



Municipal Approaches to Preserving and Growing Affordable Rental Housing in Mid-Sized Communities

A CHRA Congress Session Summary



BC Housing

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Speakers:

Mayor Lori Ackerman, *City of Fort St. John, BC*
Councillor Mike O'Brien, *City of Fredericton, NB*

Moderator:

Tim Ross, *CHRA Board Member & Executive Director Designate, New Brunswick Non-Profit Housing Association*

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Mid-size communities face distinct challenges in meeting the demand for affordable, rental and market housing. This workshop highlights approaches by two mid-sized municipalities in addressing the affordable rental housing needs of their cities along with the impacts and outcomes.

Mayor Lori Ackerman, City of Fort St. John, BC

As the second largest city north of Kamloops, the City of Fort St. John has become a centre for the oil, natural gas, forestry and agriculture industries in northern BC, comprising almost one quarter of British Columbia's land area. Fort St. John's competitive advantages include its low tax rates, low cost of energy, and international connectivity to the shortest link between Shanghai and Chicago through the Port of Prince Rupert.



The energy sector continues to drive the economy, representing almost 60 percent of total revenue generated by the resource sector in British Columbia, and over 90 percent of the province's energy exports. Last year the industry provided 12,000 jobs in the region, and it is estimated by the Canadian Energy Research Institute that by 2035, 40,000 people in B.C. will work in the energy sector.

In part due to the draw of the resource sector, the population of Fort St. John grew by 21 per cent between 2001 and 2010, to a current population of 20,268 residents. As one of the youngest communities in BC with an average age of 30 years, the city boasts the highest birth rates in the province, and also has one of the fastest-growing senior populations. This demographic divide has increased demand for affordable rental housing, with the majority of existing stock built over 30 years ago and in need of major or minor repairs.

Currently 65 per cent of housing in the city is single-family homes, 31 per cent are rental and 4 per cent are duplexes. And while the current median housing price in Fort St. John is \$391,000, well below the provincial average of \$561,613, housing costs in the city rose 123 per cent between 2001 and 2010 as the population boomed. Fort St. John's median annual household income is currently at \$108,550, higher than the provincial average, yet there is a significant income disparity between well-paying energy sector jobs and many of the service and retail sector jobs in the city, resulting in upwards pressure on the demand for rental housing.

The population of Fort St. John is anticipated to grow once again, creating additional strain on the affordable rental housing market. There are currently proposals for three separate coalmines that border the edges of the city with expected reserves of more than 50 years each. The demand for workers through the construction and operations phases of these projects is

expected to bring an additional 2,500 workers and their families into the region, a population increase of approximately 13,000 people.

In January 2013, BC Hydro submitted its Environmental Impact Statements for the proposed Site C Clean Energy Project, a large-scale earth fill hydroelectric dam on the Peace River just 7km southwest of Fort St. John. Site C is anticipated to contribute an estimated 35,000 direct and indirect jobs through all stages of the project, and the city has undertaken extensive community consultations on local and environmental impacts.

In considering the benefits of Site C to the community, Mayor and Council have determined guiding principles consistent with the City's vision for the development of a sustainable community. These objectives include monitoring the housing supply and demand, and the associated impacts on the local housing market. It is also proposed that the operations workforce camp be incorporated within city boundaries, minimizing the environmental footprint and ensuring permanent integration of housing, transportation and city services into the city of Fort St. John once the camp is no longer required. Increasing housing density has also been considered, but is limited due to significant snowfall accumulation and related parking and snow removal requirements in the city, restricting density builds.

In light of these distinct issues, the city initiated an Affordable Housing Committee in consultation with the BC Northern Development Initiative Trust as well as with developers, realtors and mortgage brokers, targeting affordable homeownership incentives. Recommendations include the development of entry-level affordable homeownership opportunities to allow young families to move out of the rental market, freeing up units to accommodate future housing needs based on population growth, zoning and capacity development. This will help to more accurately align the impacts of future population growth with the demand for rental housing in Fort St. John.

The use of research and policy based tools are key to understanding future housing needs in the city of Fort St. John. The municipality's role then lies in creating greater housing market diversification by providing regulations, incentives and partnership opportunities in order to relieve the pressure on the rental housing market, which otherwise will continue to push rents upwards.

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Councillor Mike O'Brien, City of Fredericton, NB

The city of Fredericton, New Brunswick faces a number of unique challenges in continuing to meet the municipality's objective of ensuring affordable and suitable housing for its residents. With four universities in the city there is a high student population, contributing to a comparatively large concentration of younger residents, of which 52 per cent are between the ages of 25-54. This in turn contributes to an emerging workforce in the city with growth in industries such as biosciences, clean technology, aerospace, defense and the most engineers per capita in the country.



Access to suitable, affordable housing is therefore vital to attracting and retaining a skilled workforce in Fredericton, increasing stability of employment and quality of life, while reducing emergency health and social service costs related to housing insecurity. Currently, Fredericton maintains the lowest vacancy rate in the province at 5.2 per cent, and holds the highest average rent of any city in New Brunswick at \$762 per month.

As 2012 indicators suggest, up to 430 individuals a year access shelters in Fredericton, in addition to 1,285 whose homelessness is hidden by utilizing temporary accommodations, such as through friends and family. There are 2,485 homes in need of repairs, while 1,095 individuals live in overcrowded housing and 6,105 residents live in unaffordable housing, defined as household spending of 30 percent or more on housing.

In response, the city of Fredericton formed the Committee on Affordable Housing, a network of municipal, provincial and federal representatives, community groups, housing developers, Aboriginal representatives and the Chamber of Commerce. Created by City Council in 2006, the Committee acts to educate and advocate on behalf of Fredericton residents to improve their access to affordable housing, including rental housing. The Committee also serves as coordinator for the stakeholder agencies in the housing sector, and links those experiencing varying housing needs with related service providers.

The city of Fredericton's Committee on Affordable Housing has successfully lobbied City Council to adopt the Universal Declaration of Human Rights, recognizing housing as a fundamental right to securing individual and family well being, health and a standard of living. With this shift in thinking on the benefits of housing to long-term community growth and prosperity, the city has adopted a land discount policy of 12.5 percent for affordable rental developments and 20 percent for affordable single-family homes. The policy allows for deferred upfront fees for developers to assist with cash flow during construction, and has also been adopted for non-profit housing providers.

The Committee has also been active in the establishment of an annual Fredericton Affordable Housing Day, bringing together local and regional housing developers, researchers and municipal officials to engage in a dialogue on affordable housing in the context of smart urban growth. In raising public awareness of affordable housing issues, needs and opportunities, Fredericton's Affordable Housing Day has been instrumental in dissipating the stigma associated with subsidized housing in the city and in quelling the extent of public opposition to proposed affordable housing developments over the years.

In 2009 City Council raised the profile of the Affordable Housing Committee by making it an official sub-committee of its Standing Committee on Development, maximizing coordination, communication and partnerships to address housing needs in the community. Affordable Housing Committee members have met with the New Brunswick Minister of Social Development, identified a local champion in the legislature, maximized the uptake on government funding programs, supported affordable housing zoning applications before the Planning Advisory Committee, and have provided opportunities for increased media coverage on affordable housing issues in the city.

The Committee has also been instrumental in developing Zone Fredericton, the 2013 zoning by-law review that proposes allowing for more inclusive zoning in the city, including density bonuses for affordable housing. The Committee now represents a clear, accountable body developers can lobby, increasing the private sector's uptake in the development of affordable rental and market housing.

The result has been above average housing starts in the city as compared to previous years, and the waitlist for affordable housing and shelter usage are both down. With full council support and community awareness of the issues, the city of Fredericton has taken ownership of the need for affordable housing within the city.

Looking ahead, the Committee is seeking to increase dialogue with landlords and community partners to coordinate affordable housing efforts and will be providing input into the upcoming revisions to the New Brunswick Community Planning Act. In addition, Fredericton Mayor Brad Woodside has been elected President of the Federation of Canadian Municipalities as of June 2014, pledging long-term action to address affordable housing in Canada.



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75 Albert Street, Suite 902
Ottawa, ON, K1P 5E7

📞 (613) 594-3007
📠 (613) 594-9596

www.chra-achru.ca
info@chra-achru.ca