

December 2015



Housing Affordability Strategy

Coquitlam

Table of Contents

Executive Summary _____	iv
SECTION 1: Context: Developing a Coquitlam Response to Housing Affordability	
Purpose _____	1
Coquitlam Housing Affordability Context _____	3
Future Demand for Housing _____	12
Methodology _____	14
SECTION 2: The Strategy: Vision, Objective and Actions	
Housing Affordability Strategy Organization _____	18
Objective 1: Policy Directions and Actions _____	20
Objective 2: Policy Directions and Actions _____	24
Objective 3: Policy Directions and Actions _____	26
Objective 4: Policy Directions and Actions _____	29
SECTION 3: Implementation Plan	
Implementation Plan _____	33
SECTION 4: Evaluating Progress, Leveraging the Strategy	
Aligning the HAS to the Housing Affordability Challenge _____	46
Evaluating the HAS _____	47
Leveraging the HAS _____	49

Acknowledgments

The Housing Affordability Strategy has been a work in progress for several years as Coquitlam explored how best to work with its partners on this issue. Discussions with Council, community partners, development industry representatives, other levels of government and the general public were critical to the formulation of this strategy and we are very grateful for the time, thought and consideration they gave to this work. Thank you!

Housing Affordability Strategy Organization

Section 1: Context:
Developing a Coquitlam
Response to Housing
Affordability

Section 2: The Strategy:
Vision, Objectives and
Actions



Section 3:
Implementation Plan

Section 4: Evaluating
Progress, Leveraging the
Strategy

Executive Summary

Executive Summary

Over the past several years work has been under way to develop a new Housing Affordability Strategy (HAS or the Strategy) to guide the City's efforts on this issue. The Strategy has now been prepared and is presented for Council's review and feedback. The Strategy recognizes the limited local government mandate and resources to address housing affordability, as well as the imperative for the City to act in this regard.

Differing from past approaches which focused solely on subsidized units, the HAS examines the City's role in addressing housing challenges of the entire community. 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 in all communities in Metro Vancouver, housing affordability is a challenge in Coquitlam. While the market meets the needs of many people, a growing number of residents have difficulty securing suitable housing that is affordable for their household's income. The Housing Continuum on page 2 of the Strategy illustrates the components of the housing supply in Coquitlam as well as corresponding income levels needed to access different types of housing. The less income a household has, the less choice they have in the housing market.

The Strategy acknowledges the limited resources available to the City and the essential need for other levels of government and other agencies to take a leading role in addressing housing challenges. The document is consistent with the approach taken

by the draft Metro Vancouver Housing Affordability Strategy and outlines areas where help and action by others (Federal, Provincial and regional governments, Fraser Health Authority, private sector development partners, community agencies) is required. Implementation, monitoring and evaluation plans are included in the Strategy. The result is a series of actions where Coquitlam will take on roles appropriate and proportional to the authority and resources of the City, but requires others to contribute in order to be successful.

To address the challenge, the Vision underlying the Strategy is: "The City of Coquitlam works within its capacity and in partnership with others to promote housing affordability for all Coquitlam residents."

Four objectives build on this vision:

- 1. Foster Housing Affordability Through Innovation**
- 2. Promote Affordable Living**
- 3. Leverage the City's Affordable Housing Reserve Fund (AHRF or the Fund)**
- 4. Build Strategic Partnerships**

Fifty-four actions are then proposed under these four objectives outlining the work to be undertaken by Coquitlam and other partners. The resulting strategy represents a more deliberate and proactive approach by the City of Coquitlam that should increase its contribution to housing solutions while staying within the resources and authority of the City.

Short-Term, High Priority Actions

In the short-term, (2016-2017), the HAS will act on implementing these key short-term actions to address housing affordability in Coquitlam:

1. Consider concentrating higher densities and a broader variety of dwelling types and tenures near transit, through the completion of the Burquitlam Loughheed Neighbourhood Plan (actions 1.1.1 and 1.1.2, p.20 and 2.1.1, and 2.1.2 p. 24);
2. Encourage the development of designated market rental units (purpose-built and/or strata available for rental) through a suite of incentives as identified in the HAS (actions 1.2.1, 1.2.2, 1.2.5, 1.2.6, 1.2.7, and 1.2.8, p.20-21);
3. Review Zoning Bylaw density, parking, amenity space, and other requirements to encourage the development of purpose-built rental housing (action 1.2.3, p.20);
4. Consider the exemption of rental floor space from maximum density allowances in cases where maximum density has been achieved subject to servicing, traffic, parking, and urban design considerations (action 1.2.4, p. 20);
5. Employ a series of regulatory incentives to preserve existing rental and co-operatetive housing (actions 1.5.1, 1.5.2, 1.5.3, 1.5.4, and 1.5.5, p.22);
6. Contribute a portion of density bonusing contributions into the AHRF based on the City's Zoning Bylaw for the purpose of fostering housing affordability in accordance with the AHRF guidelines (action 3.1.4, p.26, and AHRF Guidelines, p.51);
7. Complete the sale of three City-owned sites in Northeast Coquitlam previously identified as for affordable housing, but now deemed unlikely to develop and less-desirably located. Direct one-third of the land sale to immediately jump-start the AHRF (action 3.1.3, p.26);
8. Issue a press release explaining the availability of funds and the criteria for use of the AHRF and issue a call for submissions for use of the AHRF (actions 3.1.6, 3.2.1, p. 27);
9. Call for partners to work with Coquitlam in addressing affordability and accessibility needs (actions 3.2.2, p.27 and 4.1.3, p.29);
10. Issue a request for proposals for an affordable housing project at 1358 Coast Meridian Road (action 3.2.3, p.27).



Section 1: Context: Developing a Coquitlam Response

Why a Housing Affordability Strategy?

Safe, adequate, and affordable housing is a key component of a complete community. Stable housing helps people stay healthy, raise families, and maintain employment.

As in all communities in Metro Vancouver, housing affordability is a challenge in Coquitlam. While the market meets the needs of many people, a growing number of residents have difficulty securing suitable housing that is affordable for their household income. By and large, the less income a household has, the less choice they have in the housing market.

The Housing Affordability Strategy (HAS or the Strategy) outlines Coquitlam's commitment to promoting housing affordability. It is set within the context of limited municipal mandate and resources to address housing affordability as well as the recognition of the imperative for continued City involvement and contribution to

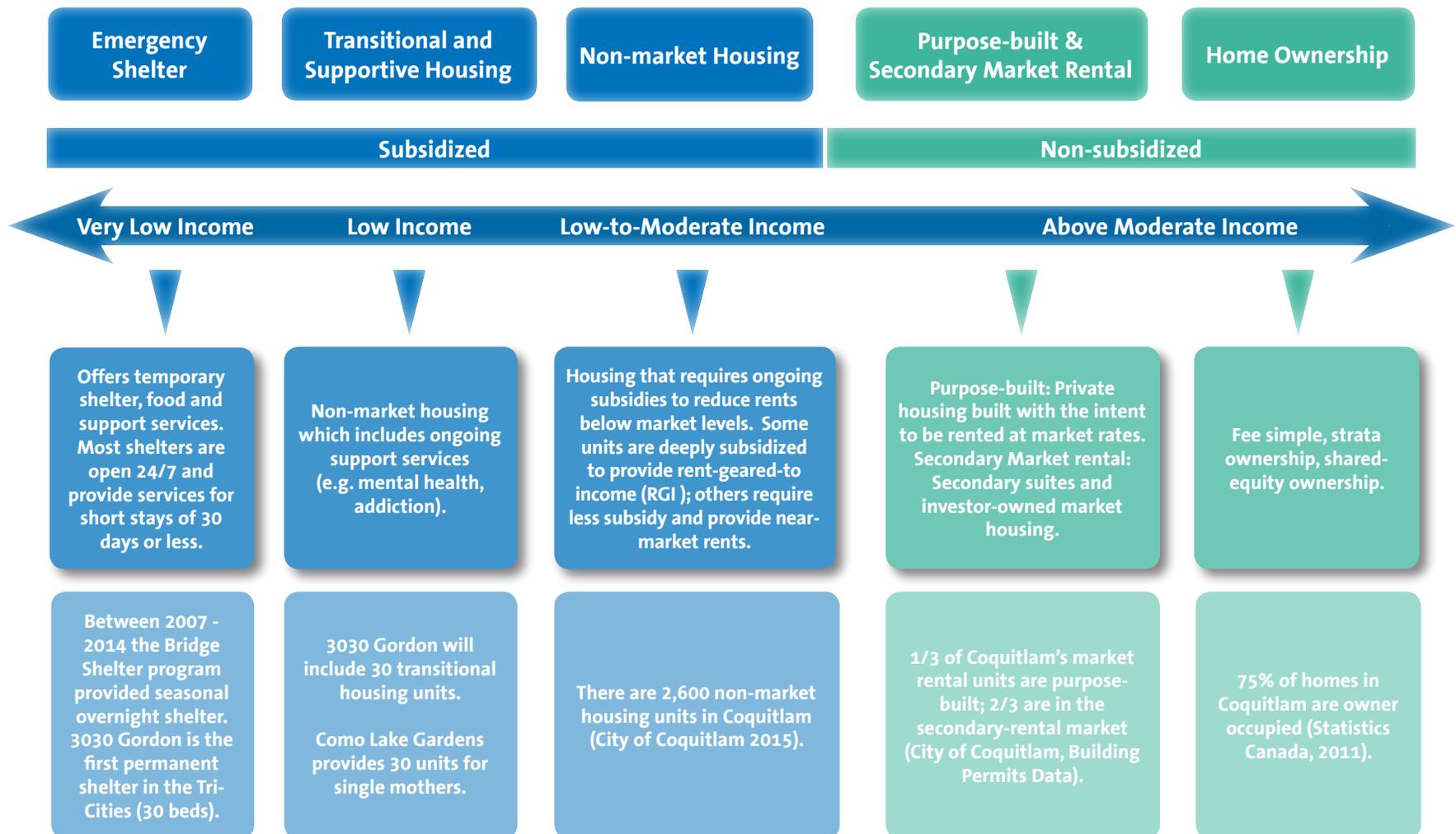
an issue that affects many of its residents. Collaborative efforts, in partnership with other levels of government, community partners, the development community, and residents has led to progress in addressing housing need for people who are homeless and at risk of homelessness. The cold wet weather Bridge Shelter program, the development of Como Lake Gardens to help single moms at risk of homelessness, and the development of emergency shelter and transitional housing at 3030 Gordon Avenue have all added to the housing and support available in the community, and were possible only through partnership. The Strategy sets out a plan for the City to continue to work with partners to address housing affordability in the community.



Purpose

The Housing Continuum

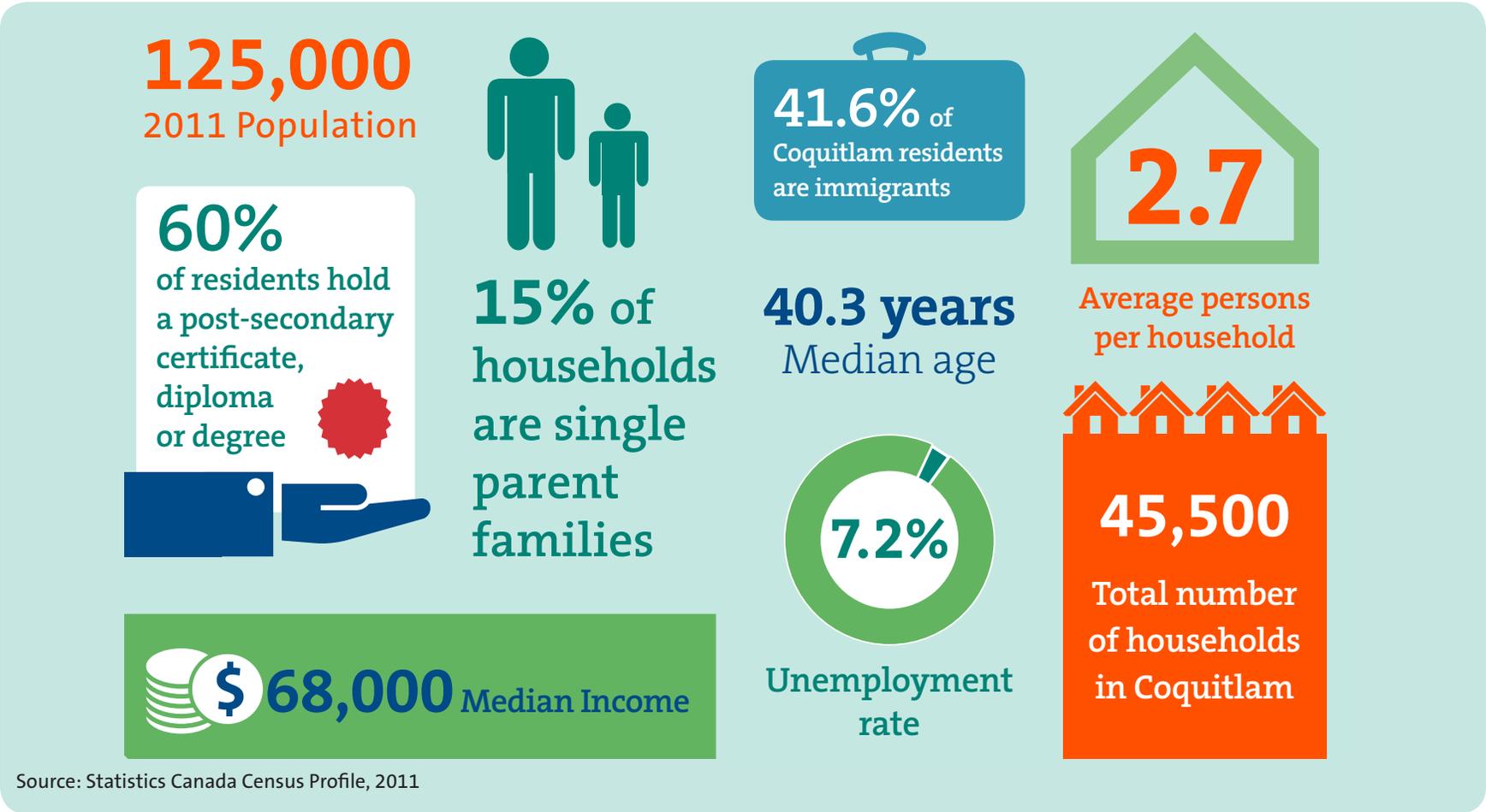
The Housing Continuum set out below illustrates the components that make up the housing supply in Coquitlam and corresponding income levels needed to access different types of housing.



Coquitlam's Housing Affordability Context

Who Lives in Coquitlam

In many ways Coquitlam is challenged by its own success. Over the last 20 years the City has become a highly desirable location, offering quality amenities, beneficial employment and an enviable setting. As Coquitlam and the Vancouver region continue to grow, housing has become disproportionately expensive. The following image provides a snapshot of key characteristics about the population living in Coquitlam.



Coquitlam's Housing Affordability Context

What is Housing Affordability?

For the purpose of this strategy, 'housing affordability' is described as 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. In contrast, 'affordable housing' is typically defined as housing that costs 30% or less of pre-tax household income. Subsidies may be required for certain households to meet this affordability level.



Core Housing Need

According to the 2015 Metro Vancouver Housing Data Book, approximately 17% of households in Coquitlam are considered to be in core housing need (36% of renter households and 11% of owner households).

A household is considered to be in core housing need if its housing does not meet one of the three standards of adequacy, suitability or affordability:

Adequacy: dwellings, as reported by their residents, are not in need of any major repairs.

Suitability: dwellings have enough bedrooms for the size and make-up of residents' households.

Affordability: dwelling costs less than 30% of total before-tax income.

Risk of Homelessness

Based on the 2015 Metro Vancouver Housing Data Book, 7.6% of households (approximately 3,450 units) in Coquitlam are considered to be in core housing need and are spending at least half of their income on housing. These households are considered to be at risk of homelessness.

Such a large proportion of households considered to be in core housing need or at risk of homelessness suggests that a significant demand exists for housing types, tenures and options that is not being met by the market. As a response, households can either choose to move to less expensive cities, spend disproportionately more on housing costs or live in unsuitable housing.

Coquitlam's Housing Affordability Context

Low-Income Households

The Metro Vancouver Regional Growth Strategy (Metro 2040) defines low-income households as those earning 50% or less than the median household income of a region. In Coquitlam nearly 10,000 households are considered to be low-income and have an annual household income less than \$35,000.

Table 1: Household Income Categories*

Household Income Categories	Median Household Income (MHI) (\$68,000)	Annual Household Income Range	Affordable Monthly Housing Payment
Low income	<50% MHI	<\$35,000/yr	Less than \$875/month
Low-to-moderate	50%-80% MHI	\$35,000-\$55,000/yr	\$875-1,375/month

Source: Statistics Canada National Household Survey, 2011

*Adapted from the Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015

Core Housing Need: a household is considered to be in core housing need if it does not meet one of the three standards of adequacy, suitability, or affordability (i.e. spending less than 30% of household income).

- **17% of all households in Coquitlam are considered to be in Core Housing Need.**

Source: Metro Vancouver Housing Data Book, 2015

Risk of Homelessness: households spending greater than 50% of total before tax household income on housing **and** are in core housing need (not meeting adequacy, suitability or affordability)

- **7.6% of households in Coquitlam are at risk of homelessness.**

Source: Metro Vancouver Housing Data Book, 2015

Low-Income: a household is considered to be low-income if they are earning 50% or less than the median household income of a region.

- **In Coquitlam nearly 10,000 households are considered to be low-income**

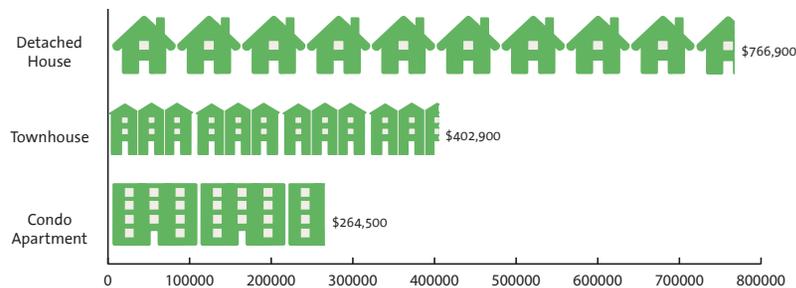
Source: Metro Vancouver Housing Data Book, 2015

Coquitlam's Housing Affordability Context

The Ownership Affordability Gap

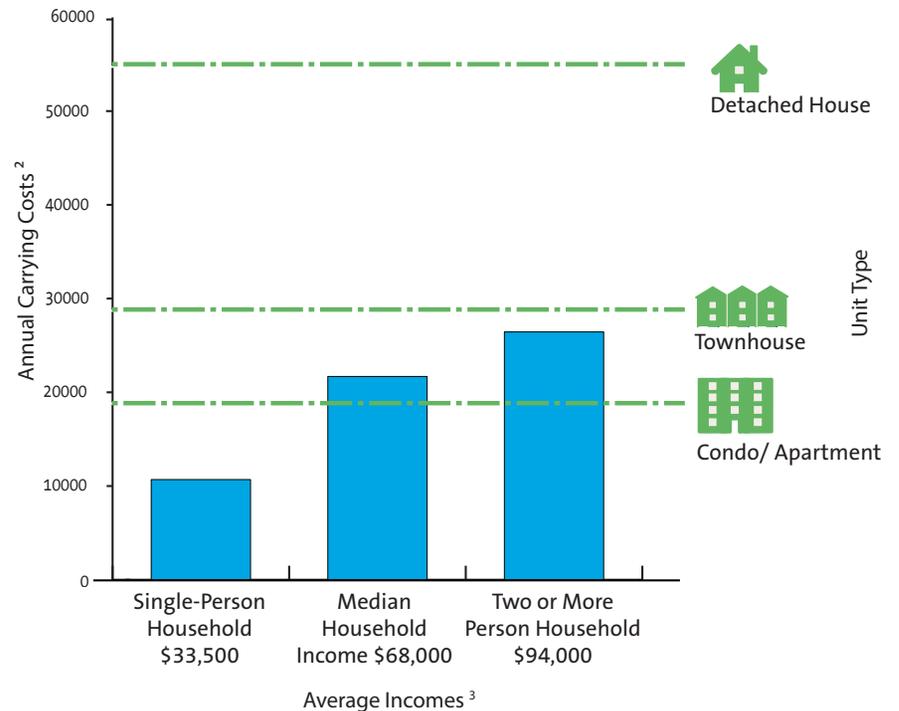
Housing affordability is primarily based on income. Nationally the Canada Mortgage and Housing Corporation (CMHC) guideline suggests that housing costs should not exceed 32% of pre-tax income. As shown in Figure 2, the Home Ownership Affordability Gap, household income for most Coquitlam residents falls short of this affordability guideline. Current housing costs present a particular challenge, may result in fewer individuals being able to get into the homeownership market and prevents many hourly wage-based workers from residing in Coquitlam.

Figure 1: 2014 Benchmark Housing Price in Coquitlam ¹



¹ Benchmark Price is based on the Real Estate Board of Greater Vancouver's 2014 Housing Price Index for Coquitlam and modeled on the Consumer Price Index and defines a typical home in each housing type.

Figure 2: Home Ownership Affordability Gap: 32% of Income Affordability Guideline ¹



¹ Affordability Guideline based on the 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 4.79% interest and a 25 year amortization period, plus 1% of the home price annually for taxes, insurance and heat.

³ Incomes are for Coquitlam, derived from the 2011 National Household Survey.

Coquitlam's Housing Affordability Context

A Qualifying Note About Definitions and Estimates

Estimating the number of households in need of various price points is dependent on more than just household annual income, including factors such as accessibility, other costs (transportation, medical, and utilities) family size and many more elements. Furthermore, as the City is an open system, individuals who cannot afford housing in Coquitlam are often pushed out into other jurisdictions. The open nature of the system makes it extremely difficult to itemize the exact size of Coquitlam's needs.

Despite the challenge of specifying exactly the value and quantity of housing needs, it is important to attempt to quantify the problem and establish targets for both actions and monitoring. While conceding that no one calculation can be perfectly accurate, the HAS process has examined a number of measurement methods to identify the scope of the challenge before us.

Importantly, it must be acknowledged that a significant offset to these numbers does exist. The Province, through BC Housing, provides housing subsidies, rent assistance, building repairs and maintenance to support low-income and deep-subsidy needs. Based on Provincial data this constituted a commitment equivalent to more than 2,200 units in Coquitlam. While these Provincial direct assistance efforts do not contribute to the development of new supply, they constitute an important part of housing affordability within the community.

Affordability and the Housing Market

Between 1991 and 2011, housing prices and rents in Coquitlam have increased faster than household incomes, meaning that many households are spending a larger portion of their income on shelter than they were 20 years ago (Figure 3). While median household income has grown by 37% over these 20 years, the average dwelling value has increased 200% and the average rent has increased 89%.

Figure 3: Eroding Affordability in Coquitlam



Source: Statistics Canada Census Profile, 1991 and 2011

Coquitlam's Housing Affordability Context

Coquitlam's Rental Market

Based on 2011 Statistics Canada data, approximately 25% of Coquitlam households rent and 75% of households own their homes. Coquitlam's rental market is made up of market rental housing and non-market rental housing.

Market Rental Housing

It is estimated that there are 9,250 market rental units in Coquitlam. Approximately one-third (4,150) of these units are purpose-built and two-thirds (5,100) are made up by the secondary rental market (City of Coquitlam Building Permits data). Purpose-built rental housing is housing built with the intent to be rented and typically includes apartments and townhouses. The secondary rental market refers to additional units available for rent in the market and includes secondary suites and investor-owned properties.



Purpose-Built Market Rental Housing

Coquitlam's purpose-built rental stock is aging, with approximately 73% built prior to 1980. Since 2000, three purpose-built market rental housing developments¹, creating 136 units, have been constructed, representing less than 5% of the total purpose-built market rental housing stock in Coquitlam.

Projections indicate that between 700-1,000 units (17-24%) of this housing could be lost in Coquitlam by 2023. With the completion of the Evergreen SkyTrain Line and the Burquitlam-Lougheed Neighbourhood Plan update (currently underway), it is expected that much of this housing will be subject to redevelopment applications. Without policies and incentives in place, the new units on these sites are likely to be market condominium units, which may not be affordable to the tenants currently living in the units that will be demolished.



¹2973 Glen Drive (65 Units), 1027 Alderson Ave (5 units), 3091 Lincoln Ave (66 units)

Coquitlam's Housing Affordability Context

Secondary Rental Market Housing

The secondary rental market is an important component of the rental housing stock in the City. Since this housing tends to command higher rent levels, we cannot solely rely on this segment of the market to meet rental housing demand. Based on a 2014 Rental Market Report done by the Canada Mortgage and Housing Corporation (CMHC), the average monthly rent for a two-bedroom purpose-built market rental unit in the Vancouver Census Metropolitan Area (CMA) was \$1,311 and the average rent for a comparable strata rental apartment or condominium in the secondary rental market was 20% more at \$1,668 per month.

The secondary rental market also tends to be more susceptible to market trends than the purpose-built rental market. Increasing development pressure coupled with aging single-family housing stock, especially in areas designated for higher density, may result in a decrease in the number of secondary suites as properties redevelop into higher density or multi-family forms. As the cost of housing increases we may see a decrease in investor-owned properties. Based on the 2014 Rental Market Report by CMHC, the Vancouver CMA showed a slight decrease in the percentage of privately owned rental condominiums in the secondary rental market between October 2013 to October 2014, while nine out of 11 metropolitan centres surveyed² showed significant increases to the secondary rental market.

²Metropolitan centres surveyed in the 2014 Rental Market Report by CMHC include: Victoria, Vancouver, Edmonton, Calgary, Saskatoon, Regina, Winnipeg, Toronto, Ottawa, Montreal, and Quebec City.

Tenancy agreements for investor-owned properties and secondary suites are less secure than those in the purpose-built rental market as property owners may elect to end the tenancy if they are renovating the property, selling the property or if they or a family member wishes to occupy the unit.



Coquitlam's Housing Affordability Context

Non-market Rental Housing

Non-market rental housing stock in Coquitlam is comprised of housing co-operatives (co-ops), seniors housing, near-market housing, non-market and supportive housing and emergency shelters. In total there are currently 2,600 non-market rental housing units in Coquitlam.

Table 2: Non-Market Housing Form Breakdown

Non-Market Rental Housing Form	Units
Co-op Housing	689
Seniors Housing & Care Facilities	1,192
Non-Profit and Supportive Housing	713
Emergency Shelter (3030 Gordon Ave)	30

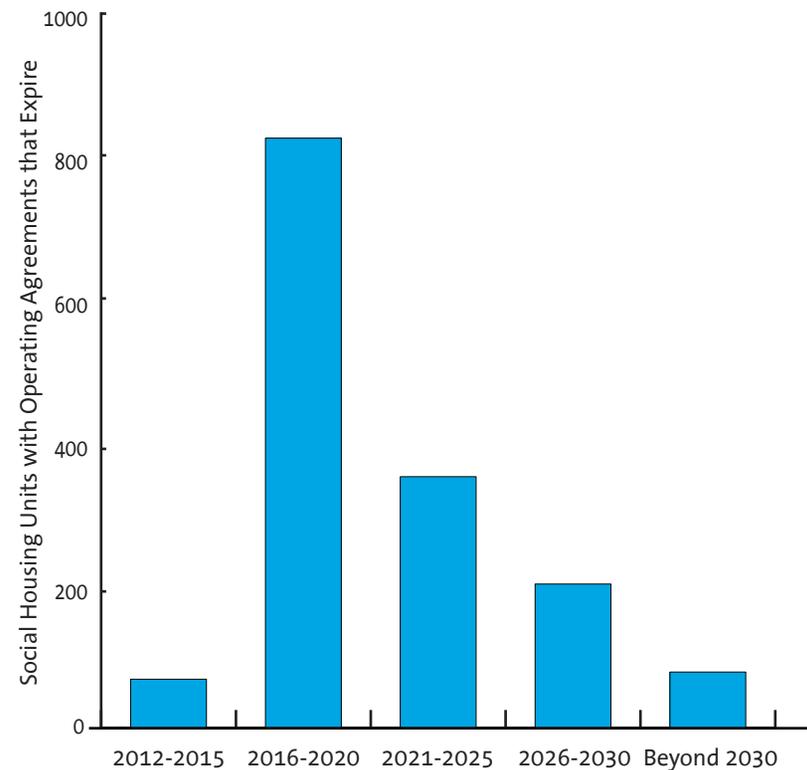
(Source: City of Coquitlam Building Permits data)

Expiring Operating Agreements

One of the biggest challenges currently facing the non-market housing sector is the expiration of social housing operating agreements. These agreements with the Federal and Provincial Governments provided operating subsidies which made it possible for housing providers to deliver units at rent-geared-to-income and other affordable rates. Over the next decade the operating agreements between the Federal and Provincial Governments, and non-market housing operators will be coming to an end. This will result in decreased subsidies for tenants, which may create affordability problems and, in some cases, may result

in people losing their units if rents become unaffordable. Figure 4 shows expiring social housing operating agreements in Coquitlam.

Figure 4: Expiring Social Housing Units by Year and Type (Coquitlam)



Coquitlam's Housing Affordability Context

Development Trends in Coquitlam

The diversity of the housing supply in Coquitlam has been increasing in recent years, providing more choice in housing types and forms. Over half of residential units created in Coquitlam between January 1, 2010 and December 31, 2014 were in the form of multi-family developments and, on average, single-family units represent 20% of total units created (Table 3).

Table 3: Residential Building Permits Issued Between January 1, 2010 and December 31, 2014

Permit Type	Units Created	Percent of total Development
New Multi-Family Apartment	3,626	48%
New Multi-Family Townhouse	1,211	16%
Housing Choices*	196	3%
New Single Family	1,533	20%
New Secondary Suite	953	13%

(Source: City of Coquitlam Building Permits data)

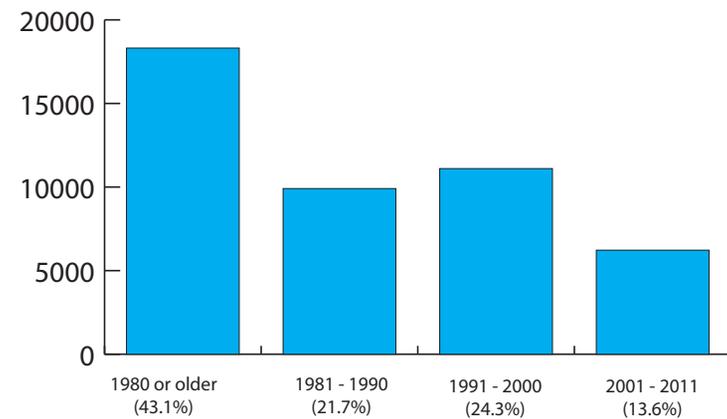
*Housing Choices include: Carriage houses, garden cottages, duplexes, triplexes and quadplexes.

Loss of Existing Housing Stock

As noted previously, market forces can put downward pressure on older homes and structures, especially those which are undersized in comparison to neighbouring properties or in areas designated for higher density. Based on 2011 Statistics Canada data, approximately 40% of occupied private dwellings in Coquitlam were constructed prior to 1980.

The City's planning and regulatory functions are important in alleviating housing affordability pressures and will become increasingly important in the coming years as the community's housing stock ages.

Figure 5: Dwelling Count by Period of Construction



(Source: Statistics Canada 2011 NHS)



Future Demand for Housing

Coquitlam's Future Demand for Housing to 2023

Based on the Metro Vancouver's Regional Growth Strategy (RGS), our population is expected to grow by as much as 50,000 people by 2023 which will create a demand for approximately 20,000 additional housing units. Through analysis, and accounting for current affordability trends, un-met demand and the potential loss of affordable units to redevelopment, it is anticipated that the proportion of Coquitlam households paying more than 30% of their income on housing will exceed 25% and almost 8% will be at risk of homelessness by 2023.

More broadly, additional housing units of all types will be required as the population grows.

Projected Demand for New Growth

Based on staff analysis and the RGS growth targets, there is an estimated projected demand for 2,000 of these new units to be below or slightly below market for higher need households, who would otherwise spend more than 50% of their income on housing. Providing for new growth combined with existing needs and factoring in a loss of older affordable stock (estimated at 700-1,100 units), Coquitlam is projected to require 6,000 units to meet low- and moderate-income household needs. This number 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.

Figure 6: Anticipated Future Demand for Housing

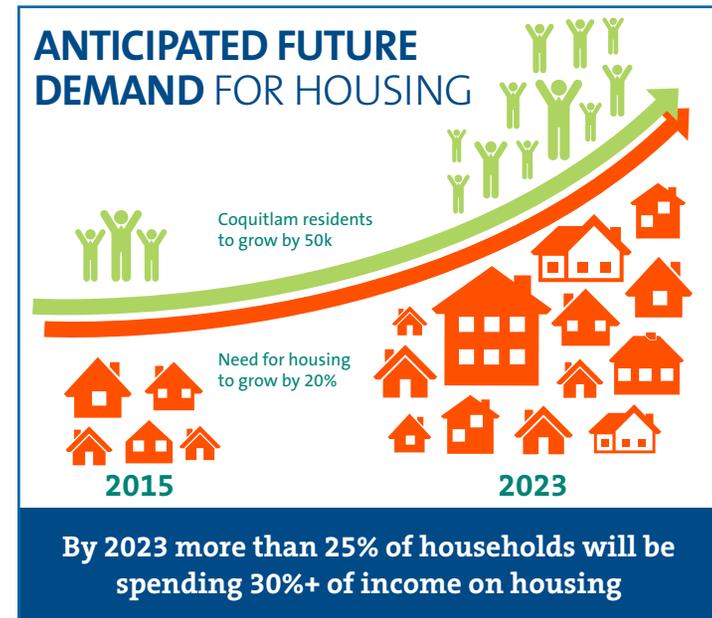


Table 4: Projected Total Demand for Low and Moderate Units

Projected Demand	Units
Current un-met need (per Metro Vancouver estimates)	3,450 units
Est. new demand due to growth to 2023 (aligned to growth of 50,000 people)	2,000 units
Potential loss of older affordable housing units	700-1,000 units
Total potential low- and moderate-income needs	>6,000 units*

*A estimated 3,400 units of projected demand would be for rental

Future Demand for Housing

Managing Projected Housing Demands to 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 is essential.

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 these 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 from/to other jurisdictions);
- The inability to monitor the growth of illegal suites and unconventional housing options; and,
- The unpredictable nature of the market.

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 lower-cost rental housing in the next ten years.



Methodology

Methodology Used to Develop the HAS

Overview and methodology

Starting in 2013 the City of Coquitlam initiated a process to develop a new HAS to address both current and projected needs.

Focused on developing real and implementable solutions, the HAS employed a comprehensive approach designed to solicit honest and meaningful dialogue about practical solutions. As part of the HAS process, the Housing Affordability Discussion Paper (Discussion Paper) and the Draft Housing Affordability Strategy Framework (Framework) were produced.

Adapting Coquitlam's Response

Importantly, the Strategy is also a living document. Organized around a straight-forward structure it can be easily adapted by Council to respond to changing conditions and new challenges.

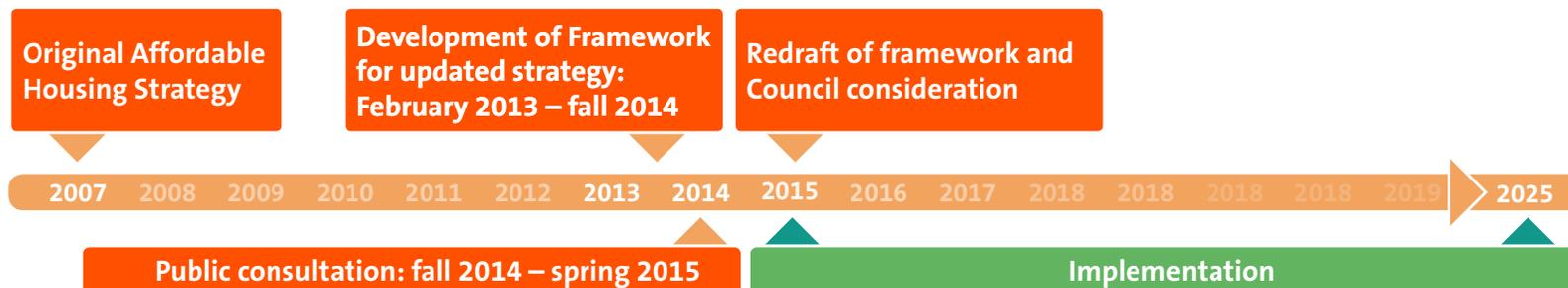
Using the Strategy's Implementation Plan as a measuring stick, progress towards meeting HAS objectives and overall vision will be monitored to ensure the Strategy is effective, realistic and relevant.

Planning for a Complete, Diverse Community

Since the adoption of the Affordable Housing Strategy (AHS) in 2007, the City of Coquitlam has made significant contributions in response to housing affordability and homelessness challenges in Coquitlam and the broader Tri-Cities area. This includes 3030 Gordon Avenue emergency shelter and transitional housing facility, set to open in fall 2015, the YWCA's Como Lake Gardens supportive housing (opened in 2012), and ongoing support to the Tri-Cities Cold Wet Weather Mat Program.

While these key investments focus on the non-market and emergency shelter portion of the Housing Continuum, housing affordability continues to erode and new challenges are emerging. Ensuring that Coquitlam remains a complete and diverse community, as it experiences rapid growth over the coming decades requires an innovative response that involves a broader approach across the Housing Continuum, including fostering new rental housing and affordable homeownership opportunities.

Figure 7: Housing Affordability Strategy Timeline



Key local needs include looking at ways to help those who grew up in Coquitlam to continue living here, facilitating aging in place for our seniors and providing viable housing options for newcomers. There is also a recognition that groups with specific needs will have to be considered as a part of the local housing affordability context, and when this is all considered with the big picture for Coquitlam, a new, innovative approach is required to increase housing supply in a way that helps to meet these needs.

A New Housing Affordability Strategy

Addressing Coquitlam's needs over the next decade, within a context of continuing home price and rent escalation, presents a daunting challenge – one that the City can simply not meet alone. With limited financial resources, and many competing priorities that local government must meet (such as roads and infrastructure upkeep, parks and recreation facilities, among others), an effective approach to promoting housing affordability requires strong, continuing partnerships with other levels of government, non-profit and community agencies and the development community.

Given the reality of limited funds for housing affordability projects, the City needs to leverage and broaden the use of funds, through the AHRF, and look at innovative financing approaches, development incentives and strategic community investments that benefit Coquitlam's neighbourhoods over the long-term.

Public Consultation Program

Recognizing the complexity of the housing affordability issue, considerable efforts were made to obtain an informed and broad response through the consultation process. This was accomplished through a number of information handouts written in plain language, direct presentations and discussion groups, web-based materials and, importantly, through the distribution of the Discussion Paper and the Framework. While the Discussion Paper and the Framework have been made available since early 2014, the bulk of the HAS Consultation Program occurred between October 2014 and May 2015 and included:

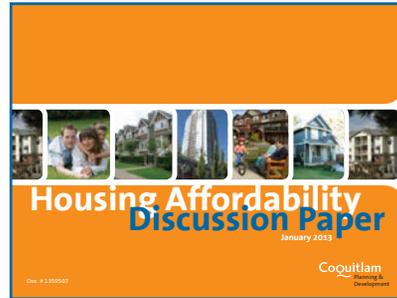
1. **Web-based Notifications**
2. **Handouts and Communication Materials**
3. **Stakeholder Discussions and Feedback**
4. **In-depth Stakeholder Workshops**
5. **Community Information Session**
6. **Feedback Form**



Methodology

Housing Affordability Discussion Paper – January 2013

Investigated key background and context on Coquitlam’s specific housing affordability needs, the role of government, challenges to competing resources, and best practices. Discussions and workshops with key stakeholders, Council and the general public were used to explore best practices and potential approaches.



Housing Affordability Strategy (Framework) – September 2014

The Framework acted as the policy core of the eventual HAS by identifying proposed policies, resource costs, potential partnerships and prioritization.

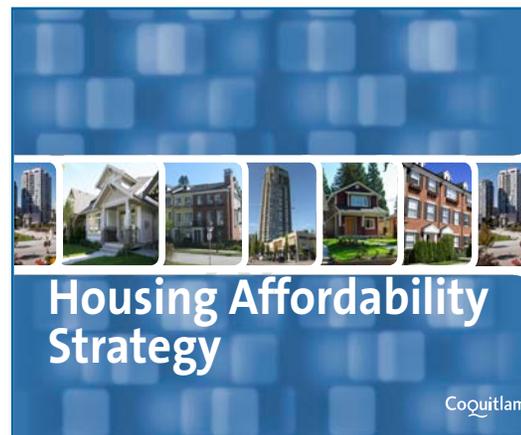
The Framework served as a tangible way for stakeholders, Council and the general public to debate, explore and discuss implementable solutions.



Housing Affordability Strategy – December 2015

Through public consultation, a robust community dialogue further refined Coquitlam’s approach. Based on public and stakeholder feedback, the Framework was revised as the completed Housing Affordability Strategy.

- *Housing Affordability Strategy Companion Document:* serves as a backgrounder to the HAS and provides updated information from the discussion paper and further details on the role of government, current resources and initiatives as well as the public consultation program.



Section 2: The Strategy: Vision, Objectives and Actions

Housing Affordability Strategy Organization

Strategy Organization

Moving from research and consultation, the Framework has been refined to articulate a vision and key actions that respond to Coquitlam's needs and create an innovative and realistic strategy. The following pages detail specific actions Coquitlam will take to address housing affordability in our City as well as actions that we need other partners to take.

Vision

The City of Coquitlam works within its capacity and in partnership with others to promote housing affordability for all Coquitlam residents.

Responding to Coquitlam's anticipated needs and taking advantage of key opportunities this vision for Coquitlam's HAS will guide the City's efforts in promoting housing affordability as Coquitlam grows and evolves over the coming decades.

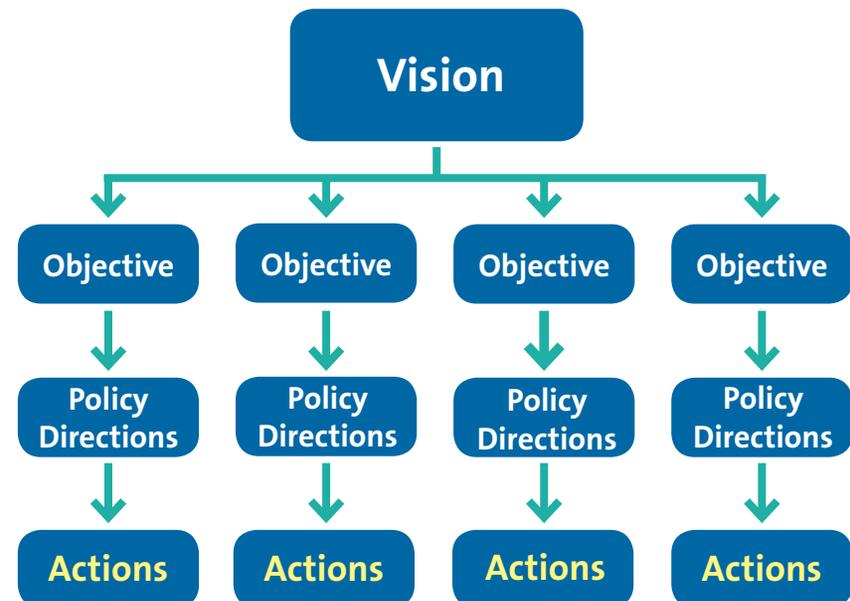
This vision also recognizes the City's limited role in addressing housing affordability, and the need for partnerships to develop innovative and effective housing affordability solutions.

Objectives

The four key housing affordability objectives build on the vision and identify how it will be achieved:

1. Foster Housing Affordability Through Innovation
2. Promote Affordable Living
3. Leverage the City's Affordable Housing Reserve Fund
4. Build Strategic Partnerships

The objectives are also broad umbrellas under which more specific housing affordability policy directions and actions are organized. The diagram below illustrates the organization of the strategy.



The Housing Affordability Strategy Organization

Action Prioritization

The Strategy framework contains 14 policy directions and 54 specific actions presented in the following section. These actions have been prioritized (noted in brackets after each action) according to the following categories:

- **Ongoing:** actions that are already underway to promote housing affordability and are to be undertaken according to an A, B, C priority order. (i.e., A first, B second, C third).

The next group of actions are all new projects and will be undertaken according to this priority order:

- **A) Short-term, high priority:** Actions to be undertaken in the next one to two years.
- **B) Short-term, low priority:** Actions to be undertaken in the next one to two years, following the completion of A priority actions (or once these are significantly underway).
- **C) Medium- to long-term, lower priority:** Actions to be undertaken in the next three to five+ years. These actions require further analysis and can be delayed until higher-priority A and B actions have been accomplished.

The HAS Framework identified proposed policy directions and actions. Through the HAS, some of these policy directions and actions have been refined and new ones created.

Implementation Plan

An Implementation Plan is included to identify work plan tasks that need to be completed to accomplish each action. The implementation plan identifies which agencies and partnerships could aid in the completion of these tasks, when these tasks will be completed and what resources are required. Importantly, the implementation plan is a living document which will be used to monitor and refine our approach and continually seek additional partners. The Implementation Plan is located in *Section 3, Implementation Plan (p.33.)*



Objective 1: Policy Directions and Actions

OBJECTIVE 1

Foster Housing Affordability Through Innovation

By encouraging innovation in both the market and as well as in its own regulatory capacity, the City can help facilitate new affordable home ownership and rental housing solutions and increase affordable housing supply in a way that responds to a range of challenges. Through updating its land use policies, bylaws, zoning and development processes, the City can play a leadership role through the following actions, which provide direction on how the City, community partners, and developers can work together to help meet Coquitlam's needs.

To foster housing affordability through innovation, Coquitlam will:

Policy Direction 1.1: Amend plans and Zoning Bylaw to expand the range of housing options.

Actions

- 1.1.1. Expand the use of ground-oriented, attached residential units, as well as higher-density multi-family residential units, through neighbourhood plan updates and master planning initiatives. **Short-term, high priority (A)**
- 1.1.2. Consider the use of lock-off, secondary and micro-suites in multi-family developments as part of neighbourhood plan updates. **Ongoing (B)**
- 1.1.3. Broaden the use of carriage houses and garden cottages in existing single-family home zones, subject to neighbourhood context, parking and design considerations. **Short-term, low priority (B)**

Policy Direction 1.2: Provide incentives to develop purpose-built market rental units.

Actions

- 1.2.1. Recognizing shifting housing market dynamics, encourage the development of designated market rental units (e.g., purpose-built and/or strata available for rental) in major development and redevelopment projects through the incentives noted in the following actions. **Ongoing (A)**
- 1.2.2. Consider using density transfers from nearby properties or development phases to incent new rental unit development on properties receiving density transfers. **Ongoing (A)***
- 1.2.3. Review the Zoning Bylaw and consider amendments that support purpose-built rental unit development, such as off-street parking and common amenity space reductions, based on local neighbourhood and market context, vehicle ownership data and transit service levels. **Short-term, high priority (A)***
- 1.2.4. Exempt rental floorspace from maximum density allowances, in cases where maximum density has been achieved according to the Zoning Bylaw, subject to servicing, parking, traffic, urban design, building height/massing review and the amount of rental units proposed to a maximum additional density of:
 - 1.0 FAR for high-density projects that utilize the RM-4, RM-5, RM-6, C-4 and C-7 Zones; and
 - 10% of the applicable FAR for medium-density projects that utilize the RM-2 and RM-3 Zones.**Short-term, high priority (A)***

Objective 1: Policy Directions and Actions

- 1.2.5. Encourage development/building designs with a variety of innovative unit types (studios, lock-off suites, micro-suites, accessible/special needs suites) and tenures, subject to detailed design review. **Short-term, high priority (C)**
- 1.2.6. Promote use of minimum rental covenants, for new strata developments, to establish minimum amounts of strata units potentially available for rental, at the owner's option. **Short-term, low priority (B)**
- 1.2.7. Consider waiving the affordable housing fund density bonusing contribution that applies to rental floorspace, subject to the amount of rental units proposed. **Short term, low priority (B)***
- 1.2.8. Consider waiving the 3.5 to 4.0 FAR density bonus contributions towards amenities, beyond the affordable housing fund contribution, if the developer is providing a significant amount of new on-site purpose-built rental units and based on specific performance criteria or combination thereof, such as providing stand-alone rental building(s), units with below-market rents, significant strata rental covenants, among others. **Short-term, low priority (B)***

*Note: these are only available if new designated rental units that result from the use of these incentives are secured by a Housing Agreement for the life of the building they are contained within.

Policy Direction 1.3: Facilitate housing affordability through initiatives that reduce development costs

Actions

- 1.3.1 Consider updates to the Development Cost Charges (DCC) Bylaw to increase housing affordability, in terms of how DCCs are charged for single and multi-family units. **Medium to long term, lower priority (C)**
- 1.3.2 Utilize the AHRF to match Greater Vancouver Sewerage and Drainage District (GVS&DD) DCC waivers for affordable housing units that meet the Metro Vancouver definition of subsidized below market affordable housing projects.



Objective 1: Policy Directions and Actions

Medium- to long-term, lower priority (C)

- 1.3.3 Consider use of Comprehensive Development (CD) Zones for major, complex development applications with housing affordability components, where appropriate and subject to specific CD-Zone qualification criteria.

Medium- to long-term, lower priority (C)

- 1.3.4 Explore providing grants (funded through the AHRF) for permit fee reductions for housing affordability projects.

Medium- to long-term, lower priority (C)

Policy Direction 1.4: Use relocation and assistance strategies for the redevelopment of properties with existing rental, co-op and mobile home units.

Actions

- 1.4.1 Require a Rental Housing Strategy for the redevelopment of sites with existing purpose-built rental and co-op units according to the following criteria: Ongoing (A)
- An assessment of existing on-site rental housing (number, bedroom-mix, tenancy characteristics, unit rent levels and occupancy/vacancy);
 - Proposed options for relocating and assisting existing renters;
 - Proposed process for relocating renters during and after redevelopment;
 - Proposed financial assistance options for tenant relocation; and

- Strategy for managing communications and relations between a developer and existing renters, including the retention of a housing consultant to lead this process.

- 1.4.2 Continue to implement the Mobile Home Park Tenant Relocation Assistance (MHPTRA) program. **Ongoing (B)**

Policy Direction 1.5: Protect existing rental and co-op housing stock.

Actions

- 1.5.1 Continue to implement the City's Strata Conversion Bylaw. **Ongoing (C)**
- 1.5.2 Consider developing a Standards of Maintenance Bylaw to ensure long-term upkeep of existing rental and co-op stock, where applicable. **Medium- to long-term, lower priority (C)**
- 1.5.3 Consider the relaxation of parking requirements on new construction related to or expansion of existing rental or co-op housing projects subject to an approved parking demand study. **Short-term, high priority (A)**
- 1.5.4 Utilize the AHRF to offset building permit fees by 50% in the case of expansion or renovations of co-op projects offering below market rents, existing purpose-built rental housing and new long term secured rental housing. **Short-term, high priority (A)**
- 1.5.5 Use the AHRF to pay the costs related to the preparation and registration of Housing Agreements and related detailed documents needed to secure purpose-built rental housing. **Ongoing (B)**

Objective 1: Policy Directions and Actions

What We Need Others to Help/Partner on:

The above policy directions represent Coquitlam's efforts to foster housing affordability. The support of others needs to be leveraged to address the issue. Coquitlam asks others to help in the following ways:

Federal Government

- Reinstating federal tax incentives to stimulate new purpose-built market rental supply.
- Exploring provisions of rent supplements or other types of subsidies for low income tenants in co-operative and non-profit housing projects with expiring operating agreements.

Provincial Government

- Review all provincial taxes, including property transfer tax, to ensure they do not impede the delivery of rental housing.
- Review Residential Tenancy Act provisions for relocating tenants in a redevelopment situation with a view to enhancing provisions (e.g., moving expenses, reduced rent, free month's rent) to mitigate the impact of relocation and to enable tenants to find suitable alternative accommodation.
- Increase Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters (SAFER) rents and/or income threshold levels in Metro Vancouver, to account for rising rent levels.
- Create capital funding options for new redeveloping non-profit and co-operative housing to achieve affordable housing.
- Consider changing regulations around strata projects in order to promote secondary rental units.

Metro Vancouver

- Undertake public outreach to promote public awareness and understanding of the benefits of growth, increased density and diversity, and best practices for accommodating growth using examples and strategies from the Draft Regional Affordable Housing Strategy and elsewhere.
- Explore new ways to monitor rents to determine vacant units through online rental or other tools or data sources.
- Advocate to other levels of government for specific measures to address funding gaps for low-to-moderate income housing (e.g., capital funding, subsidies and tax incentives or other measures).
- Work with municipal partners to identify Metro Vancouver Housing Corporation sites for redevelopment at higher density to increase the supply of mixed income non-profit rental housing.

Note: Many of the above actions are drawn from and aligned to regional efforts as expressed in the Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015

Objective 2: Policy Directions and Actions

OBJECTIVE 2

Promote Affordable Living

Affordable living principles focus on the entire cost of housing and look to improve people's ability to pay for housing. Key components also revolve around reducing transportation costs by locating housing near transit, services and jobs, and steps already initiated as part of this strategy that aim to reduce utility costs, such as those relating to water use, through right-sizing utility charges that apply to higher density developments (based on residential unit size).

In a broader sense and over the long term, initiatives that attract a range of high-quality jobs and educational opportunities to the City can also help to improve ability to pay. This Strategy emphasizes higher density, transit-oriented development and complementary economic development initiatives.

To support affordable living, Coquitlam will:

Policy Direction 2.1: Update land use plans and bylaws to support higher densities and range of unit types and tenures near transit.

Actions

- 2.1.1 Concentrate higher housing densities and a broader variety of dwelling types and tenures near transit. **Ongoing (A)**
- 2.1.2 Consider Zoning Bylaw updates, as a part of future area and neighbourhood planning processes, to allow for higher densities around transit. **Short-term, high priority (A)**

- 2.1.3 Explore other City bylaw updates that involve tailoring utility rates, based on unit size, to reflect increased efficiencies in multi-family housing developments. **Medium to long-term, lower priority (C)**

Policy Direction 2.2: Pursue initiatives that attract high quality jobs and educational opportunities to improve people's ability to pay for housing.

Actions

- 2.2.1 Develop economic development and land use visions, strategies and plans that support new employment growth, including the City Centre Area Plan, Burquitlam-Lougheed Neighbourhood Plan update and Riverview Visioning Process. **Ongoing (B)**
- 2.2.2 Support expansion of Douglas College and other local post-secondary educational and training facilities. **Ongoing (C)**



Objective 2: Policy Directions and Actions

What We Need Others to Help/Partner on:

The above policy directions represent Coquitlam's efforts to promote affordable living. The support of others needs to be leveraged to address the issue. Coquitlam asks others to help in the following ways:

Metro Vancouver

- Work with BC Non-Profit Housing Association, municipalities, the Provincial Government, Federation of Canadian Municipalities and others to address issues related to expiring non-profit and co-operative housing operating agreements, including ongoing affordability of units.
- Explore making available rental housing from within Metro Vancouver Housing Corporation's existing portfolio of market rental units for relocating tenants of redeveloping non-profit and purpose-built market rental projects.
- Develop or cost share development of an online tool that will provide users with estimates of the combined housing and transportation costs associated with any given location in the region.



Note: Many of the above actions are drawn from and aligned to regional efforts as expressed in the Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015

Objective 3: Policy Directions and Actions

OBJECTIVE 3

Leverage the City's Affordable Housing Reserve Fund (AHRF)

The AHRF is a crucial component of the HAS. Having funds dedicated to addressing housing affordability enables the City to partner with others (Federal and Provincial Governments, community agencies, developers) to leverage funds and get affordable units built. It is a valuable community asset that puts the City in a proactive position, able to initiate projects and to be ready to act when opportunities arise.

There is an opportunity for a portion of the Fund to be sustainable through equity lending. An example would be financing second mortgages to make entry-level strata units more affordable to low-to-moderate income earners. The Fund would then be reimbursed by the amortization of the second mortgages. This would help maintain and grow the Fund and provide a circulating investment that benefits Coquitlam residents over the long term.

To leverage the Affordable Housing Reserve Fund, Coquitlam will:

Policy Direction 3.1: Develop policies and pursue actions, consistent with the HAS vision and objectives, to guide and sustain the use of the AHRF by Council.

Actions

- 3.1.1 Seek and leverage other contributions (e.g., from other levels of government, the development community, non-profit agencies) when AHRF funds are proposed to be used for housing affordability projects. **Ongoing (A)**
- 3.1.2 Ensure the use of the AHRF to address housing affordability is aligned with other City policies and capital funding priorities. **Ongoing (B)**
- 3.1.3 Complete the sale of three city-owned sites in Northeast Coquitlam previously identified for affordable housing projects but now deemed less desirable for this form of housing due to site location and limited public transit access. Direct one-third of the proceeds of these sales to immediately jump-start the AHRF. **Short-term, high priority (A)**
- 3.1.4 Direct a portion of density bonusing contributions roughly equivalent of 10% of the value of the density bonus mechanism into the AHRF, set out in the City's Zoning Bylaw. **Short-term, high priority (A)**
- 3.1.5 Monitor the growth of the AHRF. While not defining a maximum AHRF balance a review of the Funds' use and performance will be triggered every three years or at such time as the Fund reaches a current positive asset balance of \$7 million or more. **Ongoing (B)**

Objective 3: Policy Directions and Actions

3.1.6 Attract partners that will leverage the AHRF contributions to enable: **Short-term, low priority (B)** (this priority applies to all sub-actions below)

- Facilitating rental, density transfer and other incentives, including waiver of AHRF density bonusing contributions;
- Seed contributions, to initiate projects, in partnership with other funders/grants;
- Permit and legal fee reductions for housing affordability projects;
- Purchasing land for housing affordability projects (according to Action 3.2.4); and
- Innovative financing approaches, such as using AHRF funds to finance second mortgages for shared equity projects and similar models, where City contributions would be reimbursed over time. This involves determining appropriate ratio of use between direct AHRF contributions (ie., land, seed funding and fee reductions) and reimbursement-based contributions.

Policy Direction 3.2: Use the AHRF and City assets to leverage investment from other levels of government, community/non-profit organizations and private partners for the development of new housing affordability projects.

Actions

3.2.1 Inform other levels of government, the development community and non-market housing providers of potential housing affordability incentives available from the City. **Short-term, high priority (A)**

3.2.2 Communicate new AHRF approach and criteria to other levels of government, the development community and non-market housing providers. **Short-term, high priority (A)**

3.2.3 Upon completion of this Strategy, develop 1358 Coast Meridian Road, a City-owned and designated affordable housing site, as a pilot housing affordability project, in partnership with others. **Short-term, high priority (A)**

3.2.4 In cases where land is needed for housing affordability projects, consider on a case-by-case basis using the AHRF to purchase required land and lease it to housing providers. If City lands are purchased, AHRF funds will compensate the City's Land Sale Reserve (LSR) fund for the value of these lands. **Medium to long-term, lower priority (C)**



Objective 3: Policy Directions and Actions

What We Need Others to Help/Partner on:

The above policy directions represent Coquitlam's efforts to leverage the AHRF. The support of others is critically needed in this regard to be utilized to address the issue. Coquitlam asks others to help in the following ways:

Private Sector Development Partners

- Bring forward innovative development applications that meet the needs of different types of households using alternate forms, densities, and tenures.

Health Authority Actions

- Plan for and fund suitable housing and support services for frail seniors, persons with severe and persistent mental health issues and other vulnerable populations including the homeless.

Metro Vancouver

- Incentives that will help make development of new purpose-built market rental housing financially viable (e.g., parking reductions, fee waivers, increased density, and fast-tracking).
- Examine opportunities to modernize and expand current Metro Vancouver housing units, especially on sites located along the Evergreen Line.

Note: Many of the above actions are drawn from and aligned to regional efforts as expressed in the Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015

Objective 4: Policy Directions and Actions

OBJECTIVE 4:

Build Strategic Partnerships

Effectively addressing housing affordability challenges requires actions based on collaboration. Strategic partnerships between Coquitlam, other levels of government (Federal, Provincial, regional), non-profit and community agencies and the development community help share the load, identify and tap into new funding streams and catalyze innovative housing affordability projects. Partnerships will also be instrumental in sharing information and ideas, and more importantly, advocating for housing affordability solutions and increased funding from other levels of government.

To build strategic partnerships, Coquitlam will:

Policy Direction 4.1: Continue strong relationships with other levels of government, community agencies, and the development community to address housing affordability issues and capitalize on new opportunities, within the City's resources and priorities.

Actions

- 4.1.1 Explore opportunities for innovative housing affordability partnerships that reflect the HAS, vision, and objectives with other levels of government, partners, the development community and non-profit housing providers. **Ongoing (A)**
- 4.1.2 Annually review use of City resources for housing affordability projects, in conjunction with Council's

Financial Plan, Business Plan and capital funding processes. **Ongoing (A)**

- 4.1.3 Promote, in partnership with other levels of government, non-profit housing providers, community agencies and the development community, the creation of accessible housing units and special needs housing projects that are managed by others (such as community agencies/non-profits). **Short-term, high priority (A)**

- 4.1.4 Explore partnerships with faith-based organizations, BC Housing, non-profit authorities and Fraser Health to build affordable housing on surplus church lands. **Medium to long-term, lower priority (C)**

Policy Direction 4.2: Assist Coquitlam residents in accessing programs that improve housing affordability and provide viable housing options.

Actions

- 4.2.1 Provide support for temporary homeless shelter initiatives, as required. **Ongoing (C)**
- 4.2.2 Support the development and operation of the permanent homeless shelter and transitional housing facility at 3030 Gordon Avenue. **Ongoing (B)**
- 4.2.3 Participate as a member of the Tri-Cities Homelessness and Housing Task Group. **Ongoing (B)**
- 4.2.4 Provide on going support to non-profit housing providers to help them best serve their client groups and be good neighbours to adjacent residents and businesses. **Ongoing (C)**

Objective 4: Policy Directions and Actions

- 4.2.5 Work with other levels of government, the development community and non-market housing providers to identify non-market housing and rent supplement opportunities, as a part of processing significant new development applications. **Ongoing (C)**

Policy Direction 4.3: Advocate, in collaboration with others, for increased senior government support of local housing affordability initiatives.

Actions

- 4.3.1 Liaise with BC Housing and other partners to identify housing affordability project opportunities. **Ongoing (B)**
- 4.3.2 Support, in collaboration with other municipalities and community agencies, FCM and UBCM in advocating for a National Housing Strategy, increased Federal and Provincial funding, tax revisions and other fiscal mechanisms that assist housing affordability. **Ongoing (C)**
- 4.3.3 Create and maintain an inventory of affordable and accessible housing in Coquitlam. **Medium- to long-term, lower priority (C)**

Policy Direction 4.4: Undertake research and education to support partnerships and innovation.

Actions

- 4.4.1 Research housing affordability programs and development models used in other locations, to foster innovation in housing affordability and communicate best practices. **Ongoing (C)**
- 4.4.2 Support the Tri-Cities Homelessness and Housing Task Group in community education initiatives as they arise. **Ongoing (C)**
- 4.4.3 Collect, analyze and provide housing data to non-market housing providers, other municipalities, community agencies, government agencies and the media, as needed, and to support housing affordability initiatives. **Medium to long-term, lower priority (C)**
- 4.4.4 Attend housing conferences and seminars as resources and time permit. **Medium to long-term, lower priority (C)**

Policy Direction 4.5: Consider additional City resources if required to implement and deliver all elements of this Strategy

Actions

- 4.5.1 As part of the ongoing implementation of this Strategy, Council may consider funding of an additional staff resource or portion of a staff position funded through the AHRF. **Medium- to long-term, lower priority (C)**

Objective 4: Policy Directions and Actions

What We Need Others to Help/Partner on:

The above policy directions represent Coquitlam's efforts to work in partnership with others to address housing affordability. The support of others needs to be leveraged to address the issue. Coquitlam asks others to help in the following ways:

Federal Government

- Provide capital funding for transitional and supportive housing for homeless persons.

Provincial Government

- Ensure the BC Building Code does not present barriers to innovative forms of residential infill.
- Provide capital and/or operating funding for transitional and supportive housing.
- Encourage the Province to explore opportunities to provide affordable and accessible housing as part of the renewal of the Riverview Lands.

Metro Vancouver

- Update the Metro 2040 housing demand estimates.
- Work with partners to create an accessible and adaptable housing registry to assist persons with disabilities and seniors to find appropriate housing to live independently.
- Consider making surplus sites in suitable locations owned by Metro Vancouver and affiliated bodies available to Metro Vancouver Housing Corporation to develop additional mixed income housing.

Health Authority

- Provide operating funding for transitional and supportive housing for persons who are homeless and at risk of homelessness.

Note: Many of the above actions are drawn from and aligned to regional efforts as expressed in the Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015

Section 3: Implementation Plan

Implementation Plan: Ongoing Actions

Implementation Plan

In order to best enact the Coquitlam Housing Affordability Strategy, a detailed implementation plan has been developed. The Strategy commits resources of the City to implement those items that are entirely within the City's purview. However, additional discussions and ongoing actions will be necessary to recruit partners to further advance housing affordability solutions. The following pages present the detailed Implementation Plan for the HAS.

Ongoing: Actions that are already underway to promote housing affordability			
Priority	Actions	Potential Work Plan Tasks	Partners
A	1.2.2 Use density transfers from nearby or adjacent properties or development phases to incent new rental unit development on properties receiving density transfers.	» Coordinate between departments to facilitate market rental development through density transfers.	
A	1.4.1 Require a Rental Housing Strategy for the redevelopment of sites with existing purpose-built rental and co-op units according to the following criteria: <ul style="list-style-type: none"> » An assessment of existing on-site rental housing (number, bedroom-mix, tenancy characteristics, unit rent levels and occupancy/vacancy); » Proposed options for relocating and assisting existing renters; » Proposed process for relocating renters during and after redevelopment; » Proposed financial assistance options for tenant relocation; and » Strategy for managing communications and relations between a developer and existing renters, including the retention of a housing consultant to lead this process. 	<ul style="list-style-type: none"> » Implement through processing relevant development/redevelopment applications. » Involve CMHC, BC Housing and other organizations/stakeholders where possible and as needed. 	

Implementation Plan: Ongoing Actions

Ongoing: Actions that are already underway to promote housing affordability			
Priority	Actions	Potential Work Plan Tasks	Partners
A	2.1.1 Concentrate higher housing densities and a broader variety of dwelling types and tenures near transit.	<ul style="list-style-type: none"> » Consider new high-density and dwelling type areas (i.e. housing choices, townhousing, micro-suites, lock-off suites) in Burquitlam-Lougheed Neighbourhood Plan areas and the City Centre Area Plan area, through the upcoming Neighbourhood and Area Plan update processes. » Review other opportunities for higher-density development along other transit corridors that provide or have the future potential to provide frequent service. » Consider higher residential densities and innovative housing types, where appropriate, and as a part of the Partington Creek Neighbourhood Centre Master Planning process. 	
A	3.1.1 Seek and leverage other contributions (e.g., from senior governments, the development community, non-profit agencies) when AHRF funds are used for housing affordability projects.	<ul style="list-style-type: none"> » Work with senior governments to explore housing solutions that leverage contributions from all partners (i.e., ensure City's contribution is not the primary source of project funding). » Continue to participate in housing advocacy roles with senior governments. » For any newly-proposed leverage programs ensure there is alignment with this Strategy, Coquitlam's housing affordability needs and overall City priorities. 	
A	4.1.1 Explore opportunities for innovative housing affordability partnerships that reflect the HAS vision and objectives with senior governments, the development community and non-profit housing providers.	<ul style="list-style-type: none"> » Explore these opportunities as a part of City business and processing of development applications. » Pursue private sector partners to develop 'financing and build' affordable homeownership partnerships for other sites in the City. 	

Implementation Plan: Ongoing Actions

Ongoing: Actions that are already underway to promote housing affordability			
Priority	Action	Potential Work Plan Tasks	Partners
A	4.1.2 Annually review use of City resources for housing affordability projects, in conjunction with Council's Financial Plan, Business Plan and capital funding processes.	» Undertake as part of annual review of Financial Plan, Business Plan, and capital budget.	
B	1.1.2. Consider the use of lock-off, secondary and micro-suites in multi-family developments as part of neighbourhood plan updates.	<ul style="list-style-type: none"> » Potentially applies to townhouse, duplex and tri/quadruplex, apartment (lock-off and micro-suite only) buildings. » Review multi-family zones in Zoning Bylaw and determine appropriateness in terms of neighbourhood fit, parking and other factors (possibly through neighbourhood/area plan processes). » Consider guidelines that address issues including but not limited to: amenity spaces, external doors, parking, accessibility, minimum/maximum size and adaptability. 	
B	1.4.2 Continue to implement the Mobile Home Park Tenant Relocation Assistance (MHPTRA) program.	<ul style="list-style-type: none"> » Implement through processing relevant development applications. » Involve CMHC, BC Housing, and other organizations/stakeholders, where possible. 	
B	2.2.1 Develop economic development and land use visions, strategies and plans that support new employment growth, including the Fraser Gateway Study, the City Centre Area Plan, Burquitlam-Lougheed Neighbourhood Plan update and Riverview Visioning Process.	» Implement through the City's Economic Development Strategy and associated land use, capital planning and marketing processes.	
B	1.5.4 Utilize the AHRF to offset building permit fees by 50% in the case of expansion or renovations of co-op projects offering below market rents, existing purpose-built rental housing and new long-term secured rental housing.		

Implementation Plan: Ongoing Actions

Ongoing: Actions that are already underway to promote housing affordability			
Priority	Action	Potential Work Plan Tasks	Partners
B	1.5.5 Use the AHRF to pay the costs related to the preparation and registration of Housing Agreements and related detailed documents needed to secure below market purpose-built rental housing.		
B	3.1.2 Ensure the use of the AHRF to address housing affordability is aligned with other City policies and capital funding priorities.	» Review use of AHRF annually in conjunction with Council's capital funding priority-setting process.	
B	3.1.5 Monitor the growth of the AHRF. While not defining a maximum AHRF balance a review of the Fund's use and performance will be triggered at such time as the Fund reaches a current positive asset balance of \$7 million or more. The use and asset value of the Fund will be reported as part of the HAS bi-annual report to Council.	» Maintain the existing density bonus system that involves a portion of density bonus contributions going to the Fund. » Consider other contributions as determined by Council.	
B	4.2.2 Support the development and operation of the permanent homeless shelter and transitional housing facility at 3030 Gordon Avenue.	» Ongoing component of the Social Planning function.	

Implementation Plan: Ongoing Actions

Ongoing: Actions that are already underway to promote housing affordability

Priority	Action	Potential Work Plan Tasks	Partners
B	4.2.3 Participate as a member of the Tri-Cities Homelessness and Housing Task Group	» Ongoing component of Social Planning function as resources permit.	
B	4.3.1 Liaise with BC Housing and the Provincial Government to identify housing affordability project opportunities.	» Continue to explore opportunities for funding and partnerships.	
C	1.5.1 Continue to implement the City's Strata Conversion Bylaw.		
C	2.2.2 Support expansion of Douglas College and other local post-secondary educational and training facilities.	» Support facility/program expansion through economic development initiatives and development application processing.	
C	4.2.1 Provide support for temporary homeless shelter initiatives, as required.	» Ongoing component of Social Planning function.	
C	4.2.4 Provide ongoing support to non-profit housing providers to help them best serve their client groups and be good neighbours to adjacent residents and businesses.	» Continue to work with RainCity Housing regarding emergency shelter/ transition housing at 3030 Gordon, as required. » Staff to communicate and liaise with non-profit agencies and housing providers, as required.	

Implementation Plan: Ongoing Actions

Ongoing: Actions that are already underway to promote housing affordability			
Priority	Action	Potential Work Plan Tasks	Partners
C	4.2.5 Work with senior governments, the development community and non-market housing providers to identify non-market housing and rent supplement opportunities, as a part of processing major new development applications.	<ul style="list-style-type: none"> » Monitor senior government housing policy amendments and new housing programs and initiatives. » Continue to work in partnership with non-profit housing providers, community agencies, development community and senior governments. 	
C	4.3.2 Support, in collaboration with other municipalities and community agencies, FCM and UBCM in advocating for a National Housing Strategy, increased federal and provincial funding, tax revisions and other fiscal mechanisms that can assist housing affordability.	<ul style="list-style-type: none"> » Participate on the Tri-Cities Homelessness and Housing Task Group. » Participate in the Rental Housing Coalition, through the Metro Vancouver Housing Committee. 	
C	4.4.1 Research housing affordability programs and development models used in other locations, to foster continued innovation in housing affordability and communicate best practices.	<ul style="list-style-type: none"> » Continue to identify and apply best practices, where applicable and appropriate, consistent with the vision and objectives of the strategy. 	
C	4.4.2 Support the Tri-Cities Homelessness Task Group in community education initiatives.	<ul style="list-style-type: none"> » Ongoing component of Social Planning function as resources permit. 	

Implementation Plan: Short-Term, High Priority

Short-Term, High Priority: Actions to be undertaken in the next 1 to 2 years, and are 'A' priority to accomplish

Priority	Actions	Potential Work Plan Tasks	Partners
A	1.1.1 Expand the use of ground-oriented, attached residential units, as well as higher-density multi-family residential units, through Neighbourhood Plan updates and master planning initiatives.	» in conjunction with Actions 1.1.2, 2.1.1, and 2.1.2, Review and update Zoning Bylaw provisions in conjunction with Burquitlam-Lougheed Neighbourhood Plan and the City Centre Area Plan update processes.	
A	1.2.1 Recognizing shifting housing market dynamics, encourage the development of designated market rental units (i.e., purpose built and/or strata available for rental) in major development and redevelopment projects through the incentives noted in the following actions: 1.2.2, 1.2.3, 1.2.4, 1.2.7, 1.2.7.	» Explore rental development opportunities through the use of incentives in the framework as development/redevelopment applications are submitted to the City.	
A	1.2.3 Review the Zoning Bylaw and consider amendments that support purpose-built rental unit development, such as off-street parking and common amenity space reductions, based on local market and ownership data, vehicle ownership data and transit service levels.	» Coordinate across departments in considering potential reduced parking rates for market rental units.	
A	1.2.4 Exempt rental floor space from maximum density allowances, in cases where maximum density has been achieved according to the Zoning Bylaw, subject to servicing, parking, traffic, urban design, building height/massing review and the amount of rental units proposed.	» Facilitate market rental development through exempting rental floor space from maximum density allowances through processing development/redevelopment applications.	
A	1.5 Employ a series of regulatory incentives to preserve existing rental and co-op housing		

Implementation Plan: Short-Term, High Priority

Short-Term, High Priority: Actions to be undertaken in the next 1 to 2 years, and are 'A' priority to accomplish

Priority	Actions	Potential Work Plan Tasks	Partners
A	3.1.3 Complete the sale of three City-owned sites in Northeast Coquitlam previously identified for affordable housing projects but now deemed less desirable for this form of housing due to site location and limited public transit access. Direct one third of the proceeds of these sales to immediately jump-start the AHRF.		
A	3.1.4 Direct a portion of density bonusing contributions, roughly equivalent of 10% of the value of the density bonus mechanism, into the AHRF, as set out in the City's Zoning Bylaw.	» Maintain the existing density bonus system that involves a portion of density bonus contributions going to the Fund.	
A	3.2.1 Inform senior governments, development community and non-market housing providers of potential housing affordability incentives available from the City.	» Inform the development community (through the Urban Development Institute and Greater Vancouver Home Builders Association), non-profit housing providers, community agencies and senior governments, about the incentives available from the City for housing affordability-based projects.	
A	3.2.2 Communicate new AHRF approach and criteria to senior governments, development community and non-market housing providers. 4.1.3 Promote, in partnership with senior governments, nonprofit housing providers, community agencies and the development community, the creation of accessible housing units	» Inform the development community (through the Urban Development Institute and Greater Vancouver Home Builders Association), non-profit housing providers, community agencies and senior governments, about the incentives available from the City for housing affordability-based projects. » Explore opportunities with development/redevelopment applicants as opportunities arise.	
A	3.2.3 Upon completion of this Strategy, develop 1358 Coast Meridian Road, a City-owned and designated affordable housing site, as a pilot housing affordability project, in partnership with others.	» Report to Council regarding a potential request for proposal, once the strategy is complete.	

Implementation Plan: Short-Term, Low Priority

Short-Term, Low Priority: Actions to be undertaken in the next 1 to 2 years, but are 'B' or 'C' priorities to accomplish, following further analysis and the completion of short-term, high priority actions (or once these are significantly underway)

Priority	Actions	Potential Work Plan Tasks	Partners
B	1.1.3 Broaden the use of carriage housing and garden cottages in existing single-family zones, subject to neighbourhood context, parking and design considerations.	<ul style="list-style-type: none"> » Develop concepts for testing. » Develop guidelines that address issues including, but not limited to: amenity spaces, external doors, parking, accessibility, minimum/maximum size and adaptability. 	
B	1.2.6 Promote use of minimum rental covenants, for new strata developments, to establish minimum amounts of strata units potentially available for rental.	<ul style="list-style-type: none"> » Housing Agreements/covenants registered against Title. 	
B	1.2.7 Consider waiving the affordable housing fund density bonusing contribution that applies to rental floorspace, subject to the amount of rental units proposed.	<ul style="list-style-type: none"> » Implemented as part of the development application process. 	
B	1.2.8 Consider waiver of the 3.5 to 4.0 FAR density bonus contribution towards amenities, beyond the affordable housing fund contribution, if the developer is providing a significant amount of new on-site rental units and based on specific performance criteria or combination thereof, such as providing stand-alone rental building(s), units with below-market rents, significant strata rental covenants, among others.	<ul style="list-style-type: none"> » Further develop performance criteria for eligibility for waiver. » Implement through the development permit process. 	

Implementation Plan: Short-Term, Low Priority

Short-Term, Low Priority: Actions to be undertaken in the next 1 to 2 years, but are 'B' or 'C' priorities to accomplish, following further analysis and the completion of short-term, high priority actions (or once these are significantly underway)

Priority	Actions	Potential Work Plan Tasks	Partners
B	<p>3.1.6 Attract partners that will leverage the AHRF contributions to enable:</p> <ul style="list-style-type: none"> » Facilitating rental, density transfer and other incentives, including waiver of AHRF density bonusing contributions; » Seed contributions, to initiate projects, in partnership with other funders/grants; » Processing and legal fee rebates for housing affordability projects; » Purchasing land for housing affordability projects (according to Action 3.2.4); and » Innovative financing approaches, such as using AHRF funds to finance second mortgages for shared equity projects and similar models, where contributions are reimbursed. This involves determining appropriate ratio of use between direct AHRF contributions (i.e., land, seed funding and fee reductions) and reimbursement-based contributions. 	<ul style="list-style-type: none"> » Report to Council on draft policy and specific parameters of use, as determined by Council. » Explore criteria for the use of the AHRF to facilitate innovative approaches for financing affordable home ownership projects. 	
C	<p>1.2.5 Encourage development/building designs with a variety of innovative unit types (studios, lock-off suites, micro-suites, accessible/special needs suites) and tenures, subject to detailed design review.</p>	<ul style="list-style-type: none"> » Facilitate innovative market rental development through encouraging a range of unit types. 	

Implementation Plan: Medium- to Long-Term, Low Priority

Medium- to Long-Term, Low Priority: Actions to be undertaken in the next 3-5 years and are considered ‘C’ priorities. These require further analysis, and can be delayed until higher-priority short-term actions have been accomplished.

Priority	Actions	Potential Work Plan Tasks	Partners
C	1.3.1 Consider updates to the DCC Bylaw to increase housing affordability, in terms of how DCCs are charged for single- and multi-family units, and clarifying DCC waivers for affordable housing units.	<ul style="list-style-type: none"> » Consider changes to the DCC Bylaw (and assess financial impact), such as: <ul style="list-style-type: none"> » Updating how DCCs are charged for single-family and duplex residential (i.e., on a per square foot basis). » Updating DCC charges for multi-family categories. 	
C	1.3.2 Utilize the AHRF to match GVS&DD waivers for affordable housing units that meet the Metro Vancouver definition of subsidized below affordable housing projects.	<ul style="list-style-type: none"> » Apply GVS&DD waivers for affordable housing. 	
C	1.3.3 Consider use of Comprehensive Development (CD) Zones for major, complex development applications with housing affordability components, where appropriate and subject to specific CD-Zone qualification criteria.	<ul style="list-style-type: none"> » Develop appropriate CD zone criteria. » Implement criteria through processing relevant development/ redevelopment applications. 	
C	1.3.4 Explore providing grants (funded through the AHRF) for permit fee reductions for housing affordability projects.	<ul style="list-style-type: none"> » Fund through AHRF. » Establish evaluation criteria, application and review process. » Review fee structure (application, legal, housing and other agreements etc.) and determine reductions where applicable and if appropriate. 	
C	1.5.2 Consider developing a Standards of Maintenance Bylaw to ensure long-term upkeep of existing rental and co-op stock, where applicable.	<ul style="list-style-type: none"> » Work across departments to develop draft Bylaw for Council consideration and public input. 	
C	1.5.3 Consider the relaxation of parking requirements on new construction related to or expansion of existing rental or co-op housing projects subject to an approved parking demand study.		
C	2.1.3 Explore other City bylaw updates that involve tailoring utility rates, based on units size, to reflect increased efficiencies in multi-family housing developments.	<ul style="list-style-type: none"> » Consider changes as part of relevant utility bylaw and rate reviews. 	

Implementation Plan: Medium- to Long-Term, Low Priority

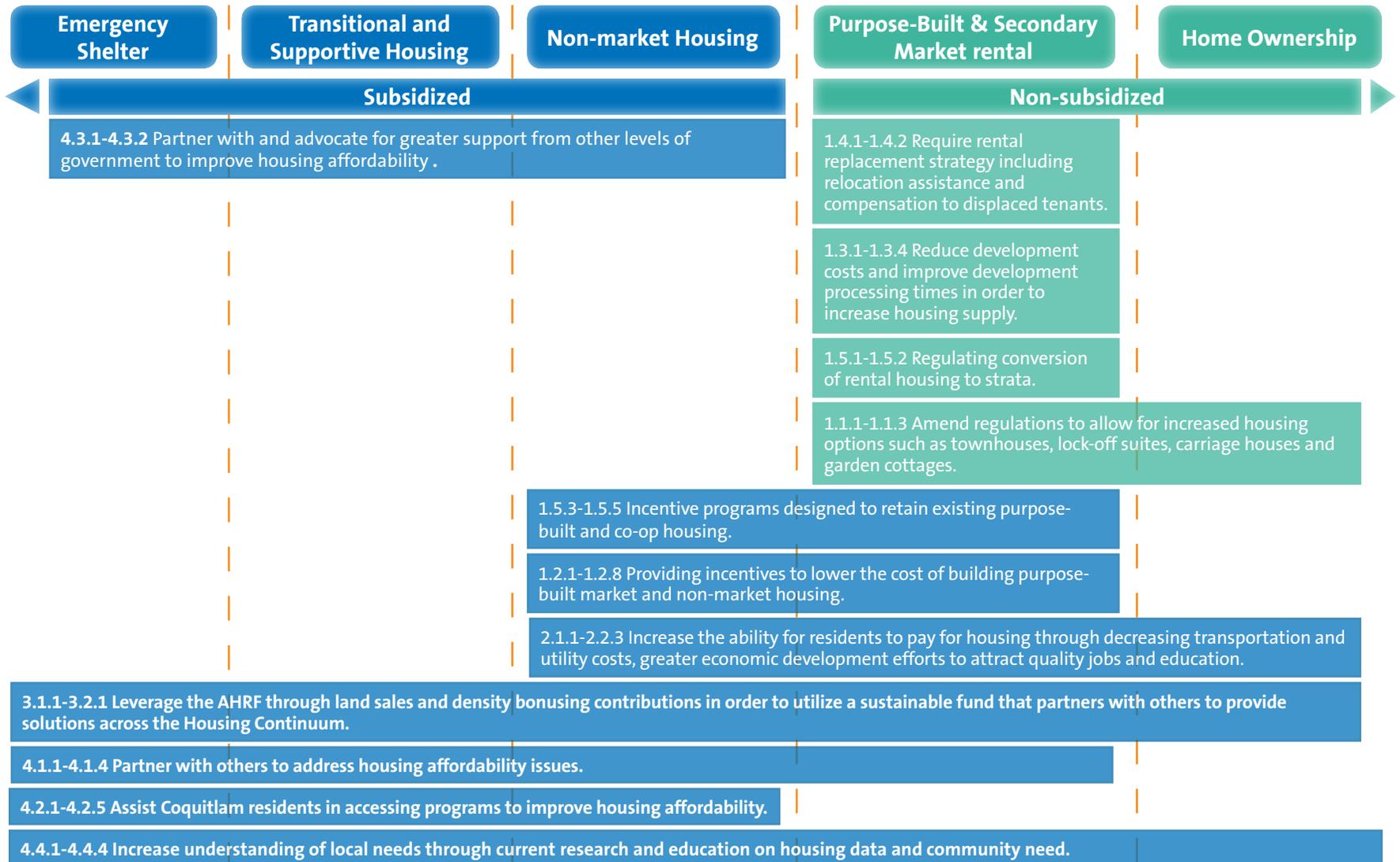
Medium- to Long-Term, Low Priority: Actions to be undertaken in the next 3-5 years and are considered 'C' priorities. These require further analysis, and can be delayed until higher-priority short-term actions have been accomplished.

Priority	Actions	Potential Work Plan Tasks	Partners
C	3.2.4 In cases where land is needed for housing affordability projects, consider on a case-by-case basis using the AHRF to purchase required land and lease it to housing providers. If City lands are purchased, AHRF funds will compensate the City's Land Sale Reserve (LSR) fund for the value of these lands.	<ul style="list-style-type: none"> » Further refine approach with Strategic Initiatives, and report back to Council. » Refine relevant policy to be ready to respond to opportunities as they arise. 	
C	4.1.4 Explore partnershipS with faith based organizations, BC Housing, non-profit authorities and Fraser Health to build affordable housing on surplus church lands.		
C	4.3.3 Create and maintain an inventory of affordable and accessible housing in Coquitlam.		
C	4.4.3 Collect, analyze and provide housing data that supports housing affordability initiatives to non-market housing providers, other municipalities, community agencies, government agencies and the media, as needed.	<ul style="list-style-type: none"> » Ongoing component of statistical function and social planning function 	
C	4.4.4 Attend housing conferences and seminars as resources and time permit.	<ul style="list-style-type: none"> » Part of the Social Planning work program, as appropriate. 	
C	4.5.1 As part of the ongoing implementation of this Strategy, Council may consider funding an additional staff resource or portion of a staff position funded through the AHRF.		

Section 4: Evaluating Progress, Leveraging the Strategy

Aligning the HAS to the Housing Affordability Challenge

Section 2, *The Strategy: Vision, Objectives and Actions* (p.17), outlined 54 actions designed to improve the overall supply and mix of housing as well as specific policies focused on better meeting the needs of low income households. As shown in the chart below, these policies are designed to address all aspects of the Housing Continuum.



Evaluating Progress

Ongoing evaluation of the Strategy and partner-based implementation efforts will be essential to the delivery of the Strategy.

The HAS recognizes that the problem is far bigger than City resources can deal with and openly calls for partners to assist in meeting current and future needs. A broad definition of housing affordability has been applied: whereby any actions that increase the variety and supply of housing for low-to-moderate incomes is viewed as contribution to housing affordability in Coquitlam. In order to enable an increase in the net supply, tenure and mix of units, the HAS employs four major approaches:

Regulatory Actions: Policies that affect the City's bylaw requirements in order to enable an increase in supply such as: relaxations for rental and below market developments, incentives to retain exiting rental stock, and actions to reduce development costs and processing times;

Affordability: Within the City's ability to increase residents abilities to pay for housing through: locating density near transit, right-sizing utility costs, and economic development initiatives to aid in attracting quality jobs to Coquitlam;

Direct Incentives: The establishment, funding and use of the AHRF as a direct source for appropriate projects; and

Partnership and Advocacy: Partnering with others and outlining the needs of others to help bring meaningful actions and projects to Coquitlam that will improve affordability.

Predicting Outcomes

By taking a broad approach to housing affordability, predicting outcomes can be difficult. Regulatory changes such as relaxations, broadening housing choices and improving processing times are dependent on market and industry response. While the Public Consultation Program clearly indicates such actions are needed, it is difficult to predict the effectiveness of these actions in terms of unit types and price. Similarly, the effectiveness of increasing density near transit, lowering transportation costs and improving the ability to pay for housing is dependent on a number of variables that makes overall supply projections unreliable. Finally, the success of a partnership approach such as direct incentives is directly dependent on how many partners contribute, and which aspect of the Housing Continuum that partner is targeting.

As measuring progress toward broad targets can be difficult, this Strategy will rely instead on ongoing monitoring, recruitment of partners and evaluation in order to assess the overall success of the Strategy over time.



Evaluating the HAS

Housing Affordability Evaluation Measures

As part of the ongoing commitment to housing affordability staff will prepare an bi-annual report to Council based on the following information:

- The overall number of building starts in Coquitlam by housing type
- Trends of housing types, including Housing Choices and rental units
- The median household income
- Benchmark housing prices based on housing type
- The average monthly rent (unit type and size)
- Affordable housing evaluation measures
- Total number of lost/demolished rental units, townhouses and Housing Choices units
- Total dollar value of the AHRF contributions
- Total dollar value of contributions leveraged from other sources
- Individual use of emergency and transitional housing facilities
- Homelessness in Coquitlam
- Federal, Provincial and Metro Vancouver actions and contributions to Coquitlam and its residents including direct transfers to persons



Leveraging the HAS

The Strategy includes a number of specific policies aimed at addressing the challenge of funding low-income units and purpose-built rental units. The anticipated effectiveness of these policies and related targets are discussed below.

Using the Affordable Housing Reserve Fund (AHRF)

Policy Actions 3.1.1 – 3.2.4 The AHRF is as an important tool for contributing towards potential affordable housing solutions. The current balance in the fund is approximately \$2.1 million. Policy Action 3.1.3 could see the Fund balance increase by \$2-3 million over the next several years. Going forward, and based on a continuation of the current density bonus system, as proposed by the Strategy, the AHRF could grow to reach \$20-25 million over the next 30-35 years depending on development activity.

Traditionally, in other communities, AHRFs or similar funding mechanisms, have been allocated to the development of new purpose-built deep subsidy housing units for those most in need. However, this approach has had limited impact in terms of overall housing affordability. For example, should the AHRF grow to be \$20-25 million as projected, and assuming the same leveraged amounts of contributions from other levels of government as in the past, the fund would only create 200-350 new purpose-built units over the next 30-35 years. This represents only a small fraction of the expected overall demand for lower cost housing in Coquitlam.

As proposed in the Strategy, the AHRF will address housing affordability needs across the Housing Continuum. Through this broader approach, a greater mix of housing choices is sought. Evaluation of the AHRF will occur both through the bi-annual Housing Affordability report to Council and a time-and-value trigger (every three years or \$7 million positive balance).

As noted previously, the HAS does not propose to set specific targets for the AHRF based on unit types or income levels. The rationale for not setting targets is as follows:

1. **Flexibility:** The partnership nature of the AHRF is designed to attract active participants ready to address a housing need in the City. Setting specific targets at any one level pre-commits a portion of the AHRF and limits partnership opportunities. The absence of unit type specific targets will allow the AHRF to be more responsive to actionable trends that deliver solutions consistent with the identified needs in the City.
2. **Sustainability:** The sustainable nature of the fund may come to see a value in projects with a greater ability to pay back the fund in order to benefit the most number of residents. The success of units paying back into the fund will itself generate the ability to fund even more units. Until the proportion of equity units is established, specific targets will be difficult.
3. **Leveraged Contributions:** Partners often come with their own criteria and setting specific targets for the AHRF may prevent program stacking if the City's target does not line up with a partner's ambition.

Leveraging the HAS

AHRF Application Example

While specific targets may be difficult, it is possible to project the effectiveness of the AHRF. Funds could be applied in a number of ways to a number of incentive levels, such as:

- Secured rental units (estimated at \$10,000 per unit)
- Deep subsidy units (\$100,000 per unit)
- Shared equity units (\$50,000 unit with asset or payback possibilities)
- Non-profit initiated innovations (amount unknown)

AHRF Potential Distribution of Funds

Secured Rental Units (\$10,000 per unit)

- 500 rental units through developer incentives

Deep Subsidy Units (\$100,000 per unit)

- 125 deep subsidy units leveraged through contributions with others

Shared Equity Units (\$50,000 per unit)

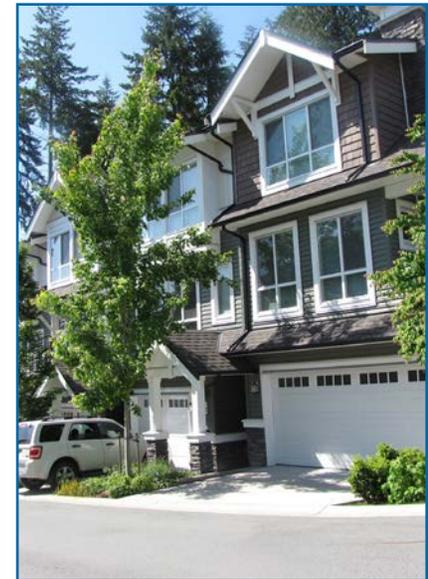
- 150 shared equity units (returned principal within 20 years)

This example scenario could produce actual results and would be dependent on the type of products developed. The depth of subsidy, the value of partner contributions, and the success of equity units.

AHRF Application Process, Administration and Criteria

Given the high cost of purpose-built deep subsidy affordable units, it is important to examine alternative ways to meet the affordability challenges in the City. The HAS proposes that the AHRF be applied in ways that leverage additional contributions and, in some cases, be used in a more self-sustaining manner where a portion of the AHRF is lent out and returned in order to help others.

The AHRF will act as the City's contribution towards partnership driven initiatives aimed at increasing the supply of housing options for low and low-to-moderate income households. The process of evaluation for use of the AHRF and evaluation criteria is outlined on the following page.



Process for Utilizing the AHRF

LETTER OF INTENT TO THE GENERAL MANAGER OF PLANNING AND DEVELOPMENT

A letter of intent to request funding would document:

- Purpose and history of the organization
- Presence or history of the organization in Coquitlam
- Statement of relations with the community
- Amount requested and the amount leveraged through contributions secured or pledged by other organizations
- The number of individuals who would be assisted and/or units created
- Target population by income
- Any other information deemed necessary to inform Council



REPORT TO COUNCIL

The General Manager of Planning and Development prepares a report to Council. The staff report will confirm:

- The pre-existing balance in the AHRF
- A statement related to fit and appropriateness within the community of the proposed project
- Demonstrate alignment to increasing housing choices for low- and low-to-moderate income households



CRITERIA TO GUIDE DECISIONS

In its deliberations it is proposed that the following criteria be used to guide decisions:

1. Degree of Leverage: with limited resources, the City cannot address the housing affordability needs of residents on their own. A favourable value of leveraged contributions should be demonstrated.
2. Appropriateness of Targeted Populations: the proposal should demonstrate, to the satisfaction of Council, that the project will improve the overall affordability for low and low-to-moderate income households.
3. Fund Sustainability: preferences shall be given to projects that can demonstrate an ability to pay back the AHRF all or part of the funds used for housing solutions.
4. Breaking the Cycle: projects should be able to demonstrate some ability to provide an opportunity for greater self-sufficiency for the population it serves.
5. Community Fit: the proposed project and use of the funds should demonstrate, to Council's satisfaction, that the project fits within the surrounding community and is appropriately located.
6. Fund Viability: interest earned by the fund will provide a revenue source for future projects. Council cannot commit funds from the AHRF beyond the current available balance as the City must balance competing demands in a fiscally prudent manner.

Leveraging the HAS

Increasing Rental Housing Supply

Through a combination of well-planned greenfield development and sensitive infill, Coquitlam's residential market is generally meeting the demand for move up and executive ownership housing. While considerable price escalation has occurred, entry level ownership demand has been generally addressed by the development of smaller and relatively less expensive units. While more modest ownership is still difficult, an even greater challenge exists with market rental affordability.

Recent municipal incentives in greater Vancouver, along with an expanding supply of secondary rental units (secondary suites and investor owned rental) have helped, but rising prices, high construction costs and lack of funding from other levels of government has resulted in a considerable shortfall of low-to-moderate income rental supply.

This shortfall is further pressured as a great deal of existing purpose-built rental units are older and nearing the end of their lifespan.

Current Context: Incentives Needed

Both market analysis and market activity (i.e., no new purpose-built rental housing built in Coquitlam between 2008-2015) have shown that current conditions do not support new purpose-built rental housing construction. While some purpose-built rental housing has been built in the Metro Vancouver region in recent years, incentives have been necessary to make it possible (Metro Vancouver Draft Regional Affordable Housing Strategy, March 30, 2015).

In Coquitlam only 136 purpose-built units were built between 2000 and 2015. This low production of new units will not offset the anticipated loss of existing aging units, let alone accommodate for new growth.

As such, the Strategy proposes a number of immediate measures to address the shortfall of rental units.

Rental Incentive Summary

As detailed in *Section 2, The Strategy: Vision, Objectives and Actions (p.17)*, Coquitlam is proposing a suite of actions designed to increase the supply of rental units. These policies include:

- 1.1.2 Expanding micro-suites and lock-off units within multi-family developments.
- 1.1.3 Expanding secondary rental units such as carriage houses and garden cottages.
- 1.2.2 Using density transfers to support rental development.
- 1.2.3 Consideration of parking and amenity space reductions for purpose-built rental.
- 1.2.4 Exempting rental floor space from maximum density allowances.
- 1.2.5 Encouraging innovations such as studio, lock-off suites and micro-suites.
- 1.2.6 Promoting minimum rental covenants for new strata developments.
- 1.3.1 Right sizing utility costs for multi-family units.
- 1.5.1-1.5.5 Procedures and incentives to protect existing rental and co-op supply.
- 3.1.1-3.2.4 Use the City's AHRF to incent low- and moderate-income rental projects.

RENTAL HOUSING DEMAND IS GREATER THAN SUPPLY



Current market conditions do not support new purpose-built rental construction

- » 73% of purpose built rental housing stock was built prior to 1980
- » 5% of purpose built rental housing stock has been built since 2000
- » No new construction between 2007–2015 (8 years)
- » Purpose built rental cannot be produced at current market rents – incentives are required to achieve financial viability**



Low uptake of Housing Choices

- » Represents 3% of total residential development between January 1st 2010 and December 31st 2014



Purpose-built market rental vs. strata rental*

- » Monthly rents for strata rental units are on average 20% higher than market rental

Secondary suites

- » Located in established neighbourhoods away from transit
- » Supply is constrained by single-family housing stock

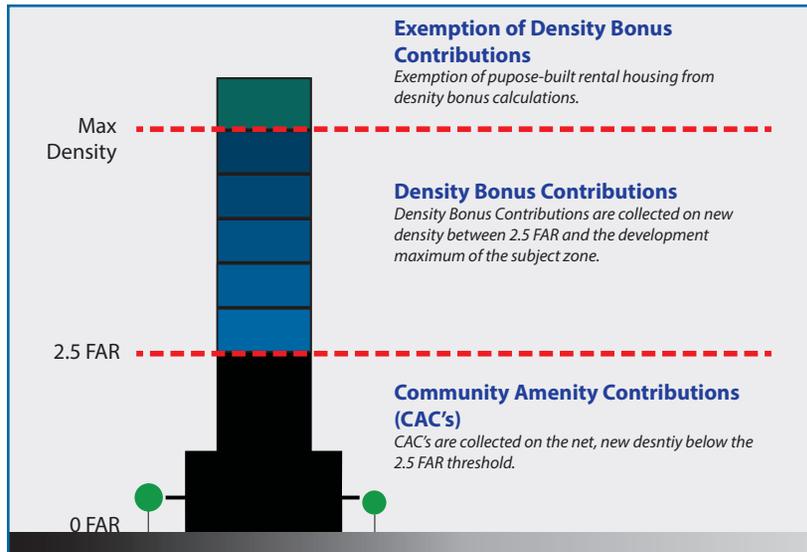
Source: *Canadian Mortgage and Housing Corporation, **Metro Vancouver

Leveraging the HAS

Density Exemptions

The Transit Oriented Development Strategy (TDS) first proposed the exemption of new purpose-built rental floor space from the maximum density allowance (Policy Action 1.2.4). When developments are above the 4.0, 4.5 or 5.0 floor area ratio (FAR) maximum (as per the current density bonusing system in the Zoning Bylaw), the density for the portion of the project that is purpose-built rental housing is exempt from the total density calculation and the density bonus contribution is not received. Community Amenity Contributions (CACs) are collected on the net, new density below the 2.5 FAR and density bonus contributions are collected on new density between 2.5 FAR and the subject maximum as specified in the applicable zone (Figure 9).

Figure 9: Exemption of Density Bonus Contributions



The HAS proposes to continue this policy but set a limit to the equivalent of 1.0 FAR per project where all development guidelines, policies and parking requirements are fulfilled.

It is believed that the exemption of the density creates a strong incentive for the development of purpose-built rental units. This approach is funded through the granting of additional development rights over and above the maximum density permitted in the Zoning Bylaw. Initial response from the development industry suggests this may be a very effective way to produce rental units near transit corridors.

In addition to these actions, the HAS calls for waiving portions of density bonus contributions as a direct incentive to build new purpose-built rental (1.2.7 & 1.2.8).

The TDS proposed exempting density for developments along major transit corridors where a considerable amount of Coquitlam's forecasted growth will occur in the coming years. The HAS proposes to continue this policy with some refinements (policy Action 1.2.4). Since the initiation of this incentive, a number of new and proposed projects have indicated willingness to participate in this program. Employing these projects to suggest a take up rate across future corridor growth estimates a conservative estimate of 500-700 rental units is reasonable. While this incentive will likely produce new purpose-built rental units, it is important to note that the cost of new construction versus the rents for 40-year-old buildings may result in the new units not meeting the affordability, adequacy and suitability needs that was available to residents in the older units (i.e., units may be smaller and cost more).

Redevelopment and Conversion of Purpose-Built Rental Housing

Policies 1.4.1-1.5.5 the suite of policies directly aimed at dealing with the conversion of older purpose-built rental units has been in place since the adoption of the TDS. These policies acknowledge that the burden of housing supply should not be directed solely at the redeveloping site. However, the policies also require a Rental Housing Strategy that details the replacement number and costs anticipated as well as strategies to re-house displaced residents on site or provide relocation assistance.

Based on developments since the TDS, some portion of residents may choose to relocate in the redeveloped project. The sample size at this time is low but an expectation of 20% may be reasonable. This would equate to 140-220 units.

New policies introduced as part of this Strategy may extend the lifespan of some older projects. However as the older buildings will eventually come to the end of their lifespan, it is not reasonable to suggest an actual number of units replaced or saved.

Potential Impact

These numbers would be in addition to the 500-700 projected units potentially produced by the AHRF as identified on the previous pages. Combined these would represent a scenario where more than 1,500 units could be created. While far short of the estimated need (6,000) this would represent a considerable increase over past actions and more than other cities have achieved within the eastern Metro Vancouver region. Actions by the Federal and Provincial Governments (in addition to the 2,200 estimated units thorough transfers) as well as Metro Vancouver and non-profit organizations will also help address the need.

Key Terms and Definitions:

Community Amenity Contributions (CACs) are a voluntary contribution made by a developer when City Council approves certain types of rezoning applications. The CAC amount is a flat rate per m² of all net new residential floor area associated with a rezoning application. The CACs are used to help fund a specific amenity in an area.

Density Bonus Contributions are an optional financial contribution made by a developer when City Council approves additional density at the time of rezoning. The amount of additional density and financial contribution is set out in the Zoning Bylaw. The financial contribution is a portion of the increased land value that occurs at the time of rezoning. Coquitlam's Density Bonus program applies to floorspace above 2.5 FAR. Density Bonus contributions can be spent on a wide range of amenities and infrastructure as determined by City Council and as identified in the City's Official Community Plan (OCP) and Zoning Bylaw.

Floor Area Ratio (FAR) is the maximum amount of floor area (building space) that is permitted to be constructed on a property. This is expressed as a ratio. For example, if you have a lot area of 500m² and your maximum FAR is 0.45, then the maximum floor area you can construct is 225m².

Leveraging the HAS

Eligibility for Rental Incentives

The incentives proposed would only apply to new development and to the portion of the development that is purpose-built rental housing based on the following criteria:

- Create six or more units of purpose-built rental housing;
- Place a covenant on title (i.e., housing agreement) to secure the rental housing for the life of the building;
- Meet all development requirements and positively add to the community through appropriate form and character.

Immediate Actions to Support Rental Supply:

- Review Zoning Bylaw density, parking, amenity space, and other requirements to encourage the development of purpose-built rental housing (Actions 1.2.3, 1.2.4, p.20)



