This page left intentionally blank
# Table of Contents

Executive Summary........................................................................................................................... iii

Introduction ........................................................................................................................................ 1

The “HousingNow: Local Solutions through Local Collaboration” Conference.............................. 3

The HomesNow Initiative ......................................................................................................................... 4

Site Selection Process .......................................................................................................................... 6

- City of Coquitlam ............................................................................................................................. 6
- City of Abbotsford ............................................................................................................................. 7
- City of North Vancouver .................................................................................................................... 8
- Surrey ................................................................................................................................................ 9

Other Municipalities & Organizations ................................................................................................. 9

Project Conclusion ............................................................................................................................. 10

Challenges to the HomesNow Initiative ............................................................................................... 11

- Competing Priorities for Municipal Resources ............................................................................... 12
- Unwillingness to Support Affordable Housing without Other Partners .......................................... 13
- Political Support ............................................................................................................................... 13

Other challenges ................................................................................................................................ 14

Conclusion .......................................................................................................................................... 15

Recommendations .............................................................................................................................. 16
This page left intentionally blank
Executive Summary

In order to address the growing challenge for residents to find suitable and affordable housing in the Lower Mainland region, a coalition of non-profit housing societies, developers, financiers and affordable housing proponents organized, through Simon Fraser University’s Centre for Dialogue, under the name HomesNow. This organization became a platform for discussion of how to advance the agenda of affordable housing in the region and launched an initiative to create new housing with the help of municipal governments, the development industry, and local expertise.

Over the course of more than a year, representatives from HomesNow met with elected officials and staff at municipalities to negotiate for a candidate site to use in a design build competition. This competition would see teams of developers and non-profit housing operators vie for the opportunity to create new affordable housing, preferably ownership but potentially rental, on a parcel of municipal land. Municipalities would sell or lease land from their holdings for the initiative and support affordability by some combination of regulatory powers (rezoning) and waiving fees (development cost charges, community amenity contributions, etc.). In return, they would have new affordable housing built in their city, HomesNow would direct the competition for the best proposal, and city decision-makers would learn what it takes to build more affordable housing.

The HomesNow initiative emerged from a two-day, multi-sector housing conference as the most promising way to affect the supply of affordable housing by immediately providing new units and by educating key players on how to duplicate the model throughout Greater Vancouver. Because the initiative required a municipal partner, the efforts of the HomesNow steering committee focused on negotiating with municipalities. Although these negotiations seemed promising at first, they ultimately failed to produce a viable partnership and the initiative was ended.

The municipalities that showed interest in the project, even where it was aligned with their own housing policies, were not willing to provide financial support through foregone revenue to fund shallow subsidy housing. The traditional approach to the provision of affordable housing requires the participation of senior governments for the bulk of the funds, whereas this new approach would see municipalities and local partners work without senior government funds to create home ownership at a modest decrease in cost and price targeted to moderate income households. This would be achieved through the municipal affordable housing toolkit – the regulatory powers provided by the Community Charter – as well as through the cost savings generated by the creativity of the winners of the design build competition.
A number of factors contributed to the failure of the initiative to garner support from a local government partner. These include the competition for limited municipal funds, the unwillingness of municipalities to undertake this endeavour without senior government funding, and the lack of a political consensus regarding subsidizing housing for any but low income households and those most in need.

The challenges that prevented the HomesNow initiative from being successful are surmountable, but will require a greater consensus on the role of municipal governments in providing housing and more support from the provincial government. Also, a clear articulation of the public benefit of assisting modest and middle income households to own homes must be made to secure this objective as a worthy and necessary one in the eyes of the public and of elected officials.

At present, it may be best to leave the issue of affordable homeownership for a year and return to the issue after having consulted with Metro Vancouver’s housing committee, BC Housing and potentially the minister of housing. Commitments from any of these could reinvigorate a process to find a sustainable homeownership program.

The next step would be for one of these organizations or some other advocacy group to engage the public and create momentum for an affordable homeownership program, including:

1. Researching the social and economic impacts of home ownership and the consequences of unaffordable homeownership over the long term.

2. Building consensus among stakeholders about the value of helping moderate income households attain homeownership, and developing the leadership to promote affordable homeownership partnerships. This could be done through a follow-up symposium to the original HomesNow conference, held in September 2011. The purpose of the event would be to present the research on potential models for affordable housing and to work on a draft program for BC. It would also act to refresh interest in the topic and remind both proponents and the public that there are solutions to this problem. The symposium would be most effective if it focused on affordable homeownership for moderate income households as a unique topic within affordable housing.

3. Drafting an affordable homeownership program for moderate income households that combines provincial and municipal resources in more or less equal amounts, including strengthening the municipal affordable housing toolkit and figuring out incentives for municipalities to use it, and identifying opportunities for pilot homeownership projects.
Introduction

For many people in Greater Vancouver, saving a down payment for a home or even finding suitable rental housing is challenging or impossible. According to data from Statistics Canada, the average price of a home in the Vancouver Census Metropolitan Area is more than ten times the median household income. The average residential price in the region is twice that of the national average, while the median income is slightly under the national figure. Renting also continues to be difficult as vacancy rates have remained extremely low in most of the region and most new rental stock is composed of individually leased condominiums without long term security of tenure. This means that middle as well as low income households are often forced to move to the region’s periphery in search of more affordable accommodation, to continue renting when they would prefer to own, or to simply avoid the region altogether when deciding where to locate. Because of the scarcity and cost of larger units, larger households are particularly constrained in their housing options.

Some past efforts to create new affordable housing have been successful through the efforts of multiple partners and the sale or lease of land at below-market rates. However, there are still too many empty spaces and land options waiting for senior government funds that are no longer available. Overall, the success stories are overwhelmed by the large unmet need for more affordable housing. Almost none of the approximately 18,000 units built every year in the region are targeted to moderate income (middle income and below) households.

As concerns about affordable housing have vexed the region for some time, many people here have developed considerable expertise around its regulation, financing, production and management. In 2011, a coalition of these experts formed HomesNow to advance the agenda of affordable housing in the Vancouver region. The organization’s volunteer board is comprised of representatives from BC Housing, BC Non-Profit Housing Association, McClanaghan & Associates, Metro Vancouver, ParkLane Homes, Simon Fraser University’s Centre for Dialogue, SPARC BC, Terra Housing, the Urban Development Institute, and Vancity Credit Union.

The HomesNow organization was created to find innovative solutions to the dilemma of unaffordable home ownership. It sought to apply the combined expertise of professionals in the development, finance, and non-profit housing sectors, as well as that of representatives from regional and provincial agencies to encourage the creation of affordable homeownership, and to share learning among groups involved with housing. The broad base of the organization would ensure that different perspectives and approaches were used, allowing developers to learn from public servants, non-profit workers to learn from financiers and so on. The institutional support provided by Simon Fraser University’s Centre for Dialogue would help the
learnings generated within HomesNow to reach a wider audience and provide a home for the organization’s content and message.
The “HousingNow: Local Solutions through Local Collaboration” Conference

To generate interest and encourage fresh thought on affordable housing, SFU and the founders of HomesNow (originally called HousingNow) hosted a conference and workshop on affordable housing September 22 and 23, 2011. Architects, citizens, consultants, financiers, reporters, non-profit developers, politicians, municipal staff, and private developers were all invited to participate in the two-day event. The diverse backgrounds of the attendees helped provide a variety of perspectives to the topic and a certain level of understanding of housing issues, helping to make the event an incubator for innovation and a forum for connecting people across sectors. In total, 115 people attended the workshop.

The conference featured a presentation by housing expert Avi Friedman on the merits of affordable housing and the possibilities to innovate in its supply, drawing on research and his own experience creating affordable home ownership in Montreal. The event also included presentations from local housing experts on who is excluded from the existing housing market, the barriers to greater affordability, and the lessons gleaned from recent innovative housing projects. The event culminated in a collaborative project design competition, where groups of attendees created their own innovative proposal for affordable home ownership on a site in the region. These proposals were then adjudicated by a panel of judges and voted on by attendees to prompt further discussion on the opportunities for affordable housing and for creative approaches to the problem.

This event galvanized support for a new approach to address housing affordability: a design-build competition to demonstrate how municipalities can create below-market housing without deep subsidies from the federal or provincial governments or capital grants, by using powers granted by the Community Charter. While a number of recommendations emerged from the event, building a demonstration project through a design-build competition was deemed the most strategic way to take action. Existing affordable housing developments in the region, such as Burnaby’s Verdant and Branch 6, Vancouver’s 60 W. Cordova and Lion’s View and Abbotsford’s Harmony Flex housing were examined at the conference to determine the elements required for success. These were then integrated into the structure of a design-build competition. With the approach established, an organization was needed to spearhead the initiative. This led to the creation of the HomesNow volunteer initiative.
The HomesNow Initiative

After the conference, the organizers and some participants formed the HomesNow steering committee to pursue the design-build concept further. Its goal was to find one or more suitable sites for new housing in the region, partner with a local government willing to use its planning and zoning powers to improve affordability and find developers and non-profit societies willing and able to take the site through the bid, rezoning, design, construction and occupation processes. The entire process would involve multiple partners, including HomesNow, municipalities, community partners, developers, financiers, educational institutions, prospective residents, sponsors and judges to evaluate proposals. This structure would ensure broad participation and opportunities for many stakeholders to learn from the experience.

The basic purpose of the initiative was to:

- Produce affordable housing for purchase by moderate income households earning between $35,000 and $80,000 annually;
- Foster partnerships between various players;
- Demonstrate local capacity and innovation; and
- Educate all key players and the public about the possibilities for building more affordable housing projects.

It was also meant to test the feasibility of building affordable housing in the absence of significant federal or provincial funding or subsidies. Thus, the initiative would broaden the understanding of key actors involved in affordable housing and use their combined expertise, powers and resources to produce on-the-ground results using local capacity alone.

The initiative was largely shaped by the need for affordable home ownership. It seemed to many of those on the steering committee that providing opportunities for moderate income households to move from renting to home ownership would both help those households improve their quality of life, reduce pressure on rents for other households, stabilize communities, and improve the economy by making housing more affordable for employees. The value of home ownership was discussed by Avi Friedman at the conference. However, the HomesNow initiative was open to rental housing projects as well if potential partners were more interested in rental tenure, or if rental was attractive as part of the mix in the project.

The initiative required a site to build on and a municipal partner. The steering committee decided to focus efforts on willing municipalities that could make city-owned land available for sale or lease. A partnership of HomesNow and a municipality would select a site and have it designated for new affordable home ownership, identify the potential of the site, set
affordability targets, request proposals for development and select the developer/non-profit team who could best provide the new units. The request for proposal (RFP) would be structured to bring developers and non-profit societies together to build and fill the new units. HomesNow would therefore provide expertise and technical assistance to one or more land-owning municipalities to create new affordable home ownership, while expanding the understanding, regionally, of what can be done to provide affordable housing locally.

With these goals in mind, members of the HomesNow steering committee began meeting with representatives and staff from various municipalities in the region who expressed an interest in being involved. On behalf of HomesNow, SFU Centre for Dialogue Fellow Peter Ladner made a presentation to the Metro Vancouver Housing Committee on February 24 and at a Metro Vancouver Sustainability Community Breakfast February 28, 2012. Through these efforts, Metro Vancouver endorsed the HomesNow initiative and appointed a senior planner to the steering committee. This opportunity also introduced a number of municipal officials to the HomesNow initiative.
Site Selection Process

To begin the design-build competition, HomesNow required a partner that could supply land at a below market price, as the affordability of the end product was contingent on the affordability of the land. Municipalities were deemed to be the ideal partners because they have land and because they have the power to both determine the increase in land value upon rezoning and to capture that value for the public good. Land could thus be obtained at less than full market value if municipalities would dedicate at least some of the increased value from a rezoning to an affordable housing development on that property.

Suitable land would either be zoned for residential development or have the potential to be rezoned. It would also need to be free of serious contamination or adjacent incompatible uses, to reduce risks for developer partners. In keeping with the Regional Growth Strategy, the site was also meant to have access to frequent transit service and be in a growth concentration area. How municipalities would choose their candidate sites was subject to their discretion. Beyond the above suitability criteria, HomesNow made no requirements in terms of building typology, design, location of sites or otherwise.

City of Coquitlam

After the mayor of the City of Coquitlam expressed interest in the HomesNow initiative, HomesNow met with him and senior city staff members on March 28, 2012. A second meeting between HomesNow and staff occurred on September 27, 2012 where the manager of lands and properties, the manager of community planning, the general manager of planning and development and a social planner were all present to discuss potential sites. While a number of sites were discussed, most suffered from a combination of access problems and adjacent busy streets or were simply too small. One site on Como Lake Road in the Hillcrest area did seem promising, however, as it could accommodate 20 to 30 units, had the potential to generate increased value through rezoning and was in a residential neighbourhood.

Staff indicated that the site could be used for the initiative, but explained that the City would expect full market value for it, including any increase in value resulting from a rezoning (the “lift”) and that development cost charges, permit fees and other levies would not be waived. They also explained that they expected contributions from other financial partners, such as Habitat for Humanity or B.C. Housing, and suggested that if other funding was secured they might consider recommending to City Council a contribution from their Affordable Housing Reserve Fund. However, because there was no precedent or protocol for disbursement of these funds, this could not be guaranteed.
Staff also explained that they usually take a very limited role in the provision of affordable homeownership and expect senior government to lead and provide resources for these types of projects. They also did not want to engage in a partnership as a perceived developer and would not do a joint RFP with HomesNow. The meeting concluded after it was agreed that HomesNow would conduct a financial analysis of the project and return with a revised proposal indicating the level of affordability that could be achieved given the conditions set by the City.

The financial analysis revealed that no significant improvements to the project’s affordability could be achieved without the reinvestment of the lift into the project, but that with the lift the price of a home built on the site could be reduced by 16.5%. The City’s offer to consider providing the site on a leasehold basis would not significantly improve its financial performance. On November 8, 2012, HomesNow reported to the City of Coquitlam that, given these conditions, a project would not be feasible and the City needed to reconsider their conditions, particularly the recapture of the value created by rezoning.

On December 12 Coquitlam responded that, in order to gain Council’s approval and still ensure affordability, the project should receive contributions from other financial partners greater than or equal to the City’s contribution of the land lift (and possibly funds from their Affordable Housing Reserve Fund). They also suggested that it is not within their legal powers to accept less than market value for City land as this would constitute a subsidy to a private entity. HomesNow offered to resolve this by ensuring that any benefit that was used to create affordability be secured by legal agreements and that a non-profit society manages the legal agreements. In other words, the market value of the site would be reduced because of the legal encumbrances to the site that would enable affordability. However, the City was clear that it would not sell the land at its assessed value, but only at its rezoned market value.

Because of the conditions set by the City of Coquitlam and HomesNow’s lack of a third party funder, the HomesNow initiative decided not to pursue efforts to partner with the City.

**City of Abbotsford**

A staff member at the City of Abbotsford also expressed interest in exploring the HomesNow initiative and arranged several meetings with representatives from HomesNow, culminating in a meeting with the mayor, city manager, general manager of economic development and planning, manager of community planning and a social planner on October 11, 2012. The mayor and staff indicated that the preferred site on Emerson Street that had been proposed to HomesNow was being considered for a number of other uses including park expansion, sale at
market rate for development, or for use by another organization to which the City had promised funding.

The City preferred that HomesNow consider a narrow site at the edge of its downtown on Gladys Avenue. Development there would assist their downtown revitalization efforts and ground floor commercial space could potentially be used to subsidize affordable residential space above. However, the site involved some challenges. It was not completely assembled by the City at that time and it faced a noisy rail yard, making it a less than ideal site for new housing. These considerations were important because while the housing would be affordable, it would still have to attract buyers. If the site were particularly difficult or unpleasant it would be difficult to sell and the project would not be successful. While the City suggested they could secure the entire site, these other factors made this site unattractive for the HomesNow initiative.

At the same meeting the City also suggested a site owned by the Mennonite Central Committee (MCC) further south on Gladys Avenue because it was large and could accommodate extra housing and was vacant and ready for development. The City contacted the MCC but they declined the opportunity due to redevelopment plans already in process. Except for the first site on Emerson Street, other sites discussed with the City of Abbotsford presented too many challenges for a successful project. With no further options, talks with the City ended.

City of North Vancouver

HomesNow also met with staff from the City of North Vancouver on October 3, 2012 after a narrow approval from council to have staff explore options with the organization. The director of community development, development officer for engineering, parks and environment, deputy director of community development and development planner were present. At the meeting, a site on 100 East 1st Avenue was presented as a candidate for the initiative. In 2010, Council passed a resolution to use this site for affordable housing, so staff meant to prepare a report to council by the end of November 2012 asking for approval to work with HomesNow to jointly issue a request for expressions of interest (RFEOI) for the site.

City staff suggested that the site could support residential towers and that council expected a mix of tenures to help pay for the affordable housing. The site was zoned for 2.6 floor space ratio and the City would allow the rezoning lift to contribute to affordability, requiring only the assessed value under the current zoning for sale. The City had done some community consultation about development on the site in 2003 and 2004 and suggested that the community would agree to further development there if open space was also preserved.
City of North Vancouver also seemed ideal for the initiative because affordable housing was at the top of their list for the uses of value created through rezoning.

The promising interactions with staff were tempered by communication with the mayor, who communicated by phone with HomesNow that there were other priorities for this site, namely to use the amenity benefits from this site to support the North Shore Neighbourhood House. The Harry Jerome community centre at 123 East 23rd Street was also suggested by staff as a potential site for affordable housing if it were redeveloped. However, a decision had not yet been made about residential development at the site and if it did occur, it would be market housing to help pay to replace the centre. A third site on Alder Street was also discussed, but it involved significant uncertainty (a variety of owners, pending realignment of a bordering arterial street) and was not a development priority for the City.

The prospects of building affordable housing in the City of North Vancouver seemed promising at first, but it later became clear that staff and council were not able to agree on a suitable site to propose. Without political support for the HomesNow initiative or suitable sites for development, the project could not move ahead in the City of North Vancouver.

**Surrey**

Discussions with Surrey started with a call to a municipal councillor who referred HomesNow to the general manager of planning. After a positive meeting on March 21, 2012 with him and the senior social planner, HomesNow was referred to the CEO of the Surrey Development Corporation. He explained that the City was unwilling to provide subsidies of any kind for affordable home ownership, including the land lift. He also suggested that households earning between $35,000 and $80,000 have suitable housing options available in Surrey through the private housing market. The corporation would have supported a project that achieved affordability by reducing costs or regulations but not one that involved any grants or financial support. While not formally declining to participate, after three meetings there was no progress in Surrey and HomesNow ceased to pursue a project there.

**Other Municipalities & Organizations**

In Richmond, HomesNow met with the affordable housing coordinator and the manager of community development on April 26, 2012 at Richmond City Hall. These staff members explained that entry level home ownership is one of the top three priorities of Richmond’s Affordable Housing Strategy, although the strategy focuses mainly on subsidized housing and low end market rental. They said they would have to get approval from their real estate group,
senior management, and council. They said they had a site in mind. Follow-up phone calls indicated there was not enough support to proceed with the initiative.

At the City of Vancouver, HomesNow met with the deputy general manager of community services and the chair of the housing affordability taskforce to see if the HomesNow initiative could be merged with that of the taskforce. The City chose not to pursue a partnership with HomesNow, instead instituting some similar approaches, independent of HomesNow, that emerged from the City’s task force.

Metro Vancouver also proposed partnering with HomesNow at their Metro Housing site at 12th Avenue and Heather Street in Vancouver which was slated for redevelopment. HomesNow met with the manager of regional housing from Metro Vancouver on March 21, 2012 to discuss this project in detail. It was determined that little of the lift would be available for a HomesNow project as the redevelopment required building new market housing to subsidize the social housing which was to be replaced, not new affordable housing for moderate income households as intended by the HomesNow initiative.

Two privately owned sites were also discussed. In addition to the Mennonite Central Committee site proposed by the City of Abbotsford, the City of Coquitlam encouraged HomesNow to pursue a site owned by VanCity in Coquitlam. VanCity showed interest, but the site would not be available until too far into the future to fit the HomesNow timeframe.

**Project Conclusion**

After numerous meetings and discussion with the staff and elected representatives of different municipalities in the region over the course of a year, HomesNow was unable to secure a parcel of land to run the design-build competition. As of December 2012, the Steering Committee ceased actively pursuing a municipal partner and the initiative was put on hold.
Challenges to the HomesNow Initiative

There were many reasons to believe that the HomesNow initiative would be successful:

- Affordable home ownership is widely seen as a problem that should be addressed, and most citizens agree that there is a role for all levels of government in addressing it.
- Most of the municipalities in the region, as well as the regional district, have an affordable housing strategy or policies aimed at encouraging the creation and preservation of affordable housing. These include Abbotsford, Coquitlam, City of North Vancouver, Richmond, Vancouver, Metro Vancouver and the other municipalities contacted by HomesNow. These strategies all include policies that align with the HomesNow initiative, including reducing DCCs, using municipally owned land, and adding density for affordable housing projects.
- The municipal affordable housing “toolkit” created by the province in the mid 1990s to create shallow subsidies would allow the process to forego lengthy wait periods and uncertainty by eliminating the need for funding from senior governments.
- The September 2011 conference highlighted existing models in the region that provided working examples of how this level of affordable ownership could be achieved.
- HomesNow enjoyed excellent access to key decision makers at municipalities, including mayors and city managers.
- The HomesNow steering committee was composed of very experienced persons within the non-profit and development sectors from established and recognized organizations. Furthermore, the committee was diverse and did not represent a single interest group. No municipality ever questioned the experience, range or expertise of the HomesNow steering committee.
- The initiative would not require cash subsidies from municipalities – that is, they would not have to write a cheque for the housing. Rather, what they needed to contribute was the increase in land value created by rezoning.
- Using municipal land would simplify the process because the same body both owns and regulates the land.
- The HomesNow Initiative was very flexible and could be applied to different building designs and be used to provide housing to anyone within its specified income group requiring affordable housing, rather than being tied to a certain type of building or a certain end user. HomesNow anticipated a desirable scale would be in the range of 40 new units.
There were also many challenges to overcome to make the initiative successful. Because these challenges proved insurmountable, understanding them and addressing them will be necessary to create opportunities for affordable housing in the future. They are:

- Competing priorities for municipal resources
- Unwillingness of municipalities to be the primary supporter/funder of an affordable housing development
- Lack of political support for subsidizing home ownership for moderate income households.

These are interconnected issues that must be addressed if the municipal tools for affordable housing are to be fully useful.

**Competing Priorities for Municipal Resources**

Resource limitations are a challenge for any organization and because of their limited powers of taxation municipal governments do not have the resources to meet the myriad demands of the public. The municipal tools allowed by the Community Charter and Local Government Act can create resources for the community without a cash outlay or tax increase, but these benefits are often spoken for before they are generated. For example, if a municipality is willing to increase the allowable floor space for a parcel it will create value through rezoning. This value could be used to subsidize affordable housing, but it could also be used for any other public service. In the City of North Vancouver, one possible site for rezoning to add affordable housing was not available because any value added through zoning was already earmarked for a community centre. Another site in the City was earmarked for space or funding for another community organization.

Many organizations and benefits are already in line for public support when the opportunity to generate revenue presents itself. When development funds are used to provide community benefits, those benefits are often decided upon long before any development concept has reached the drawing board. While affordable housing may be in the queue to receive support, it is rarely the most popular recipient of funds generated by development, especially those requiring increased density. Both developers and community members pressure their local governments to use any value generated by development to fund nearby community amenities that provide a more obvious local benefit. Like added density, affordable housing is often perceived as a cost that a community must bear rather than an asset it will enjoy.

Thus, while using lift seems a more palatable way of funding affordable home ownership than using tax revenues, it is often very challenging to do so because of competing priorities.
Community centres, streetscape and park improvements, and other community amenities often come before affordable housing on the list of priorities because they have a symbiotic relationship to development – development creates amenities, and amenities engender support for development – while affordable housing does not.

**Unwillingness to Support Affordable Housing without Other Partners**

The HomesNow initiative was meant to be a collaborative effort with partners in multiple sectors. However, it relied on the willingness of municipalities to take the lead and commit the most resources to any new affordable housing development. Most municipalities in the region have participated in affordable housing projects before, but as partners with senior governments or other major financial contributors. Asking municipalities to take the lead was new and mostly untested in the Lower Mainland.

Many municipalities consider leading any affordable housing project tantamount to accepting the downloading of responsibility for housing from senior governments. Therefore, they are reluctant to do more than play a supporting role. While this makes sense given the needs of municipalities and the tendency to require that most funding leverage other funds, it also prevents municipalities from taking meaningful action on affordable housing when no external funding is available.

Had a municipality partnered with HomesNow with a site and the dedication of the land lift, other partners would have been engaged to help reduce the costs of the project to achieve maximum affordability. These cost reductions might be found in the design, construction practices, grant applications, low cost loans and management practices. These partnerships would have existed in subsequent steps of the HomesNow initiative but were not established at the time HomesNow was meeting with municipalities, opening the possibility that the municipalities might be the only contributor to the project. However, it was not practical to arrange secondary partnerships without first identifying potential sites and getting a commitment from a municipality.

**Political Support**

Providing affordable home ownership is politically challenging because of the perception that low income households are undesirable to many neighbours and that middle income households are undeserving of public support. Creating low income housing in established neighbourhoods often results in community resistance because of fears that social problems will come to the area through the new residents, while helping a few middle income households obtain housing could easily be seen as unfair to other middle and lower income
families who are not receiving assistance. A local government partner would need to articulate to residents the reasons why this is important and create a fair and transparent process to determine who could obtain a unit in the new development. These would surely be challenged and debated publicly.

The issue underlying the political risks is that there has not been an effective public debate discussing the role of local governments in enabling middle or low income homeownership. There is no public consensus on who should receive support for their housing and who should provide that support. Engaging this discussion is beyond the scope of any single municipality, but if a local government had public support for these types of projects it could proceed with them more confidently.

**Other Challenges**

The HomesNow initiative was thwarted by other circumstances as well. One of these is the scarcity of suitable city-owned land in many municipalities. Many municipalities own only a few parcels of land, as the large land banks of the past have largely been sold off to capitalize on high land prices. When municipalities purchase land it usually is for a predetermined use and when they acquired land through historic tax sales they are not necessarily suitable for housing.

Some municipalities did not consider the HomesNow initiative necessary for their communities. The City of Vancouver, for example, has developed its own process for creating affordable housing. The City of Surrey suggested that there is already low-cost housing being provided by private developers in their area.
Conclusion

While HomesNow was not able to generate the momentum required to build new affordable housing, the initiative did reveal many of the challenges that prevent new affordable homeownership options from being created, despite stated intentions and commitments to this goal.

At present, municipal governments are not committed to lead in the creation of new affordable home ownership. They have plans and policies in support of affordable housing but lack both the resources to provide deep subsidies and a clear consensus to support shallow ones. Partnering with senior governments on the former has been the typical way that municipalities have been involved. However, because federal and provincial governments provide less funding for these projects than in the past, that system is not meeting the need for affordable housing. For a municipally supported housing project that will achieve a modest decrease in price or rent for moderate income households, as was intended by the HomesNow initiative, there needs to be strong leadership that understands and can communicate the value of this type of housing to the public.

Further innovation in the provision of affordable housing is possible and is necessary. Some successful projects have been done without extensive senior government involvement and inspire the search for a working and replicable model to provide what is otherwise unobtainable for many of the residents of Greater Vancouver: a home that they can afford. This innovation will require a new understanding of the role of municipal government or a renewed commitment to affordable housing on the part of senior governments. These changes will require a strong voice from the public in support of affordable housing – not just for those who are most in need, but also for modest and middle income earners who still cannot find suitable housing.
Recommendations

Building political will for affordable housing for moderate income households will require time and diligent effort by its proponents. At present, it may be best to leave the issue of affordable homeownership for a year and return to the issue after having consulted with Metro Vancouver’s housing committee, BC Housing and potentially the minister of housing. Commitments from any of these could reinvigorate a process to find a sustainable homeownership program. The next step would be for one of these organizations or some other advocacy group to engage the public and create momentum for an affordable homeownership program, including:

1. Researching best practices in affordable home ownership to inform the conversation on the topic. Also, researching the social and economic impacts of home ownership and the consequences of unaffordable homeownership over the long term. This type of research can be difficult and resource intensive, however, so it may be impractical to await findings on this topic before evaluating policy options.

2. Building consensus among stakeholders about the value of helping moderate income households attain homeownership, and developing the leadership to promote affordable homeownership partnerships. This could be done through a follow-up symposium to the original HomesNow conference, held in September 2011. The purpose of the event would be to present the research on potential models for affordable housing and to work on a draft program for BC. It would also act to refresh interest in the topic and remind both proponents and the public that there are solutions to this problem. The symposium would be most effective if it focused on affordable homeownership for moderate income households as a unique topic within affordable housing.

3. Drafting an affordable homeownership program for moderate income households that combines provincial and municipal resources in more or less equal amounts, including strengthening the municipal affordable housing toolkit and figuring out incentives for municipalities to use it, and identifying opportunities for pilot homeownership projects.
This Project was funded with the assistance of the British Columbia Housing Management Commission (“BC Housing”) and ParkLane Homes, with additional in-kind support provided by Simon Fraser University’s Centre for Dialogue and the Urban Development Institute.

www.sfu.ca/homesnow