of the Final Report to Council via PowerPoint presentations.

Key comments/queries from Council members included:

- Concern expressed that rental issues were not being dealt with.
Consultant: A Housing Organization produces housing on the lower end of the rental market.
- Concern that the Municipality does not have the land for the housing at this time.
- Has there been a survey on how many secondary suites exist on the Island? *Community Planner: there was an informal survey done by the Housing Task Force, who estimated about 23%.*
- Queries regarding how the Housing Corporation would operate.

RES# CW 09-063

It was Moved and Seconded

The Committee of the Whole recommends that Council receive the report on Affordable Housing Work as presented by the Affordable Housing Working Group. CARRIED UNANIMOUSLY

RES# CW 09-064

It was Moved and Seconded

The Committee of the Whole recommends that Council endorse the concept of the creation of a Bowen Island Housing Corporation; and That staff be requested to provide Council with a more detailed report. CARRIED UNANIMOUSLY

2009 July 20 Council Special

Minutes of the Special Council meeting held June 22, 2009:

- Affordable Housing Working Group Presentation

RES# 09-130

It was Moved and Seconded

That Council receive the report on Affordable Housing Work as presented by the Affordable Housing Working Group.

CARRIED UNANIMOUSLY

Council members noted the following key points in relation to the creation of a Bowen Island Housing Corporation:

- The report coming from staff needs to reference a more detailed business plan.
- Would not like to see a corporation set up that is not amorphous. Need to ensure that we do it right.
- The Housing Corporation is the tool.
- There is a legal question around liabilities.

RES# 09-131

It was Moved and Seconded

That Council endorse the concept of the creation of a Bowen Island Housing Corporation; and

That staff be requested to provide Council with a more detailed report.

CARRIED UNANIMOUSLY

RES# 09-132

It was Moved and Seconded

That Council approve the following affordable housing covenants:

1. The Standard Housing Agreement 219 Covenant and Rent Charge and Indemnity
2. The Standard Right of First Refusal and Option to Purchase;

Subject to the creation of the Bowen Island Housing Corporation.

CARRIED UNANIMOUSLY

2008 September 8 Council

Affordable Housing Working Group re: Update to Council

Elizabeth Ballantyne and Tim Wake of the Affordable Housing Working Group provided Council with a PowerPoint presentation of their work with key points as follows:

- The following items have been completed under Phase 1:
 1. Affordable Housing Policy (Re-zonings)
 2. Began work of municipal housing corporation;
- Affordable Housing Policy – benefits:
 1. Timing critical – to be in place to capture all possible re-zonings
 2. Will meet needs of a narrow but significant band of spectrum seeking affordable housing;
 3. Prevent the continuation of homogeneous developments serving wealthy second-home market;
- Need for a Municipal Housing Corporation – positioned to lose a key percentage of our community as they can't afford to buy on Bowen Island.
- Municipal Housing Corporation – Phase 1 First Steps:
 - A. Waitlist Criteria and Policies:
 - First come-first served, with initial period for islanders meeting criteria;
 - Eligibility;
 - Mortgage pre-approval;
 - Sales process.
 - B. Draft Covenants:
 - Two parts: 1) right of first refusal; 2) Housing agreement
 - Final legal review.
 - C. Develop communications plan:
 - Introduce and launch waitlist process;
 - Inform and educate the public;
 - Communications consultant on board.
 - D. Outline timing and next steps:
 - Proceed with consultant of record;
 - Establish housing organization;
 - Commence housing work.

Discussion ensued regarding the wait list guidelines and key comments from Council members included:

- What are the qualifications for the wait listing in terms of income? How do we make sure that the people who really need it are on the wait list? *Tim Wake: It does not matter where the applicants are working – we are trying to preserve the community as it exists now. Priority will be given to people who have been here longer, families, not owning a home on Bowen. This is not a competition – will try and find housing for everyone.*
- Is the criteria similar to other communities? *Tim Wake: Similar to Whistler but fine tuned for Bowen Island priorities. Have tried to keep it as simple as possible.*

RES# 08-171

It was Moved and Seconded

That Council approve the wait list guidelines for ownership housing as presented by the Affordable Housing Working Group.

CARRIED UNANIMOUSLY

RES# 08-172

It was Moved and Seconded

That Council approve the Affordable Housing Working Group proceeding with Phase II.

CARRIED UNANIMOUSLY

2008 June 9 Council

Affordable Housing Policy

Tim Wake, Affordable Housing Consultant provided the following comments regarding the Draft Affordable Housing Policy:

- Policy is an attempt to provide a straightforward approach for developers to produce affordable and market housing;
- Applicability – applies to any rezoning application but could also be encouraged for subdivision applications;
- Affordable Housing Contribution -15% of gross floor area. The number can be adjusted if needed;
- Small rezoning applications – have made some suggestions for a case by case approach.

The Community Planner commented on the following issues from his report to Council on the Affordable Housing Policy:

- The Policy was the first step for the work of the Affordable Housing Working Group. The second step is to create a housing corporation;
- Implication of implementing the policy is the present lack of an administration function if the municipality were to receive affordable housing units. However, it is unlikely units would be received before an administrative function is in place;
- Supportive of the Policy and recommend Option 2 of the report to Council.

Elizabeth Ballantyne, Chair of the Affordable Housing Working Group requested Council to regard the policy in the context of the work of the group. The next steps are:

1. Having reviewed the first draft of covenants, the working group is now looking at eligibility criteria and a process for compiling waiting lists.
2. Begin the work of creating the housing organization. Draft a Request for Proposals for an organization to do the administration function.

Key comments/queries from Council included:

- 15% contribution - how will we know if it could have been more? *Affordable Housing Consultant: It is the average number for other municipalities we have worked with;*

- Other types of housing: *Affordable Housing Consultant: Compact housing speaks to smart growth principles. Affordable housing is a necessary component of smart growth but not sure policy should stipulate a percentage;*
- Social housing: *Affordable Housing Consultant: Should be approximately 10% of all affordable housing;*
- Small subdivisions: Is this policy suggesting the contribution should be 15% of the value of the newly acquired land? *Affordable Housing Consultant: Would be a discussion around the appropriate amount to contribute to the Housing Association and 15% cash in lieu contribution is a good starting point;*
- Commercial Space: Are you saying cash in lieu? *Affordable Housing Consultant: Flexibility is here to look at residential units above industrial. The only time cash in lieu is to be considered is when there is not enough volume to create a single unit;*
- Cost neutral - *Affordable Housing Consultant: This means land comes at little or no cost and recovering building costs is through rent or sale;*
 - Procedural issue for Council: Moving from a two-step process to a one-step process in decision making.

RES# 08-101

It was Moved and Seconded

That Council consider deferring adoption of the Bowen Island Municipality Affordable Housing Policy to the June 23, 2008 Council meeting.

DEFEATED

Five members of Council in Opposition

RES# 08-102

It was Moved and Seconded

That Council adopt the Bowen Island Municipality Affordable Housing Policy, as presented to Council at the June 9, 2008 Meeting.

CARRIED

2007 December 3 Council Special

Elizabeth Ballantyne, Bowen
Community Housing Association
re: Affordable Housing Working
Group Terms of Reference

Elizabeth Ballantyne provided Council with the history of the work to date completed by the Bowen Community Housing Association. In addition she outlined the proposed terms of reference for the Affordable Housing Working Group as presented to Council in their December 3, 2007 agenda packages and indicated the following key points:

- The intent is that the Housing Strategy Committee will become the working groups members.
- The working group will stay in place until the housing organization has been formed.
- The major benefits for the formation of the working group are: it brings the work of the housing organization under the guidance of the Municipality; can provide comments and advice to Council; expertise available to the Planning Department; and can assist the CAO to work with the housing organization.
- Immediate funds required are \$10,000 plus an additional provision in 2008 year of \$25,000. *Director of Finance: \$35,000 total has been budgeted in 2008.*

RES# 07-260

It was Moved and Seconded

That Council adopt the Terms of Reference for the Affordable Housing Working Group; and

That Council appoint the following members to the Working Group:

- Elizabeth Ballantyne, Chair
- Sara Baker
- Richard Best
- Bruce Howlett
- Morganne Keplar
- Faye White
- Councillor Alison Morse, Council Liaison. CARRIED

2007 September 20 CoW Strategic Plan Review

- **Affordable Housing**

Elizabeth Ballantyne of the Bowen Community Housing Association (BCHA) indicated the following:

- Community members have taken the affordable housing issue as far as they can. It has had broad input from the community. For it to be effective it needs to be integrated into the operation and practices of the Municipality.
- Number of initiatives underway. We have the strategy that needs to turn into a framework.
- A Municipal Housing Corporation is a key piece. A Housing Corporation is independent from the Municipality – it requires Council members to be on the board but minimal staff involvement.
- In order to get a Housing Corporation in place, the Municipality needs to bring on a housing consultant. In order to steer that process, we need someone in municipal staff to guide this.
- The BCHA can offer the capacity and resources of the community. Whatever type of support is needed they will supply. Can put together an advisory group.
- Need up front the assurance that the Municipality can fund the \$35,000.
- Given the projects that are underway, it would be immensely valuable to have an affordable housing framework document.
- The BCHA would like Council to consider releasing seed money immediately so we can bring a consultant onboard and begin the work of putting together an affordable housing framework.

Key comments/queries from Council members included:

- Need for the CAO to prepare a report to Council regarding the feasibility of the BCHA's strategy. There is a need for an appraisal/critiquing of the housing corporation concept.
- Need to gain comfort that a housing corporation is the right vehicle.
- Suggestion that Council arrange a meeting at UBCM with to the members of the Tofino Council and/or Sunshine Coast Regional District to discuss their experiences.
- Difficult issue – recognize that this is important but doesn't know enough about what all the options are.
- Another example of capacity. What we are struggling with is that there is not a plan. The enterprise of dealing with affordability – we need a comfort level – this is not a small step. The OCP amendment is a simpler thing to approach. On any rezoning we can tag on the applicant to require their expertise.

2007 September 17

Sara Baker and Elizabeth Ballantyne, Bowen Community Housing Association; Margaret Eberle, Eberle Consulting re: Affordable Housing Strategy for Bowen Island – Recommendations, dated September 10, 2007

The Delegation introduced the Affordable Housing Strategy and recommendations as provided to Council in their September 17, 2007 agenda packages. They noted the following key points during their presentation:

Goals:

1. Adequate supply of rental housing for low income households;
2. Adequate supply of rental housing for people with special needs;
3. Affordable rental housing for moderate income households;
4. Entry level ownership housing for moderate-income families;
5. Diverse financing and housing options, and alternative ownership and tenure arrangements, for all.
6. Suitable housing and support to enable seniors to age in place.

Actions Needed:

1. Form municipal not-for-profit housing corporation (*the sole mandate would be to create affordable housing on Bowen Island. Rationale: needs to be an organization/ individual pushing the affordable housing agenda forward. Managed by a board of directors with a small staff – engaged in housing research, planning, operating, managing, etc. Aim is for the corporation to become self-sustaining it does require start up funds*);
2. Obtain affordable housing through rezoning process (*Leverage housing units through rezoning processes; run hand in hand with the development of a housing corporation. The Municipality would require that there be a certain amount of affordable housing on site; Clear policy needed in place. The community of Langford is an example*);
3. Complete legalization of secondary suites (*Strong support expressed at Housing Forum and was a recommendation of the secondary suite task force*);
4. Legalize accessory buildings for residential purposes;
5. Obtain Council commitment to proactive affordable housing agenda (*The Municipality should become active proponents*);

6. Employ partnerships to create affordable rental housing (*businesses, foundations, etc. No one agency or group is willing to foot the bill. Therefore there is a need for partnership with community groups, developers, etc.*);
7. Amend the Official Community Plan (OCP) to strengthen municipal support for affordable housing (*The OCP already has a substantial component regarding affordable housing; Dave Witty has suggested a number of potential amendments*)
8. Introduce innovative building forms and techniques (*reduce housing costs: build smaller units, use different materials and techniques. Land is still a huge component. Some examples – modular or manufactured housing; floating homes, grow homes – a house is built but not completely finished – finished as there are resources. Suggestion of implementation of a pilot program*).
9. Educate the community about affordable housing needs and solutions

In addition the following key points were noted:

- Provided examples of four communities who have set up Municipal Housing Corporations – Whistler, Tofino, Banff and Canmore.
- Business plan needed for a self-sustaining corporation.
- Suggestion that the coordinator position could be shared with other communities.
- Could make this a demonstration learning process for other communities.
- There needs to be an interim policy regarding rezonings. Suggestion that if there are not the staff resources perhaps a working group could be struck to deal with drafting the policy.

Council members noted the following key points/queries:

- The challenge to the Municipality is what can be done and in what order.
- The next step is to go to staff for a response. Regarding a Municipal Housing Corporation – too big of a task for one department to take on. The CAO should lead the review.
- Heartfelt thanks to the Bowen Community Housing Association - phenomenal amount of work put in by volunteers.
- Embarking on strategic planning and fall budget processes – first steps are to refer to staff and these processes.
- Corporations are still not the norm – the four communities used as examples for having Municipal Housing Corporations are resort communities. Critical to move forward but there is a need for units to be built. Why is the formation of the corporation at the top of the list?
Delegation: yes it can happen in other ways – but will it? This is a way to move it forward more quickly. Density bonusing will not work when the housing market slows down.

RES# CW-07-113

It was Moved and Seconded

That the Committee of the Whole recommend to Council that the Draft Bowen Island Affordable Housing Strategy prepared by the Bowen Community Housing Association (BCHA), dated August 2007 be received for information; and That Council extend their thanks to the BCHA for undertaking this work;

That the Strategy be referred to staff for review, the Director of Finance for inclusion in the 2008 budget process and the Strategic Planning process on Thursday, September 20, 2007.

CARRIED

2007 May 14

Elizabeth Ballantyne, Bowen Community Housing Association and Margaret Eberle, Eberle Planning and Research re: Bowen Island Affordable Housing Needs Assessment Report and Presentation

Margaret Eberle, Eberle Planning and Research provided Council with a PowerPoint presentation outlining the Bowen Island Affordable Housing Needs Assessment Report. During her presentation she noted the following key points:

- Why do a Needs Assessment? To understand the community's needs and to provide a basis for affordable housing strategy.
- GVRD is currently in the midst of developing a housing strategy.
- Approach – interviews with 20 key informants; review of housing demand and supply indicators; affordability analysis.
- Substantial number of employees working on Bowen who live off island; potential source of population growth; difficult to find employees.
- Dwelling stock: 1,640 units with 1,339 units occupied by residents; Rising rental costs with limited vacancies.
- Interviews indicated affordable housing was rated as a serious issue; affordable housing helps to maintain diversity; affordable housing promotes a strong community.
- What kind of housing is needed: small cottages; townhouses; rental housing; secondary suites; social/subsidized housing; affordable entry level housing?
- For whom? Mix of people; priority to islanders; families/ individuals with low incomes or modest incomes; young people, empty nesters; seniors.

- Higher incomes needed to purchase modest Bowen Housing (e.g. household incomes need to be between \$85,000 - \$100,000).
- Moderate income earners cannot buy modest homes on Bowen today – house prices are divorced from the moderate incomes earned.
- A few very low income households face extreme affordability issues.
- Limited housing options available to promote diversity – predominately single family dwellings.

Discussion ensued. Council queried what the next steps/ strategies were regarding the Needs Assessment Report. Elizabeth Ballantyne indicated the following:

- The group is in the process of digesting the information. Needs to figure out how to take this information and look at it in the Bowen context. Gather up best wisdom.
- Looking ahead to development of a strategy, and would like such completed by early summer.
- Currently compiling information on other communities and strategies.
- Need to include the Sustainability Framework Working Group and planning staff.
- A tentative date of June 24th has been established for Community Consultation.

Mayor Turner thanked the Housing Association for their work and dedication. He further indicated that Council is looking forward to the strategy which could then be applied to specific policies.

2007 February 12

Bowen Community Housing Association re: Needs assessment presentation

Elizabeth Ballantyne of the Bowen Community Housing Association (BCHA) noted the following points:

- A Housing Needs Assessment became the priority as a result of the symposium held last fall.
- The \$25,000 funding goal has been fully raised – broadly based support. No more than 50% from any single source.
- Stance – service to the Bowen community and supporting Council.
- Concept for Council’s review will be brought forward in May.

Margaret Eberle, Eberle Research and Planning, Social Planning and Housing Policy Consultant provided the following key points during her PowerPoint presentation:

- First phase of her work will be to develop a housing needs study.
- The second phase will be to help develop a housing strategy.
- Definition of Affordable Housing – housing which does not exceed 30% of gross household income.
- Will be defining low and moderate income households.
- The ability of moderate income households is coming into question.
- Housing Continuum – ownership/rental housing/social housing/transitional housing/ supportive housing/emergency shelter.

Councillor Shatzky arrived at 7:33 p.m.

- Why is affordable housing important – social diversity; health; economy; public costs (e.g. homelessness).
- Market Context – market does not supply housing that is affordable at certain income levels; forecast moderate strength in housing sector.
- Policy Context – reduced senior government role; enhanced local government/community role; few programs; partnership.

- What is a housing needs assessment – current housing situation; future trends; gap between demand and supply at various incomes.
- Why do one? Because it is required by funders; numbers speak; to be ready when opportunities arise; respond to changing circumstances.
- Benefits – clear and shared understanding of problem; helps guide development of housing strategy; can be used as baseline to measure progress of strategy.
- Rent Gap – affordability (at 30%) - \$508 vs. \$930 average shelter cost per month. Bigger gap on Bowen Island than within the rest of the GVRD area.
- Steps – analyse data; stakeholders interviews; draft needs assessment; working session; begin strategy development.

Key comments from Council members included:

- This is the type of analysis that good policy is built on. Grateful to the BCHA for their initiative.
- What is the main thrust of the BCHA (e.g. primarily in policy area, land acquisition). *BCHA: will be looking at land acquisition through purchase or gift. Will also meet with Surplus Lands Working Group about how it might work.*
- What sort of data/sources are available that are Bowen specific? *Margaret Eberle: Statistics Canada census information, real estate information, tax information, and will be contacting approximately 20 stakeholders in the community to flesh out findings.*
- Suggestion that the Consultant contact Islands Trust as they have a lot of data from Statistics Canada for Measuring out Progress (e.g. income level, age demographics, etc.).

Elizabeth Ballantyne invited Council to appoint a Council liaison to the Affordable Housing Strategy Committee of the BCHA. Mayor Turner directed the Deputy Clerk to create an opportunity for Council's discussion of such at a future meeting.