

# Flexible Delivery Models For Affordable Living: Housing Opportunity Areas

The prototype that has emerged incorporates elements of this lab group's work, input from the Steering Committee and Working Group, and is intended to identify opportunities for more mid-market housing within key land use designations in the City of North Vancouver and the District of West Vancouver. These 'Housing Opportunity Areas' are specific land use designations where that either have not conventionally been used for residential dwellings, or are currently used for housing but may be able to accommodate more mid-market housing. In the City of North Vancouver, these include School and Institutional lands and Residential Land Use Designation 5. Within the District of West Vancouver the BHL is looking at the RS-5 zoning designation. The prototype would pre-zone the lands under both these land use designations in order to provide non-market and mid-market rentals or affordable ownership. Additionally, our analysis will also look at opportunities for gentle density in a zone within the District of West Vancouver.

## City of North Vancouver School and Institutional Lands

By designating School and Institutional for non-market housing, owners of these lands would be able to develop new non-market developments using new government funding programs (e.g. CMHC's Co-Investment Fund or BC Housing's Community Housing Fund). This would increase the land available in the City that could potentially accommodate non-market rentals, and could encourage school and institutional partners (e.g. churches) to redevelop, if they do not need to undertake a significant rezoning process.

These non-market units would be required to be operated by a non-profit and kept within affordable levels, as defined by the City and dictated under a housing agreement. Preliminary economic analysis shows that land values are unlikely to significantly increase on these properties, as any market form of development would still require an OCP amendment and a complete rezoning process. The pre-zoning would only be targeted at non-market housing development. Additionally, any pre-zoning would not eliminate the need for a development permit, and design guidelines would be developed to ensure consistency in building type across these lands.

## City of North Vancouver School and Institutional Lands

**Current use:** To provide for services to the community, including schools, cultural institutions, places of assembly, recreation facilities, public care facilities, and utility services.

**Proposed new use:** These lands must continue to provide original institutional purpose on site (school, church, health care, etc.); new land use allows for non-market housing programs that can provide a moderate stream of revenue to institutional partners, and are managed by a non-profit and administered through a housing agreement. This could include various forms of non-market housing.

## City of North Vancouver Residential Land Use Level 5

The second component of the Housing Opportunity Areas prototype is to develop policy that encourages a greater contribution of mid-market rental units when Residential Level 5 lands are being redeveloped. By encouraging a higher contribution of these units, the City will be creating more housing opportunities for moderate to middle-income renters in the City.

The work being undertaken on this prototype currently involves testing land economics scenarios that examine the impacts of changing certain conditions under which development takes place to determine the feasibility of requiring an additional contribution of units when these conditions are met. These conditions include:

- The primary condition is to better understand how reduced processing times can be achieved through a pre-zoning that allows for redevelopment when it provides a higher contribution of mid-market units than under current density bonusing;<sup>1</sup>
- Another significant contributing condition would be the impact of alternative financing through CMHC's Rental Construction Financing Initiative (RCFI), which provides favourable lending rates and longer-term amortization periods than market financing;
- Other conditions could include the impact of reduced land costs for long-term land owners<sup>2</sup> and the impact of additional incentives<sup>3</sup>; and
- Additional incentives may be considered; however, these would likely have marginal impacts on the overall financial feasibility of a project.

Preliminary economic analysis shows that under conditions where favourable financing is available, processing time for development approvals is reduced, and land cost is slightly reduced, that a higher contribution of mid-market units may be possible. Under these conditions, a redevelopment remains financially feasible and compares favourably to current density bonusing options available to land owners.

- 1 Feasibility of the extent to which greater contributions can be requested are under analysis; however preliminary feasibility analysis shows.
- 2 This assumption is designed to discourage widespread purchasing and redevelopment of lands, and instead for the policy to act as an incentive for established land-owners to consider redevelopment under favorable conditions.
- 3 These would likely have marginal impacts on the financial feasibility, but should be considered to determine impact that these measures could have.

### City of North Vancouver Residential Level 5

**Current use:** Land use designation captures a significant portion of older purpose built housing stock in CNV, with approximately 60% rental, 40% ownership. Currently the land use allows for FSR: 1.6, with a maximum bonus FSR of an additional 1.0 under density bonusing program.

**Proposed new use:** Consider prezoning these lands to allow for mixed-income, purpose-built rentals with a greater component of mid-market rental than is currently captured under the density bonusing program.



## District of West Vancouver RS5-Single Family Zoning

The third component of the Housing Opportunity Areas prototype is to develop policy in the District that allow gentle density in a single-family zone near an existing Town Centre Local Area Plan (Ambleside) in order to determine whether it can accommodate a contribution of affordable ownership units, or mid-market rental when redeveloping between 1 and 3 lots. By allowing gentle density a higher contribution of these units, the District will be creating more housing opportunities for moderate to middle-income renters in the City.

The work being undertaken on this prototype also involves testing land economics scenarios that examine the impacts of changing certain conditions under which development takes place to determine the feasibility of requiring an additional contribution of units when these conditions are met. These conditions include:

- Allowing a land assembly of up to 3 lots within the zone in order to achieve economies of scale for developers
- Allowing multi-family townhouse forms in this zone to increase density
- Requiring a developer contribution of affordable ownership units or mid-market rental units
- Understanding how new provincial and federal programs (affordable home ownership programs and rental construction financing) may impact the financial viability of these proposed changes

Preliminary economic analysis shows that under conditions where land assembly and greater density is possible, a contribution of affordable ownership units may become viable. This analysis is ongoing and does not yet consider the potential impact of senior government programs on the overall viability of this program.

### District of West Vancouver RS5 Zoning

**Current use:** Zoning designation is for single family homes near the Ambleside neighbourhood, and partially contained by the Ambleside Town Centre Local Area Planning Boundary.

**Proposed new use:** Consider rezoning these lands to allow townhouse-type multi-family on between 1 and 3 existing lots. Allowing this greater density would be in exchange for a development contribution of affordable ownership units and/or mid-market rental units within new developments.