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Executive Summary

The Coquitlam Affordable Housing Strategy (AHS) was adopted by Council in 2007, and since then many key objectives and actions in the AHS have been accomplished. On October 1, 2012, Council directed staff to update the AHS, to define what the City’s role in housing affordability should be over the next decade, incorporate best practices, and to respond to anticipated housing affordability needs - in a manner that reflects the City’s limited resources and competing demands for municipal funding.

This Housing Affordability Discussion Paper provides background information regarding the City’s current role in promoting housing affordability, the role of other partners, best practices in housing affordability, and anticipated affordable housing demand to 2023. Based on City projections for housing need, approximately 4,000 Coquitlam households could be spending more than 50 percent of their household income on housing costs by 2023.

The Discussion Paper identifies the limitations of the traditional approach to affordable housing provision (i.e. largely relying on funding opportunities from senior governments) and a projected demand far in excess of the City’s responsibility or resources, and suggests transitioning from this traditional approach to one that is based on the City’s ability to support housing affordability initiatives, in partnership with other parties, within a context of limited municipal resources and meeting other community needs.

To assist in initiating this update, the Paper sets out key questions that, depending on Council’s consideration, will set the direction for the updated Housing Affordability Strategy. These questions include:

- What is the City’s appropriate role and level of involvement in this policy area?
- What has been the level of involvement and contribution to deal with these issues at the regional and other local government levels?
- What are the projected financial and other resource implications of pursuing the proposed actions?
- What is the full spectrum of civic infrastructure and amenity needs facing the City and what are the projected costs and possible funding sources?
- What is the priority for action with respect to housing affordability and appropriate level of funding for Coquitlam relative to other civic needs?

The Paper also suggests that a new, updated Housing Affordability Strategy for Coquitlam needs to address several key areas of investigation in order to develop an appropriate ‘Coquitlam response’. These areas include:

- What current practices should be continued or eliminated;
- What is the best way to leverage the City’s Affordable Housing Reserve Fund;
- The use of City resources in addressing affordability; and
- What planning tools can be used to promote housing affordability.

The Paper concludes that the City needs to establish a new housing affordability vision and results-based objectives that reflect current realities and focus the City’s efforts where they can be most effective. Next steps in the development of a new, updated Strategy are also outlined, involving a three-phase process that will begin with Council discussion regarding the City’s role and priorities in promoting housing affordability.
Introduction

Much has been accomplished since the City of Coquitlam adopted the Affordable Housing Strategy in 2007. Since then, the City has been proactive on a number of fronts – provision of land for supportive and emergency shelter housing, establishment of an Affordable Housing Reserve Fund, assistance to providers of cold and wet weather shelter, and negotiating for affordable units during the development process, among other initiatives. The City has also been an active participant in Tri-City and Metro Vancouver undertakings, as well as being advocates to other levels of government.

Why This Discussion Paper?

Coming out of the City’s Transit-Oriented Development Strategy (TDS) initiative, in October 2012, Coquitlam Council called for an update of the City’s Affordable Housing Strategy. This paper is a review of:

- What the City has accomplished in the past several years in the implementation of the Affordable Housing Strategy;
- What other municipalities have been doing on the affordable housing front;
- New approaches and innovative practices in the market housing sector – developers, builders, lenders – to meet the demand for affordable home ownership options; and
- New approaches and innovative practices being used by providers in the non-market housing sector in response to the reduction of “program-based” government funding.

It is intended that this paper will generate productive discussion about the options and lead to greater clarity on the roles and priorities that the City may wish to consider and focus on in the next three to five years.

Proposed Approach

While it is timely to revisit this issue area and prepare a new Housing Affordability Strategy (HAS), it is critical to first consider a series of questions that need to lead to decisions to guide the City’s future policies and actions:

- In light of the information set out in this discussion paper and from other sources, plus recognizing Coquitlam’s recent actions as noted in the box above: what is the City’s appropriate role and level of involvement in this policy area?
- Recognizing that housing affordability challenges are common across Metro Vancouver and should be addressed on a regional and sub-regional basis: what has been the level of involvement and contribution to deal with these issues at the regional and other local government levels?
- Once Coquitlam’s potential role is ascertained: what are the projected financial and other resource implications of pursuing the proposed actions?
- Before finalizing an updated HAS, consideration needs to be given to the broader community development context: what is the full spectrum of civic infrastructure and amenity needs, and what are the projected costs and possible funding sources?
- With greater clarity on the City’s potential role and projected cost implications vis-a-vis promoting housing affordability, and with a broader understanding of the infrastructure and amenity needs of a growing community: what is the priority for action in this area and appropriate level of funding for Coquitlam?

Working through these questions and reaching decisions in that regard will enable the preparation of a realistic, updated HAS for Coquitlam going forward.
What is Housing Affordability?
A helpful starting point in reading through this discussion paper is to consider how the terms “Affordable Housing” and “Housing Affordability” are defined. Briefly discussed below are commonly understood definitions of these two terms. It is intended that through the process of preparing an updated HAS, a definition of “Housing Affordability” relevant to Coquitlam can be arrived at.

What is Meant by “Affordable Housing”?
There is no definitive, universal definition of “affordable housing”. Local governments in BC frequently use CMHC’s definition – “affordable housing means housing for which an individual or family is spending no more than a certain proportion of its gross household income on shelter costs to secure adequate housing.”

- For homeowners: No more than 32%.
- For renters: No more than 30%. Renter households who spend more on shelter are considered to be “in core need” and those who spend more than 50% are “at risk of homelessness”.

The relationship between costs and incomes is the key determinant of how much “housing choice” residents have in any community. The lower the income, the fewer the choices.

The 30-32% proportion of gross income cut off for housing to be deemed affordable is a difficult criteria to apply in the context of the highly inflated Metro Vancouver housing market. On the home ownership side, for many years general housing prices have tended to far exceed this threshold for the average income levels in the region causing households seeking a dwelling to resort to various alternatives (e.g. residing with parents longer, down payment assistance from parents, buying in/trading up in the housing market, renting to boarders or having secondary suites as “mortgage helpers”). The City will investigate other potential affordable housing definitions that more broadly align with the concept of ‘affordable living’.

What is Meant by “Housing Affordability”?
Intended to be broader than the term “affordable housing”, housing affordability refers to a community’s ability to offer a wide variety of housing types, sizes, tenures and prices in order to support more complete and inclusive communities. As the Housing Affordability Strategy is updated Council will consider and provide direction on defining Housing Affordability in a manner appropriate for Coquitlam.
A “housing continuum” is a tool used by governments to organize, describe and visually depict a progression of housing from seasonal shelters through home ownership. In Coquitlam, as elsewhere in Canada, the vast majority of housing is provided by the private sector. Typically, the housing continuum is used by municipalities to identify “gaps and issues”, with respect to housing needs.

The Housing Continuum

**NON-MARKET HOUSING**

- **Seasonal Shelters**
  - Government funds mats for overnight stays in churches and other locations November-March.
  - The Tri-Cities Cold Wet Weather Mat program has operated in 3 Coquitlam churches since 2007. Extreme Weather Response shelter spaces are available in PoCo’s Trinity United Church when necessary.

- **Year-Round Emergency Shelters**
  - Non-profit housing providers offer temporary shelter, food, and other support services. Most shelters are open 24/7 and provide three meals a day and support services. Short stay of 30 days or less.

- **Transitional Housing**
  - Non-profit housing providers offer stable housing as a step between shelters and permanent housing. Period of 2-3 years, with support services provided on or off-site.

- **Supportive Housing**
  - Non-profit housing providers offer permanent housing in purpose-designed buildings or in scattered sites, with ongoing support for people who are not able to live independently.

- **Social Housing**
  - “Social” or subsidized housing that requires ongoing government subsidies to reduce rents for low income households. Operated by non-market housing providers, BC Housing, Metro Vancouver Housing Corporation and cooperatives.

**MARKET HOUSING**

- **Market Rental Housing**
  - Private housing makes up most rental housing in Coquitlam. Majority of purpose-designed buildings date prior to 1990. Secondary market includes secondary suites and investor-owned condominiums.

- **Home Ownership**
  - Fee simple, strata ownership, shared equity ownership.

**Coquitlam**

- 3030 Gordon will be the first permanent emergency shelter in the Tri-Cities.
- 3030 Gordon will include 30 transitional units.
- Como Lake Gardens provides 30 units for women and children at-risk-of-homelessness.
- 946 family units and 1,023 seniors units in Coquitlam – 4.8% of all dwellings. (2006 Census)
- One-third of Coquitlam’s 9,250 market rental units are purpose built. The rest are in the secondary market. (City of Coquitlam permit data)
- 75% of homes in Coquitlam are owned.
The Role of Government

Local governments are seen as the agencies responsible for land use decisions and development approvals that lead to the housing forms that make up the communities within any municipality. In this manner, housing affordability is very much a product of the values of the local community and market forces.

The provision of non-market and subsidized affordable housing has traditionally been seen as the responsibility of senior governments (federal and provincial) with a less defined role in the provision of housing for local governments. However, changes in senior government policy, including less funding for affordable housing, have placed more pressure on local municipalities to be more active in creating housing. However, it is generally recognized that local governments, while often more directly affected by housing affordability issues, lack the resources (i.e. primarily dependent on property tax revenues) to build non-market housing themselves. As such, most new affordable housing units are provided through a coordinated effort between senior governments, local governments, community agencies and private sector contributions.

As Coquitlam explores what role and level of involvement are appropriate for this City, it is important to understand the current, general housing policy context in British Columbia.

Federal Government

Between 1946 and the mid-1980's the federal government was active in building affordable housing units across Canada through agencies such as Canada Mortgage and Housing Corporation (CMHC). Since 1990 competing demands on the federal government have seen a decrease in the number of units produced through federal aid. Over the last ten years the federal government has made many refinements to national programs, often intended to leverage contributions from provincial and local governments. However, overall federal contributions now play a more reduced role.

Provincial Government

BC Housing, as guided by the “Housing Matters” provincial housing strategy (2006) acts as the agency responsible for affordable housing delivery. BC Housing works with other levels of governments community agencies and health providers to build new units, maintain existing stock and provide rental assistance.

Regional Governments

Given that many housing issues are region-wide, regional governments such as Metro Vancouver continue to play a role in the preservation of existing units and initiating new projects to help address housing affordability and affordable housing on a regional scale. Importantly the Metro Vancouver Housing Corporation (MVHC) owns and operates several thousand below-market units across the region. The Regional Growth Strategy (RGS) requires all municipalities to prepare and implement ‘Housing Action Plans’. Coquitlam's 2007 Affordable Housing Strategy is considered a Housing Action Plan.

Local Governments

The Local Government Act and Community Charter provide a variety of tools for local governments to address housing affordability including:

- Official Community Plans with housing policies that encourage affordable housing, housing stock diversity, rental housing and special needs housing;
- Zoning and regulatory mechanisms to encourage affordable housing such as Density Bonusing, and parking reductions;
- Creation of reserve funds for specified purposes; and
- Using variable development cost charges or waiving fees for specified purposes such as affordable housing units.

Most local governments in British Columbia have adopted Housing Strategies. While wide-ranging in nature, generally local municipalities have established planning policy to encourage diversity of housing stock, participated in advocacy and research and in some degree, contributed to direct development of affordable housing units.
Partners: Their Roles and Contributions

Contributions that currently provide for housing affordability by various governments, agencies and the development community are summarized below.

**Federal Government Support**
- Canada Mortgage and Housing Corporation (CMHC) provides seed funding for feasibility studies and development of business plans;
- Homelessness Partnership Initiative – Capital and Operating funding for housing and support services for people who are homeless or at risk of homelessness;
- Mortgage insurance (CMHC backs BC Housing loans – insures at $500 per unit, instead of the $5000/unit it costs private developers).

**Provincial Government Support (BC Housing)**
- Housing subsidies, involving:
  a. Shelter Allowance for Social Assistance recipients;
  b. Rent geared to Income units in social housing projects (being phased out);
  c. Rental Assistance Program for low income working families with children under 19;
- Provides low interest loans for construction of affordable housing;
- Operating Grants for Non-profit housing (being phased out).

**Metro Vancouver**
- Needs analysis;
- Research on best practices;
- Advocacy to senior governments;
- Regional Affordable Housing Strategy;
- Direct provision of social housing through Metro Vancouver Housing Corporation;
- Waiver of Regional Development Cost Charges for affordable housing.

**Other Local Governments**
- In the context of the Tri-Cities it has been recognized on occasion that certain housing issues transcend northeast sector municipal boundaries (e.g. homelessness), and a joint response in partnership with places-of-worship and other stakeholders has been put in place as an interim measure. The longer term response to local homelessness, a permanent shelter, has been slated for a site provided by Coquitlam but has not received material support, to date, from our two municipal neighbours.
- At the October 10, 2012 Tri-Cities Joint Council workshop the need and opportunity for joint municipal action with regards to affordable housing was explored by a discussion group. The group concluded that it is worth continuing to jointly coordinate local effort, so long as there is clarification and mutual understanding of the respective cities’ roles/priorities regarding this issue.

**Non-profit Agencies**
- Provision of land;
- Management of below-market and supportive housing units;
- Provision of support services to vulnerable populations;
- Fundraising for capital and operating costs;
- Volunteers to lower construction and operating costs.

**Development Community**
- Provide lower cost and rental units in exchange for density bonuses and other cost concessions;
- Reduce profit share in order to increase affordability;
- Construction of lower end of market rental units (smaller units, basic finishes) to meet the need of low to moderate income households;
- Replacement of rental units lost through redevelopment;
- Tenant relocation assistance.
Coquitlam’s **Current Roles** in Promoting Housing Affordability

Through its various actions to date, the City of Coquitlam is regarded as an active stakeholder in helping create affordable housing in Coquitlam, based on partnerships with other levels of government, private and non-profit housing providers, and community organizations. The City does not directly own or operate any non-market housing.

- The City can play six key roles in facilitating affordable housing of all types as shown in the “Housing Continuum” – from emergency shelter to affordable home ownership through a range of actions:

1. **Planning**
   - Provides direction on how the City, community partners, and developers can work together to meet future housing demand through its land use and strategic policy functions.

2. **Development**
   - Regulates and enforces land use, development, building and design standards. Provides option for affordable housing as one component of density bonus contributions (or funds in lieu) during rezoning.

3. **Strategic Partnerships & Resources**
   - City partners with public, private and non-profit sectors, and the community to facilitate the development of a range affordable housing. May lease land, provide staff time, provide regulatory incentives, and has established a Housing Reserve Fund to resource the City’s actions in this area.

4. **Community Support & Education**
   - Works with partners to educate and build community capacity.

5. **Advocacy**
   - Advocates for affordable housing and support services with other levels of government, market housing developers and landlords in communities.

6. **Research**
   - Assembles, analyzes and distributes data and other research that assist other City staff and partners in setting priorities for expenditure of limited resources.
City of Coquitlam’s Leadership Highlights

The City’s current AHS identifies roles that Coquitlam can play in relation to affordable housing, sometimes as leader and always in partnerships, and usually with other levels of government, non-market housing providers and community groups. In implementing the Strategy, the City’s initiatives to date have demonstrated strong leadership, particularly its roles in:

Policy and Planning
- Tenants’ assistance policy for mobile home park redevelopments;
- Affordable Housing Reserve Fund – heading towards $2.5 million;
- Negotiation for the inclusion of affordable housing units as part of major private development projects; and
- “Housing Choices” as a key component of neighbourhood plans (Austin Heights and Maillardville), which show a range of options, including multi-family.
- New planned growth areas and housing intensification strategies including increased density and more housing options.

Development-related Measures
- Density bonusing for affordable housing in key development areas;
- Zoning for secondary suites in most single detached housing areas;
- Rezoning for supportive housing for single mothers at Como Lake Gardens (528 Como Lake Avenue);
- Rezoning for permanent emergency shelter and transitional housing at 3030 Gordon Avenue; and
- Issuing Temporary Use Permits for the operation of a Cold/Wet Weather mat program operated in local churches.

City Land and Resources
- City-owned lands provided under long-term, nominal rent leases for housing for lone parent families who are at-risk of homelessness (Como Lake Gardens), emergency shelter and transitional housing plus City servicing of these lands (3030 Gordon Avenue);
- Staff resources to participate on local and regional committees on homelessness and affordable housing; and
- Staff resources to work closely with BC Housing in the selection of an operator, and design and construction of the permanent shelter and transitional housing at 3030 Gordon Avenue.

Advocacy and Education
- Active participation in the Tri-Cities Homelessness Task Group, Universal Access-Ability Advisory Committee, the Metro Vancouver Housing Committee and Regional Planning Advisory Committee, and Regional Steering Committee on Homelessness;
- Strong advocate for capital funding from other levels of government for a permanent emergency shelter in the Tri-Cities;
- Partnerships with BC Housing, CMHC, and non-profit housing providers in the delivery of government programs;
- Assistance in enhancing public consultation programs for proposed affordable housing projects; and
- Research on “best practices” in affordable housing, forecasting housing demand, providing data to public, government agencies and other regional partners.
Municipal Practices in The Region

The following pages identify the practices that a number of Metro Vancouver municipalities have used to address housing affordability. This is not meant to be a “report card”, as it does not identify how many times a particular practice was used, its effectiveness, nor the size of the municipality’s contribution, financial or otherwise.

As shown in Table 1 the tools that are employed most often generally tend to be the tools that municipalities in Metro Vancouver have found most useful and/or practical. Municipalities close to Coquitlam geographically and in population size are included, going from the largest municipality (Surrey) down to the smallest municipality (Port Moody).

Tables 2 and 3 provide a snapshot of the number and types of non-market development projects currently in Coquitlam and in selected benchmark municipalities.

In general, the larger municipalities tend to use the most tools, although there are several smaller municipalities who have used as many if not more tools (notably, New Westminster). Coquitlam employs fewer fiscal tools than the comparison municipalities, but is quite strong on planning processes and zoning and regulatory actions. The small number of fiscal actions may reflect the fact that Coquitlam has not yet decided on the allocation of funds from the Affordable Housing Reserve Fund.

Generally, municipal actions involving direct funding assistance in this policy area is limited given local government’s primary dependence on property taxes as a revenue source. Municipal efforts tend to take a variety of other forms, including policies and incentives to help promote housing affordability.
Table 1: Summary of Municipal Strategies and Actions to Address Housing Affordability

<table>
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<tr>
<th>Municipal Actions</th>
<th>Surrey</th>
<th>Burnaby</th>
<th>Richmond</th>
<th>Coquitlam</th>
<th>Langley TSHP</th>
<th>Delta</th>
<th>North Van District</th>
<th>Maple Ridge</th>
<th>New West</th>
<th>Port Coquitlam</th>
<th>North Van City</th>
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<td>Fast Tracking</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Provide Approval Assistance</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>RENTAL HOUSING LOSS PREVENTION</strong></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Rental replacement policies</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Demolition Policies</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Strata conversion policies</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Pending</td>
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<td>Standards of maintenance bylaw</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td></td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>Mobile home relocation policy</td>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td>Yes</td>
<td></td>
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</tr>
</tbody>
</table>

Source: Metro Vancouver, Municipal Survey, November 2012
**Table 2: Number of Non-Market Housing Units* in Coquitlam & Benchmark Municipalities (as of September 2011)**

<table>
<thead>
<tr>
<th></th>
<th>Coquitlam</th>
<th>Port Moody</th>
<th>Port Coquitlam</th>
<th>Maple Ridge/ Pitt Meadows</th>
<th>Surrey</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FAMILY UNITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Housing Directly Managed</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>125</td>
</tr>
<tr>
<td>Non-market Providers</td>
<td>475**</td>
<td>100</td>
<td>525</td>
<td>152</td>
<td>1,119</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>471</td>
<td>303</td>
<td>25</td>
<td>287</td>
<td>521</td>
</tr>
<tr>
<td><strong>Family Units Subtotal</strong></td>
<td>946</td>
<td>403</td>
<td>550</td>
<td>439</td>
<td>1,765</td>
</tr>
<tr>
<td><strong>SENIORS UNITS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Housing Directly Managed</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>521</td>
</tr>
<tr>
<td>Non-market Providers</td>
<td>419</td>
<td>66</td>
<td>342</td>
<td>329</td>
<td>914</td>
</tr>
<tr>
<td>Cooperatives</td>
<td>604</td>
<td>197</td>
<td>162</td>
<td>145</td>
<td>425</td>
</tr>
<tr>
<td><strong>Seniors Units Subtotal</strong></td>
<td>1,023</td>
<td>263</td>
<td>504</td>
<td>474</td>
<td>1,860</td>
</tr>
<tr>
<td><strong>Total Family &amp; Seniors Units</strong></td>
<td>1,969</td>
<td>666</td>
<td>1,054</td>
<td>913</td>
<td>3,625</td>
</tr>
<tr>
<td><strong>Total # of Dwellings (2006)</strong></td>
<td>41,240</td>
<td>10,125</td>
<td>18,600</td>
<td>30,755</td>
<td>131,140</td>
</tr>
<tr>
<td><strong>% Non-market to Total Dwellings</strong></td>
<td>4.8%</td>
<td>6.6%</td>
<td>5.7%</td>
<td>3%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Source: CitySpaces derived from BC Housing data, September 2011

* Definition: non-market, social or subsidized housing requires ongoing government subsidies to reduce rents for low and modest income households. Operated and managed by non-market housing providers (e.g., Coquitlam Kinsmen Estates, Chateau de Ville), cooperatives (e.g., Hoy Creek Housing Co-op, Burquitlam Housing Co-op) and BC Housing.

** An additional 30 units of housing for lone parent families at Como Lake Gardens were opened in April 2012.
Table 3: Non-Market Housing Developments in Coquitlam & Benchmark Municipalities Since 2007

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Project</th>
<th>Year</th>
<th>Partners</th>
<th>Municipality’s Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COQUITLAM</strong></td>
<td><strong>Como Lake Gardens</strong>. YWCA 30-unit housing development for low-income women &amp; children at-risk-of-homelessness &amp; in need of support.</td>
<td>2012</td>
<td>BC Housing, YWCA, City of Coquitlam</td>
<td>Provision of land through nominal lease (value of land = $2.5 million)</td>
</tr>
<tr>
<td></td>
<td><strong>3030 Gordon.</strong> Up to 30 emergency shelter beds and 30 transitional studio apartments for people who are homeless.</td>
<td>2013</td>
<td>BC Housing, City of Coquitlam, Rain City Housing</td>
<td>Provision of land through nominal lease (value of land = $1.3 million)</td>
</tr>
<tr>
<td></td>
<td><strong>Earl Haig Retirement Residence.</strong> 50-unit housing for low-income seniors.</td>
<td>2011</td>
<td>CMHC, BC Housing, Earl Haig Society (land value = $3 million)</td>
<td></td>
</tr>
<tr>
<td><strong>PORT COQUITLAM</strong></td>
<td><strong>Hawthorne Assisted Living.</strong> 70 apartments for low-income seniors.</td>
<td>2007</td>
<td>CMHC, Port Coquitlam Senior Citizens’ Housing Society, BC Housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>RJ Kent Manor.</strong> 25 units of subsidized housing for low-income seniors.</td>
<td>2008</td>
<td>BC Housing, Royal Canadian Legion</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Iris House.</strong> 10 beds for low-income individuals with mental illness.</td>
<td>2009</td>
<td>BC Housing, New View Society (land value = $277,000)</td>
<td></td>
</tr>
<tr>
<td><strong>PORT MOODY</strong></td>
<td><strong>Inlet Centre.</strong> 41 seniors supportive housing units, 23 housing units for single women aged 45+, 10-bed hospice, 22 low- to moderate-income family housing units</td>
<td>2003 (most recent)</td>
<td>BC Housing, Greater Vancouver Housing Corporation, Fraser Health Authority, City of Port Moody, Federal Government</td>
<td>Leased land at 35% discount (discount = $700,000)</td>
</tr>
<tr>
<td><strong>MAPLE RIDGE</strong></td>
<td><strong>Alouette Heights.</strong> 45 units of supportive housing for people who are homeless or at-risk-of-homelessness</td>
<td>2012</td>
<td>BC Housing, District of Maple Ridge, Alouette Home Start Society</td>
<td>Donation of land (value of land = $1 million)</td>
</tr>
<tr>
<td><strong>BURNABY</strong></td>
<td><strong>The Poppy Residences.</strong> 70 supportive apartment units for low-income seniors.</td>
<td>2011</td>
<td>BC Housing, South Burnaby Royal Canadian Legion, City of Burnaby</td>
<td>Provided $227,000 through the Community Benefit Bonus Fund</td>
</tr>
<tr>
<td></td>
<td><strong>Wenda’s Place.</strong> Nine units of second-stage housing for women &amp; children seeking stability/support when leaving emergency housing.</td>
<td>2009</td>
<td>BC Housing, Canada HRSDC, CMHC, Real Estate Foundation, City of Burnaby</td>
<td>Provided $100,000 through the Community Benefit Housing Funds Program</td>
</tr>
</tbody>
</table>
Coquitlam Context

In many ways Coquitlam is challenged by its own success. Over the last twenty years the City has become a highly desirable location, offering quality amenities, beneficial employment and an enviable location. As Coquitlam and the Vancouver region continue to grow, housing has become disproportionately expensive. Today, many Coquitlam citizens pay a significant proportion of their income on housing. As noted previously, the long standing 30% of household income for housing costs threshold is increasingly difficult to apply locally in light of general market trends. Given our projected growth, community desirability and aging housing stock, housing affordability is expected to be an on-going challenge.

Between 1991 and 2011, housing prices and rents in Coquitlam have been rising faster than household incomes, meaning that many households are spending a larger proportion of their income on shelter than they were 20 years ago. While median household income has increased by 23% over these 20 years, the average dwelling value has increased 200% and the average rent has increase 89%. This can result in fewer individuals being able to “buy into” the market and prevents many hourly wage based workers from residing in Coquitlam.

### Housing Cost and Income Changes

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>2011</th>
<th>Diff %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Household Income</td>
<td>$49,500</td>
<td>$60,880</td>
<td>23%</td>
</tr>
<tr>
<td>Average Rent</td>
<td>$586</td>
<td>$1,110</td>
<td>89%</td>
</tr>
<tr>
<td>Average Dwelling Value</td>
<td>$200,050</td>
<td>$600,315</td>
<td>200%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada 1991 & 2006 Census; Real Estate Board of Greater Vancouver
Housing affordability is primarily based on income. Nationally the Canada Mortgage and Housing (CMHC) guideline suggests that housing costs should not exceed 32% of gross income. As shown in the Home Ownership Affordability Gap illustration, household income for most Coquitlam residents falls short of this guideline. Our current costs of housing presents a particular challenge to service workers, single income families, young adults and seniors.

---

**2011 Benchmark Housing Price in Coquitlam**

- **Detached House**: $404,750
- **Townhouse**: $350,600
- **Condo Apartment**: $257,289

**Average Annual Income**

- **Service Worker**: $25,000
- **Office Worker**: $35,000
- **Professional**: $64,500
- **Manager**: $73,000
- **Median Family**: $83,500

---

1. Affordability Guideline is based on the Canada Mortgage and Housing Corporation (CMHC) guideline that housing costs should not exceed 32% of Gross Income.
2. Annual Carrying Cost is calculated based on mortgage with 10% down on a 5 year fixed term with 4% interest and a 25 year amortization period, plus $4,800/year for taxes, insurance and heat.
3. Incomes are average per category and are based on the BC Stats - 2009 Wage and Salary Survey data for Metro Vancouver.
4. “Benchmark price” is based on the Real Estate Board of Greater Vancouver’s Housing Price Index for Coquitlam. The Housing Price Index Benchmark Price is not an average price, but is modeled on the Consumer Price Index and defines a “typical” home in each housing type.
Demand for **Housing Affordability** in Coquitlam

According to the 2006 Census there were 41,245 households in Coquitlam, of that 26% of households spend more than 30% of their income on housing. This means that over 10,000 households in Coquitlam are considered to be challenged by housing costs. Such a large proportion of households suggests a significant demand exists for housing types, tenures and options that is not being met by the current products offered by the market. As a response households can either choose to move to less expensive cities or invest disproportionately into housing costs.

**Core Need Households in Coquitlam**

- 32% of renter households
- 23% of owner households
- **26% (10,490) of all households** spend more than 30% of their income on housing

Source: Statistics Canada 2006 Census

*‘Risk of Homelessness’ as defined by CMHC*

Included within the 26% of households in Coquitlam paying more than 30% for housing are those defined by CMHC as at Risk of Homelessness*. Specifically, 9% of households in Coquitlam are considered to be in need (low income) and spending at least half of their income on housing (3,560 of all households in Coquitlam).

In addition, 101 separate individuals used the temporary emergency shelter during the 2011-2012 cold wet weather season. Of these, an estimated 50 are homeless people who are living in the Tri-Cities area, while the remainder were “passing through”. These numbers represent the current un-met demand for below market and supportive housing in the Tri-Cities.

Currently Coquitlam has a large proportion of households and individuals across the housing spectrum who need alternative housing options. One of the objectives of an updated Housing Affordability Strategy will be to promote an increase in the types, tenures and choices available in order to reduce the challenges of housing costs.

**2011/2012 Tri-Cities Homelessness Count**

- 101 people were counted as homeless in the Tri-Cities
- 79% male, 21% female

Source: Hope for Freedom Society
Anticipated Future Demand for Housing to 2023

Potential Loss of Existing Affordable Market Rental Units
As Coquitlam evolves and older housing stock is updated or redeveloped, projections indicate that somewhere between 700-1000 units of older rental housing could be lost in Coquitlam by 2023. 24% of rental housing stock in the City is located near the Burquitlam Skytrain station and may be susceptible to redevelopment.

Without policies and incentives in place, the replacement units are likely to be market condominium units, which may not be affordable to the tenants currently living in the units that will be demolished.

Projected Demand for New Growth
Additional housing units will be required as the population grows, including affordable home ownership, market rental, low end of market rental, and subsidized (below-market) rental. Based on Metro Vancouver’s Regional Growth Strategy, our population is expected to grow by as much as 50,000 in the next ten years. This growth creates demand for approximately 20,000 additional housing units by 2023.

Anticipated future demand for housing to 2023
Based on staff analysis and the RGS growth targets there is an estimated projected demand for 4,000 of these new units to be below market for ‘higher need households’, who would otherwise spend more than 50 percent of their income on housing by 2023. This accounts for additional housing units to support growth, combined with current un-met demand and the potential loss of units due to redevelopment. This number includes a minimum of 3,400 rental units.

Working within the market’s ability, Coquitlam has established appropriate new planned areas and intensification strategies to ensure this volume of growth can be managed and accommodated appropriately.

However, the demand for affordable home ownership and designated rental housing units to meet the needs of people with low to moderate incomes will likely exceed what will be provided by the market. At market rates new units will force current low and moderate income households to dedicate increasing percentages of their income to shelter or be forced to move out of Coquitlam.

Projecting our future demand for more affordable housing options is not precisely possible given:
- The open nature of the housing market in Coquitlam (residents moving to other jurisdictions)
- The inability to monitor the growth of illegal suites and unconventional housing options; and,
- The unpredictable nature of the market

However, overall new demand combined with current deficiencies and the anticipated loss of units due to redevelopment suggest that Coquitlam will face a shortfall of affordable housing options and a deficit of low and moderate income rental housing in the next ten years.
Developing a Coquitlam Response

Competing Demand on Limited Resources
As discussed above, affordable housing is considered the primary responsibility of more senior governments. Moreover, with access to less than 8% of all tax revenues collected, local governments such as Coquitlam are already significantly challenged to provide required services and amenities in their communities. Within this context the current and projected demand for housing is a considerable challenge.

Forecasts suggest that more than 1/4 of all Coquitlam households will pay more than 30% of their income on housing, while almost 10% will be at risk of homelessness by 2023. The current demand for housing affordability far outpaces the ability for the City to fund direct solutions on its own; hence if the City is to continue to play a role in this area, involvement of other partners remains essential. Aside from determining the City’s appropriate role in this area, (a fundamental question to be answered), any such contributions need to be decided on in relation to other worthy projects such as a range of infrastructure projects, local park amenities and civic facilities.

Alternatively, the City could focus its efforts at working to reduce, rather than eliminate, the “affordability gap” (the difference between what a household pays for rent and what would be affordable for them). While the criteria that households pays less than 30% of their income on housing is exceeding difficult in the context of the Metro Vancouver housing market, working with other levels of government and stakeholders to ensure households with the most challenges are paying less than half their income on housing may be a goal that is more achievable.

Important, the City as part of any new strategy needs to determine which segments of the housing continuum our strengths best fit. Coquitlam should consider if its resources should be focused on deep subsidy (as we have traditionally done) or if our abilities are better suited to address such aspects as market and near market rental and home ownership. The Table “Effective Ways to Support Housing Affordability” on page 21 gives a good overview of which municipal tools best align to advancing housing solutions.

The Use of City Lands
One of the strategic actions outlined in the 2007 Affordable Housing Strategy is the use of City land resources to help meet affordable housing needs. Two City land sites (528 Como Lake Avenue and 3030 Gordon Avenue) have been identified for shelter and housing for people who are homeless/at-risk of homelessness and are being used for this purpose.

The Northeast Coquitlam Area Plan (NECAP) also identifies sites for affordable housing; however these sites have not been developed. As part of the process to update the AHS, the use of City lands for affordable housing purposes should be re-examined in the context of other priorities and needs in the community.
Planning and Regulatory Approaches

One avenue that does hold significant promise towards alleviating housing affordability pressures sits within the City’s regulatory and planning functions. Over the last several years the City of Coquitlam has adopted many planning responses that have greatly aided housing affordability in the City. As detailed in Table 1 Summary of Municipal Strategies and Actions to Address Housing Affordability (Page 9 above), the City of Coquitlam employs a range of strategies to address housing affordability. Two of the significant planning tools the City has employed are described below.

Housing Choices

A relatively new initiative in Coquitlam has been the development of “Housing Choices.” This program allows developers to consider alternatives to traditional single family houses including carriage houses, garden cottages, narrow lot splits, as well as 3 and 4 unit projects on land formerly occupied by one dwelling.

However, while it may still be too early to tell, most of these approaches have not resulted in a substantive amount of new housing. As illustrated in the table below, current take-up of duplex/triplex/quadruplex units may still be burdened by regulatory barriers, static home builder programs, or the stronger profitability of other housing forms.

Secondary Suites

Coquitlam encourages the development of secondary suites in the planning of single-family residential neighbourhoods. This approach allows concerns related to secondary suites (such as parking, transportation demand and servicing) to be comprehensively addressed at the outset of the community planning process. As a result most new communities within Coquitlam provide secondary suites that both serve as “mortgage helpers” to new home buyers and as a viable affordability choice for new renters.

This approach combined with other regulatory innovations have resulted in 31% of all single-family houses in Coquitlam having a legal secondary suite that is rented out.

Other Planning Tools

Additional planning and regulatory innovations that Coquitlam could consider (such as lock off suites, smaller unit sizes and redevelopment policies and “affordable living” strategies) are proposed to be explored in Phase Two of the update process.
Developing a Coquitlam Response

Historical Unit Type Breakdown

Housing units created by building permit

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>2012*</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>318</td>
<td>425</td>
<td>217</td>
<td>271</td>
<td>157</td>
</tr>
<tr>
<td>Secondary Suite</td>
<td>206</td>
<td>203</td>
<td>107</td>
<td>75</td>
<td>90</td>
</tr>
<tr>
<td>Garden Cottage/Carriage House</td>
<td>13</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Duplex</td>
<td>16</td>
<td>18</td>
<td>38</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>Tri/Quadruplex</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Townhouse</td>
<td>196</td>
<td>284</td>
<td>288</td>
<td>143</td>
<td>240</td>
</tr>
<tr>
<td>Apartment</td>
<td>945</td>
<td>733</td>
<td>480</td>
<td>195</td>
<td>377</td>
</tr>
<tr>
<td>Demolitions</td>
<td>-156</td>
<td>-144</td>
<td>-96</td>
<td>-48</td>
<td>-88</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1538</strong></td>
<td><strong>1519</strong></td>
<td><strong>1034</strong></td>
<td><strong>652</strong></td>
<td><strong>812</strong></td>
</tr>
</tbody>
</table>

*2012 figures are up to November 30, 2012

Overall to date, Garden Cottages and Carriage Houses, and the Triplex/Quadruplex have not proved popular solutions. Phase Two of the Housing Affordability Strategy update will investigate the causes behind the slow start to this program.
Density Bonusing In Coquitlam

As allowed for within current legislation the City of Coquitlam has established a density bonus option for those development projects that meet certain criteria. The density bonus mechanism allows the City to receive funds at a decreasing rate above a base density from new development projects for prescribed needs. The City of Coquitlam has established that newly developed large buildings within the City Centre and in other key growth areas such as transit corridors will contribute to both a local amenity fund, and in a much smaller proportion, to an affordable housing reserve fund.

Contribution to a local amenity fund is crucial because with increased density comes an increased need for local amenities to support that density. Local recreation and public space improvements can be paid for from this fund.

In addition to supporting local amenities, a portion of the density bonusing funds collected are allocated to the Affordable Housing Reserve Fund (AHRF). Based on the existing density bonus system and on current projections, about ten percent of anticipated density bonus funds would be allocated to the AHRF while the remainder of the funds would be earmarked for local amenities (and in the case of City Centre support the development of Lincoln station on the Evergreen Line).

As noted on page 1 of this discussion paper, a broader review of the full range of planned or proposed civic projects and facilities is just getting underway. Through this review, the density bonus system will be revisited as a funding source and consideration of the priority of these various projects and needs, including the proportion allocated to help implement an updated housing affordability strategy, will be undertaken.
Affordable Housing Reserve Fund

The Affordable Housing Reserve Fund (AHRF) is seen as an important tool for contributing funds towards potential affordable housing solutions. The current balance of the AHRF is approximately $1 million.

Based on a continuation of the current density bonus system, the AHRF could gain significant funds in coming decades (e.g., $20-25 million projected over the next 20-25 years depending on development activity).

Traditionally, such funds in other communities have been allocated to the development of new purpose built deep subsidy housing units for those most in need. However, in addition to vastly expanding the role of local government in this policy area, this approach does have limited impact in terms of overall housing affordability. Specifically, should the AHRF grow to be $20-25 million as projected, even with leveraged contributions from other governments, the fund would only create 200-300 new purpose built units over the next 20-25 years. This represents only a small fraction of the expected overall demand for lower cost housing in Coquitlam.

Again, the extent of Coquitlam’s involvement in this area and specifically the exact contributions to the AHRF will need to be determined as part of a larger study that considers how the full range of City priorities are to be balanced.

Given the high cost of purpose built deep subsidy affordable housing units, it is important to examine alternative ways to meet the affordability challenges in the City. Appendix 1 identifies numerous best practices that could be explored as part of developing a strategy for use of the AHRF.

Alternative Approaches

Following decisions to clarify the City’s role in this area, alternatives that can be explored as part of the HAS will examine if the AHRF could also be used to initiate innovative responses such as:

- Private enterprise solutions including market rental “lock offs,” innovative purchase plans, and freehold townhouses (may not require incentives);
- Public/private ventures such as shared equity home ownership, affordable home ownership programs and community land trusts;
- Government/non-profit solutions such as below market ownership, the use of leased municipal land, and intermediate rent programs.
- Promoting/pursuing joint Tri-Cities initiatives based on shared contributions.

Details on these and other approaches can be found in Appendix 1: Best practices in Housing affordability.
Effective Ways to Support Housing Affordability

Many North American municipalities have adopted strategies to enable the development of a range of housing choices — tenures, types, sizes, and costs — and to address unique local housing issues. The table below illustrates which measures are perceived as most effective for each housing type.

<table>
<thead>
<tr>
<th>Type of Measure</th>
<th>Emergency, Transitional, Supportive and Non-Market Housing</th>
<th>Market and Low-End of Market Rental</th>
<th>Entry-Level Home Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal</td>
<td>Provision of land at below market</td>
<td></td>
<td>Innovative Financing</td>
</tr>
<tr>
<td></td>
<td>Affordable Housing Trust Fund</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fee Relief - Waiver of Development Cost Charges (DCC’s), Fees, etc.</td>
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<td>Tenant Relocation Assistance</td>
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<td>Secondary Suite Ready Housing</td>
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<td>Carriage Houses</td>
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<td>Innovative housing forms for smaller scale multi-family (2-4 units)</td>
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<td>Education and Advocacy</td>
<td>Guides for Developers</td>
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<td>Housing Needs Assessments, Data on Housing Market</td>
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<td>Other Key Ingredients</td>
<td>Partnerships</td>
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Source: Based on Eberle, et al, 2011, Municipal Measures for Housing Affordability and Diversity in Metro Vancouver. Municipal staff were asked to rate each measure’s effectiveness.
Proposed Process

This paper was written to provide background information and inform the development of a new Housing Affordability Strategy for the City of Coquitlam. The intent was not to set a course but rather to generate a productive discussion and contribute to the development of a new Strategy. Next steps will include investigating several key questions, including:

Vision and Objectives
The 2007 Affordable Housing Strategy established a Vision as:

‘that all residents of Coquitlam will be able to live in safe, appropriate housing that is affordable for their income level’

It is important to investigate if this is still the most appropriate vision for Coquitlam, and if not, to determine a revised vision to guide the Strategy update.

This paper has suggested moving from a Strategy focused on the roles the City plays to one that is more based on measurable Objectives. What objectives are right for Coquitlam and what targets will we set for ourselves?

Proposed Next Steps

Phase I Discussion/Decisions: Council Consideration

Early in 2013 Council will be asked to:
• review/discuss this background material
• revisit the housing affordability vision and objectives
• consider and provide direction regarding the series of questions set out in the Introduction page of this paper
• review and discuss the applicability of interim rental strategies as contained in the TDS
• provide initial feedback on areas for further investigation

Phase II: Further Investigation

Depending on the direction determined in Phase I, further investigation and development of specific of recommendations for:
• Planning and Regulatory Processes: Given our past successes in expanding secondary suites and other solutions what planning tools can we use to further increase the range of housing types, sizes and tenures to improve affordability?
• The Use of City Resources: what is the role of City lands related to housing affordability, can we better balance the promotion of affordable housing with all the needs and services the City is trying to provide?
• Affordable Housing Reserve Fund: what is the best approach to leverage the Affordable Housing Reserve Fund to meet City objectives; are there new best practices that Coquitlam can develop; which parts of the housing continuum is it appropriate to try to affect?
Proposed Process

Phase III: Public Consultation and Engaging Other Partners

Once a draft framework incorporating the output of Phases I and II is complete and considered by Council, consultation will be undertaken with stakeholders, including the development community, community partners and agencies (e.g. Tri-Cities Homelessness and Housing Task Group), other levels of government, our municipal neighbours and the general public.

Many of the ideas and values of the community will greatly contribute to the development of the Housing Affordability Update. It is important to engage the public and other partners in discussion regarding the draft strategy and its implementation.
APPENDIX

Best Practices...in Housing Affordability
Cross-jurisdictional research reveals that there are many promising practices that promote housing affordability. While some of these have emerged from government initiatives or are innovations developed by non-market housing providers, many of them are products of private enterprises that have targeted housing affordably for middle-income, working families.

The practices and projects which are briefly described in this report were selected as being the most relevant to Coquitlam. They are grouped into two categories – those that are principally initiated by private enterprise and those that are initiated either by government or non-profit organizations.

**Freehold Townhouses** *(PRIVATE ENTERPRISE)*
An owner of a freehold townhouse has “fee simple” (absolute) ownership and is responsible for maintenance and utilities – the goal being to reduce monthly costs, and avoid a strata governance model. To ensure common exteriors, most freehold townhouses have “design guidelines” registered on title. Typically, freehold townhouses face the street, and have vehicle access via rear lanes.

- There are an increasing number of freehold townhouse projects in BC – Surrey, New Westminster, Langley and UBC have recent examples. ParkLane’s Bedford Landing project in Fort Langley was quickly absorbed, and resales have been strong. In Coquitlam, the Brae on Burke Mountain was also quickly sold-out.

**Suite-Ready Detached Homes** *(PRIVATE ENTERPRISE)*
In Metro Vancouver, there has been a convergence of public and private interests in making new homes “suite ready”. For a developer / builder, the costs are relatively small, but to a prospective buyer, a home that is “suite ready” is viewed as having considerable potential for future revenue generation.

- In Coquitlam, Moscone Developments ensures that its homes in Burke Mountain have secondary suite capability. Examples include: Gardenia, Belmont at the Foothills, and Nour at the Foothills. The marketing team observes that having a suite-ready home is a key selling feature, regardless of the household’s income. Burke Mountain’s luxury homes sell for between $700,000 and $1 million.

**Market Rental “Lock Offs”** *(PRIVATE ENTERPRISE)*
This model was first used in resort communities. In Metro Vancouver, this model has been pioneered at UBC and Simon Fraser University at UniverCity. The building is designed to ensure that there is an easy compartmentalization of the overall unit, always including a separate, entrance, bathroom and small kitchen for the “lock off”, so the homeowner can rent separately.

**Carriage Housing** *(PRIVATE ENTERPRISE)*
Carriage housing (sometimes referred to as coach or laneway housing) is typically defined as a small detached dwelling that is secondary/ancillary to a principal house. Often built above or in place of a garage, a carriage house is located at the rear of a lot abutting a lane. Carriage houses are smaller in size than the primary dwelling on the lot.

- An increasing number of BC municipalities are permitting and promoting this form of housing, including Coquitlam, Vancouver, Port Moody, Maple Ridge and Kelowna.
- Typically, these cannot be strata-titled, ensuring the dwelling remains rental in perpetuity.
- Construction and utility hook-ups for carriage houses can be high, if not constructed at the same time as the principal dwelling, leading to higher rent levels than an in-home secondary suite (If a municipality is concerned that these units should remain affordable, a Housing Agreement with the land owner would be required).
Small Scale Attached Housing  (PRIVATE ENTERPRISE)
Innovative small-scale duplexes, triplexes and quadruplexes are more affordable than a detached dwelling and can provide for affordable home ownership. However traditional side-by-side configurations do not always provide the best site layouts for private outdoor space or parking, nor are they always compatible with the character of established neighbourhoods. Innovative approaches may include back-to-front, up-down, shared driveways, or garages at the rear. The City of Coquitlam’s Housing Choices program is leading to innovation and unique solutions for small-scale attached housing.

Shared Equity Home Ownership  (PRIVATE ENTERPRISE)
Shared equity in market housing assumes that one of the investors (a non-market housing provider or social enterprise lender) assists a first-time home buyer, then reduces its equity position.

- An interesting example is McPherson Place in Calgary, a 160-unit, inner suburb condominium. To qualify, purchasers must earn below 120% of median income, and currently spend more than 40% of their income on shelter. The financing system eliminates a down payment and reduces monthly mortgage payments to a more attainable level. The project was facilitated by INHOUSE, a not-for-profit organization whose mandate is to close the gap between rental housing and access to home ownership.

- A similar example in Ontario is a non-profit financial corporation, Home Ownership Alternatives (HOA), which has a unique mortgage instrument to make home ownership more affordable for lower income families – a second mortgage not to be repaid until sale. Since 1999, 2,300+ families have been assisted by this tool.

Ownership of Manufactured Housing on Leased Land  (PRIVATE ENTERPRISE)
This model of affordable ownership means that purchasers buy a manufactured house and lease the land. A percentage of the lease payments are used to build and maintain common amenities and undertake ongoing maintenance.

- Parkbridge Communities is a leader in offering manufactured homes as an affordable, practical alternative to site-built housing. This firm, with a focus on moderate income seniors, is aggressively developing in BC.

Innovative Purchase Plans – Private Builders & Developers  (PRIVATE ENTERPRISE)
In many urban markets, there are developers and builders who focus on the lower end of the home ownership market. Two examples – in Alberta and BC – provide an illustration of how developers help increase the market for their product through innovative purchasing plans.

- In Medicine Hat, Alberta, Classic Construction helps purchasers through direct down payment contributions and mortgage subsidies for up to seven years. A non-profit partner, the Medicine Hat Community Housing Society, provides training for potential home buyers and administers the mortgage subsidy. The City has contributed to the viability of Classic’s projects by amending density, greenspace and site coverage requirements. In Ontario, the Daniels Corporation provides condominium units at below-market prices, reduces the down payment for qualified buyers and offers a loan program.

- In Sooke, BC, Citta Group, the developer of the phased 700-home Sun River Estates, is working with Genworth Financial to provide a “lender cash back equity program” for prospective purchasers who have an excellent credit history, but have yet to save the required down payment. The developer is also encouraging prospective purchasers to investigate CMHC’s homeowner mortgage loan insurance where the form of down payment is “non-traditional”, meaning any source that is arm’s length such as property, gifts, sweat equity, or lender cash back incentives.
**Best Practices...in Housing Affordability**

**Affordable Home Ownership – Peak Program, Calgary**

*(PRIVATE ENTERPRISE & NON-PROFIT)*

Launched in 2010, the PEAK program provides the down payment and a monthly mortgage subsidy for the first five years of ownership. This is a partnership among Trico Homes (private developer), Habitat for Humanity, and Alberta Housing and Urban Affairs. The first 64 units are located in a north-west suburb, close to schools, transit, amenities and recreation. Two other projects are under construction. Depending on the number of years of ownership, the equity appreciation of the property may be split between Habitat for Humanity and the Peak homeowner. After the second year of ownership, the homeowner receives 100% of the property's equity appreciation if the home is sold.

**Community Land Trusts (NON-PROFIT)**

The community land trust (CLT) model is becoming an increasingly popular mechanism for maintaining and expanding the stock of permanently affordable housing. Each community land trust is a non-profit organization with charitable tax status. The trust purchases land and then enters into a ground lease with the owner of the home, thereby removing land from the speculative market. In some communities, the properties are existing single homes in a variety of neighbourhoods, while in others it may be new build townhouses or apartments. The CLT qualifies eligible households and manages the waiting list. Some CLTs are able to offer “gap funding” (down payment assistance) from grants they receive from governments and philanthropic organizations.

- In BC, there are CLT’s with a mandate for creating affordable housing in a few communities, including Vernon and Denman Island.

**Inclusionary Zoning/Density Bonusing (GOVERNMENT)**

This practice emerged in US greenfield communities where low and moderate income households were priced out of the housing market, usually resulting in a workforce that had to commute from other areas. In BC, the legislation was amended in 1993 to facilitate this practice at the time of rezoning.

- Regionally, Burnaby, Port Coquitlam, Surrey, and New Westminster have used amenity contributions from rezoning for affordable housing. There is no direct public expenditure, but there is usually a restriction or capping on resales or rents, with the objective being to ensure the housing remains affordable.

- The City of Coquitlam has taken this approach with the Fraser Mills development.
Municipal Land for Affordable Housing (GOVERNMENT)
Several municipalities in Metro Vancouver have either formally established a “land bank” of municipally-owned lands for future affordable housing, or entered into partnerships whereby municipally-owned land was donated or leased for affordable rental housing in the same way as Como Lake Gardens and 3030 Gordon. Examples from other municipalities:

- In the past two years, the City of Surrey has provided land and waived municipal fees and charges for two projects – Alder Gardens, 36 apartments for women and children at risk of homelessness, and Quibble Creek, 52 supportive housing units and 15 short-term transitional recovery beds. The total value of the City’s land equity is approximately $3.4 million.
- In Maple Ridge, the District provided land valued at approximately $1 million for a new development that will create 45 units of supportive housing for people who are homeless or at risk of homelessness.
- In Abbotsford, the City provided land valued at approximately $1.36 million and waived property taxes and DCCs for a new supportive housing development. This 41-unit building will contain a mix of studio and 1 to 4-bedroom apartments for single women or women and children at risk of homelessness in the Fraser Valley.

Below Market Home Ownership – Simon Fraser University (NON-PROFIT)
Completed in 2007, the Verdant is staff and faculty housing of 60 townhomes that are sold at approximately 20% below market value. These units can appreciate with real estate value, but final sale prices are 20% below current market value. SFU manages the wait list and approves the assessment and subsequent reduction in price. The development was made possible through a partnership between VanCity Enterprises and the SFU Community Trust. The University provided the land lease at a significantly reduced rate and VanCity, as the developer, took a lower profit than is typical on this type of residential development.

Harmony Flex-Townhouse – Abbotsford (GOVERNMENT & NON-PROFIT)
As part of its commitment to affordable housing, the City of Abbotsford partnered with private developer Van Maren Construction to build 11 townhouses with “finishable” bachelor suites that owners can rent out. The City provided a $5,000 reduction in property taxes, parking and setback variances, and made a donation of land at 20% of market value. CMHC also played a key role by providing start-up funds to make the bachelor suites accessible, and other mortgage flexibilities. The long term affordability is achieved through a covenant with the City to sell the homes at 26% below market value.

The Quattro Micro-suites – Surrey (PRIVATE ENTERPRISE)
56 micro-units will be part of a complex to be built by Tien Shier at Whalley Boulevard and Grosvenor Road. The units will range from 290 to 653 square feet and will range in price between $109,000 and $183,000.
Affordable Rental & Ownership  
– People with Developmental Disabilities  
(GOVERNMENT & NON-PROFIT)  
Under One Roof is the name of a six-unit project in Vernon that was built through the combined efforts of many partners – a local community land trust, social planning council, Kindale Development Association, the City of Vernon, BC Housing, Habitat for Humanity, the Real Estate Foundation, Okanagan College, and more than 100 Vernon-area businesses. In addition to leasing City-owned land for a token amount, the City waived Development Cost Charges. The building is strata-titled. Two of the partners rent their units to low-income families and people with developmental disabilities. The sixth unit, built through Habitat for Humanity is now privately owned.

Intermediate Rent  (GOVERNMENT & NON-PROFIT)  
“Intermediate Rent” is an approach in use in Great Britain, particularly in areas where key workers are challenged to find affordable rental housing. The model is managed by non-market housing providers who own or lease an existing dwelling, then sub-lease it at a below market rent – typically, 20% lower for a period of six months.

Rent Banks  (GOVERNMENT & NON-PROFIT)  
In Ontario, the Provincial Rent Bank Program is funded by the Government of Ontario but administered by local governments. Under the program, tenants facing eviction for non-payment of rent can apply to receive financial assistance. If the application is approved, the outstanding rent is paid directly to the landlord. Each municipality decides whether the assistance is in the form of a grant or an interest-free loan.

While there is not a similar program in BC, there are several rent banks operating or about to open in Metro Vancouver.

- In Surrey, the Surrey Rent Bank was established to prevent low income singles and families from becoming homeless or having their utilities disconnected. The pilot project is an initiative of a non-profit society (Newton Advocacy Group) with funding from credit unions, the City of Surrey and charitable foundations. The average loan is about $800, which clients have two years to repay.

- In the Fraser Valley, a rent bank program is administered by the Mennonite Central Committee with funding from Coast Capital Savings, the United Way, the federal government, and charitable foundations. In 2011, more than 200 people have received micro-loans, repayable within two years.

- In Vancouver, philanthropist Frank Giustra has made a sizable donation to the Streetohome Foundation that will enable the organization to get a rent bank underway in 2012.

Regeneration of Non-Market Rental & Co-ops  (NON-PROFIT)  
To make the best use of their land and building assets, some non-profits, especially faith-based groups and seniors housing societies, are considering options to “regenerate” the properties they have owned or controlled for some time. Typically, the land value has appreciated considerably while the value of the “improvements” (housing) is static or declining. The regeneration model (renovate, retrofit, redevelop) and objectives depends on the individual project and society. There a number of older non-profit and cooperative housing complexes in Coquitlam that could be good candidates for regeneration. The Hoy Creek Housing Co-op currently has a redevelopment application underway. The Kiwanis Towers redevelopment in Richmond will provide 296 units of low-end of market rental housing for seniors.