

"Let's Talk Housing"

Submission from Denman Community Land Trust Association

August 31, 2016

Addressing Housing Needs in a Small Rural Community

Denman Island is one of thirteen populated, west coast islands which make up the Islands Trust —"a unique federation of local governments serving islands in the Salish Sea... responsible for preserving and protecting the islands' unique amenities and environment." See www.islandstrust.bc.ca/.

Early in 2008, five islanders met to form an association dedicated to creating affordable housing on Denman Island.

Our island community had just concluded a lengthy search for bylaw solutions to stem the loss of community members and of secure housing resulting from rising real estate prices. The only legislative solution—to increase residential density provisions and hope for the best—has a long track record of failure. Because local land use bylaws cannot prevent changes in land use over time or limit the resale value of development, adding densities for 'affordable' housing can well have the undesirable consequence of simply adding more houses to the market.

Subsequently, Denman Community Land Trust Association (DCLTA) became a registered non-profit society in May 2008 and a registered charity in August 2009. We chose a land trust model because, key to maintaining affordability over time, a land trust can obtain and hold land. The use of community land trusts (CLTs) has grown, inspired by the successes in the USA. Please refer to the Vermont/Burlington and San Juan CLTs and the federal programs which fostered their amazing success. DCLTA has supported the creation of CLTs from BC to Cape Breton Island.

The following quote from the Denman monthly newspaper of July 2011 best describes DCLTA's approach to affordable housing:

DCLTA is tackling a very difficult mission—to make affordable housing available to a full spectrum of residents who qualify as low income earners, to charge rents which do not exceed 30% of the tenant's income, to offer a rural solution, and to avoid taking on a crippling debt load. Despite these difficulties we still believe our goal is worthwhile: to preserve the healthy diversity of our community.

As of April 2015, DCLTA's pilot project was completed and tenanted. Consequently, DCLTA has a template Housing Agreement (enshrined in a local government bylaw and including the tenant selection procedure), a model rental agreement, and an invaluable understanding of the bureaucratic 'ropes.'

On November 16, 2013, DCLTA signed a memorandum of understanding with a Denman Island landowner to acquire two acres within the Village area—a perfect location for seniors' housing. Thus began the Association's second project, which will create four duplexes for seniors' affordable housing. In the design phase (the first of four project phases), two charrettes will establish parameters for the prototype duplex by consulting with seniors, caregivers, health

providers, architects/design professionals and trades people, using the floor plan of the successful seniors housing duplexes built 20 years ago on nearby Hornby Island and donated to our project. The outcome will be a replicable, rural-based, energy-efficient, low-cost/ low-maintenance design that captures the needs of aging in place and provides direction to the architectural professional charged with providing detailed construction documentation.

Please access the needs assessment for this project at:

http://www.denmanaffordablehousing.org/DCLTA/Projects_files/Sept%2017-14%20Seniors%27%20Affordable%20Housing%20Needs%20Report.pdf

and DCLTA's Business Plan for the project at:

http://www.denmanaffordablehousing.org/DCLTA/Seniors_files/--July%208-16%20DCLTA%20Project%202%20Business%20Plan%20Final%20w%20Appendices%20pv.pdf

To date the Seniors Affordable Housing Project has:

- Conducted a needs assessment,
- Secured a land purchase agreement,
- Met with provincial approval agencies to present the proposal and seek advice,
- Presented the proposal to the Denman Island Local Trust Committee (the Island's local government),
- Contacted project neighbours and hosted a community open house to introduce the project and invite feedback,
- Conducted a wastewater assessment for development,
- Identified a suitable basic unit design,
- Studied energy efficiency options,
- Secured the access lane to the project site,
- Obtained funding for basic site preparation and tidying,
- Formalized a business plan and an analysis of financial feasibility, and
- Applied to exclude the land from the Agricultural Land Reserve (the decision is expected on Sept 21, 2016).

As a community based association with a mandate to create affordable housing, DCLTA relies heavily on volunteers, donations, and in-kind contributions. Land donations and bequests are also critical to DCLTA's ability to pursue its mandate. As a land trust with charitable status, DCLTA can hold land in perpetuity thereby assuring housing security and affordability for tenants. Projects are conditional on the size of the land parcel, the nature of the neighbourhood, the environmental values, the location (senior housing is best near the village core) and, when not in conflict with our mandate, donors' wishes.

For more information, visit DCLTA's website www.denmanaffordablehousing.org (including our research projects) or email us at info@denmanaffordablehousing.org.

It is important to understand that groups such as DCLTA represent volunteers who try to do the work which was once primarily under the umbrella of federal subsidized housing programs and who now spend significant personal time attempting to meet the affordable housing needs of

their communities by raising funds locally and trying to move federal and provincial money from 'talk' to 'bricks and mortar.'

As our community loses its working poor, its single moms and its low income seniors, we are losing diversity—kids for our school, volunteer firemen, sports coaches and tutors, caregivers and, particularly important, the collective contributions and collective memory which are essential to a vibrant rural community.

The Historical Perspective

Since 1974, responsibilities for the creation of affordable housing have been shifted to the provinces and the municipalities, with non-profit organizations and cooperatives carrying a growing share of the responsibility for addressing the ever expanding need. The approaches used by these groups—fundraising and incurring mortgage debt—often focus the resulting housing on meeting the needs of the middle class: the higher the income of the tenants, the higher the sale or rental return to pay off mortgage debt and reduce the need for fundraising.

Increasingly over time, developers have used community support for affordable housing initiatives to gain concessions such as reductions in land use restrictions and increases in residential density provisions. Effectively, the community is 'buying' the affordable housing by increasing developers' profits. Further, as long as CMHC's generic use of 30% of income as the baseline for housing rents is the definition of affordability, the resulting housing often reflects "near market" sales and a lucrative reduction of unit floor space. For examples, refer to Vancouver's Olympic Village and the Woodward Tower.

In 1993, the federal government stopped funding new social housing and in 1996 it transferred the management of existing federal housing and the responsibility for new social housing to the provinces. It appears that BC Housing's recent sale of existing Lower Mainland social housing complexes to non-profit organizations is presently financing its initiative to provide funding to non-profit social housing initiatives throughout the Province (funding which entails that BC Housing's interest be reflected on the title).

By 2016, the federal government's Overton Window no longer appears to include Canadians "in core need" (i.e., those living in poor quality housing and/or spending more than 30% of their income on housing). Despite this shift, research increasingly indicates that the provision of social housing is an investment which reduces child poverty, homelessness, illnesses resulting from stress and/or malnourishment, family violence and addictive behaviour.

What needs changing?

(1) The federal government should explore winding the clock back to pre-1974 support of affordable housing for those "in core need," including our urban cousins and certainly not failing to support indigenous communities and rural Canada.

The present framework appears to be based on a model that favours the developer. Consider, for example, the Woodward Redevelopment, which gave lower east side residents a university campus, an art gallery and the damaging incursion of gentrification. What the residents may have needed was a grocery store, low-income affordable housing and a place to gather and

access services. As exemplified here, the federal housing strategy should support outcomes which genuinely address low income needs and which fit the context.

(2) Non-profit societies need funding that goes beyond talk and wherein volunteer effort, fundraising and donations cannot be converted into a federal or provincial asset. Using DCLTA as an example, our Project 2 Seniors' Affordable Housing can apply for a \$10,000 CMHC Seed Funding grant and a follow-up \$10,000 no-interest loan. After that, CMHC offers mortgages much as a bank or Credit Union might offer. Needless to say, this translates into a significant debt and pressure to increase rental rates to service the debt which defeats the goal of creating affordable housing. If DCLTA cannot service the loan repayment, CMHC would be obliged to foreclose and sell the land and units at market value. In addition, the existence of bylaws and a Housing Agreement to enshrine the seniors' affordable housing may preclude a CMHC mortgage because these restrictions would prevent the possible market sale of the land and units.

At this time, most funding grants, including Seed Funding offered by CMHC, focus on needs assessments, business plans, surveys and conferencing but stop short of 'boots on the ground' and/or 'bricks and mortar.' Non-profits organizations seeking capital funding for affordable housing projects are offered mortgages and, in the case of BC Housing initiatives, the corporation's name on the title and its say in the housing management.

Once again, the National Housing Strategy needs to find a way to wind the clock back. Either financially support the non-profit organizations or reassume the role of providing housing for those in need.

3) Rural communities, such as Denman Island, are losing their diversity due to the shortage of affordable housing and, as stated by BC's Seniors' Advocate, low-income rural seniors are the least well served by today's housing policies.

Funding should recognize that communities thrive when funding for secure and affordable housing is readily available and that rural communities are Canada's backbone. Without this recognition, urban solutions—created by developers and shaped by the real estate market—will be applied across the country. And, rural solutions will die as the volunteers experience burn out and their communities lose the ability to transform vision into reality.

Final Comment

Please generously fund low income, affordable housing as an investment in future generations and in support of the present generation. And please recognize that non-profits such as DCLTA are essential to making communities vital and making housing access a reality.