

## Flex-Plex Housing Affordability Project

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Report by:

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### Project Background

The Flex-Plex Housing Affordability Project was launched in 2001 from a discussion between CHBA-Victoria's then-President Pat Caporale and the Executive Officer. In a nutshell, the President wanted to improve housing affordability in Greater Victoria. The housing affordability problem was defined thusly:

"Greater Victoria, with a population of about 321,000 (in 2001) is comprised of 13 municipalities. There is little cooperation on regional growth and the communities tend to focus on their own interests. Housing affordability depends on lower land costs, which are difficult to find in Greater Victoria, even in the outlying areas. Seniors, people on low incomes, and even middle class families are unable to afford the high cost of land. The average price of a home is about \$280,000 and rising. In addition, CMHC statistics reveal increasing migration to Victoria contributes to apartment vacancy rates approaching 0%."

At that time, it was felt the key to improving housing affordability was creating regulatory changes to zoning that would serve as a template for replication and create long-term opportunities.

A decision was made to focus on regulatory change in the District of Saanich for the following reasons:

The District of Saanich did not permit secondary suites, so there was an opportunity for significant change and impact. It was a core municipality that could serve as a model to other core municipalities by showing the benefits of higher density. It was the largest municipality in the region with the largest home building starts, and therefore a successful project in Saanich would more likely optimize the goal of replication.



## Project Process

In 2001, CHBA-Victoria invited the Saanich Mayor and Council to a meeting to discuss creating a pilot project demonstrating housing affordability. A good discussion ensued re: the many issues of creating quality, affordable housing, however all seemed in agreement that “nothing ventured, nothing gained.”

As a result, CHBA-Victoria applied to Affordability and Choice Today (ACT) Program for a grant, and was notified in April 2002 that its application had been approved. CHBA-Victoria is a small non-profit association, and could not have proceeded with this project without support from the ACT Program.

It was agreed that a suitable site would be required that would work for all concerned. The District of Saanich worked with CHBA-Victoria to identify a suitable piece of available land, which turned out to be owned by the BC government. BC Housing agreed to hold the land, which was the equivalent of about one and a half lots, (9000 sq ft.) located on a busy corner – Bethune and Saanich Rd. It was zoned single family and adjacent to other single family homes, however it was also kitty corner to a shopping centre, library, and other services.

CHBA-Victoria needed a housing design that would accommodate some of the unique features of the high, triangle-shaped lot, accommodate the aesthetics of the single family residential neighbourhood, and address the busy intersection. In addition, there had to be sufficient density to make the project affordable, and be sufficiently innovative in terms of creating a template for regulatory change.

A call for an “Expression of Interest” went out to a number of architects and designers in the region. The responses were very good, and CHBA-Victoria settled on Art Finlayson, Architect and Dan Boot, Designer, working as a team to move the project forward.

We approached the local Community Association for their input, and they suggested we “design something” and they would provide feedback at that stage.

The team of Finlayson and Boot came up with an 8 –unit townhome design that suited the lot and the neighbourhood, and included 3 legal suites to act as mortgage helpers or caregiver space. The units were also accessible for the disabled, and included an age in place feature where closets could be transformed into lifts.

The strengths of the project included:

1. Establishes a definable standard for suites and provides communities with a measure of control. Thousands of illegal suites already exist in Saanich, without any definable standard.
2. This concept could be established as part of the community plan in Saanich, and replicated by many other municipalities in the region, BC and across Canada.
3. Enables a wide demographic to own a home, offers a mortgage helper for the working poor, and provides rental opportunities for a caregiver, seniors and students.
4. Allow households to modify their unit as their needs change
5. Makes more efficient use of scarce land.



6. Developed in collaboration with all three levels of govt., and industry.
7. Creates affordability in the least affordable housing market in Canada

To the extent possible, the project's features will include:

1. Energy efficiency, good fire resistance and sound attenuation using ICF construction (insulated concrete forms).
2. Ecological storm water management, minimizing traditional engineering, and using the natural environment where possible.
3. Low profile of structure fits in with lower density neighbourhood.
4. Accessibility for the disabled (universal design, i.e., lowered switches, raised outlets.)
5. Limit parking to discourage vehicles.
6. Provide Co-op transportation option, reducing need for vehicles (The units' owners will have shares in a local car co-op offering access to a vehicle.)
7. Encourage bikes using storage space.

The phase of designing the project with community association consultation was a challenge. We spent at least a year in meetings with various groups working on a concept, drawings, and a model that would be acceptable to Saanich, the community association, and the neighbourhood. At the same time, the project must also stay true to being innovative, repeatable, create a new zone, and significantly impact housing affordability.

While our experience with the neighbourhood in general was very positive, the community association did express strong concerns about parking, owners flipping the units for profit, and the legal secondary suites. We scaled back the project to five townhomes with three secondary suites, and we took their advice to investigate Housing Agreements, like those used in Whistler, to prevent flipping. We kept the parking to one stall per unit and added the car share co-op option.

At the end of this process, we feel the project remained significant through the introduction of legal secondary suites in a multi-family project situated on a 9000 square foot lot in an area zoned single-family residential. The suites help support the mortgages of the larger units, which are also designed to accommodate wheelchair accessibility and promote energy efficiency.

There were some minor changes suggested by Saanich's Design Advisory Committee, which endorsed the project. Before submitting the final plans to the Committee of the Whole (Council), Saanich's various departments needed to sign off. This took a significant period of time, because even though the Planning Dept was very supportive, people in various departments would scrutinize the plans down to the smallest details, including the type of bushes suggested for landscaping. In addition, because this project was unique, and challenged standard criteria and thinking, well-intentioned people held it up inordinately.

It was during this time, we determined that municipalities needed an internal housing affordability advocate working for the city whose sole responsibility was to take innovative projects and shepherd them through the process. There must be many innovative housing concepts that never see the light of day, simply because they are subjected to standard review procedures that don't know how to address innovation, and don't see the project



as a whole. In fact, one might say that these procedures are designed to screen out or correct the unique and innovative features. We felt this situation could use some examination by municipalities and housing advocates

On November 15, 2004, the Committee of the Whole approved the project in principle, pending a Housing Agreement that would prevent owners flipping the units for profit. This took a significant period of time, because there were few templates available. We developed a custom Housing Agreement using some existing templates combined with input from the municipality's lawyer, the Planning Department, and our own lawyer.

The Housing Agreement was presented to the Committee of the Whole in August 2005, and was rejected as being too complicated, and potentially not bulletproof.

We felt this Housing Agreement was a very good document, so it became apparent there were interesting differences arising between some elected officials in Saanich and CHBA-Victoria representatives.

Some Saanich officials wanted absolute certainty, whereas CHBA-Victoria was satisfied with reasonable certainty and much more certainty than existed elsewhere in the marketplace.

In addition, the officials had concerns about rising construction costs and whether the final prices would meet the definition of affordability.

It was CHBA-Victoria's view that the townhomes would be priced significantly less than other new projects. The townhomes were not intended for purchase by "the poor." Those with little income would benefit from the new secondary suites. The project was intended to provide an entry-level opportunity for people on moderate incomes – in other words, people stepping into home ownership from rental, seniors buying down for the caregiver suite and access to services, or people purchasing for the accessibility features.

There was another significant factor in the project being stalled at this stage. In March, 2005, CHBA-Victoria's Executive Officer left CHBA-Victoria. This prevented issues raised by the Committee of the Whole being addressed by the Executive Officer, which underlines another important point.

Innovation requires advocacy, because innovation always entails risk. Of course the risk must be well managed. However, strong, consistent advocacy is always required throughout a process like this.

The Executive Officer returned to CHBA-Victoria on November 1, 2005. After reviewing the issues, the CHBA-Victoria Executive determined that the concerns raised by Saanich, including the Housing Agreement, (which CHBA-Victoria still believes is a very good, innovative template), could be addressed in other ways.

On March 24, 2006, CHBA-Victoria signed a Memorandum of Understanding with Habitat for Humanity, creating a partner for the Flex-Plex Housing Affordability Project. Habitat for Humanity has a long successful history of managing a proven Housing Agreement, outlining affordability criteria, identifying potential candidates, etc. Habitat's traditional model of building on single-family lots was endangered by the high-cost of land, so the prospect of



building multi's with secondary suites in a partnership with CHBA-Victoria was a very good opportunity. On May 29, 2006, CHBA-Victoria and Habitat for Humanity approached Saanich's Committee of the Whole for approval once again. This time, approval was given due to the partnership. The Committee of the Whole liked the proven Housing Agreement and Habitat's selection process.

On June 27, 2006, the project went to a Public Hearing and received approval.

### **Present Status**

The status of the project is now pending the transfer of land between BC Housing and Habitat for Humanity. These timelines are much longer than we would have preferred, however, new partnerships tend to prolong every process while the partners work out details. Presumably, future projects will have a template from which to follow.

A Project Management Team between CHBA-Victoria and Habitat for Humanity has been struck. The project is now moving forward in a substantive way, and we look forward to construction of an outstanding project.

The ACT Program deserves a great deal of credit for offering seed money to initiate the project, and for creating ongoing flexible deadlines to accommodate the many changes in timelines.

We initiated this project in 2001, received ACT funding approval in 2002, and we anticipate shovels in the ground in Spring 2007.

The hurdles were far greater than anticipated. That said, the potential benefits are enormous, not just for the families, but also for the region if this concept catches on. This is especially true now. Due to the lengthy period to complete this project, housing prices have virtually doubled and affordability is a bigger issue than in 2001. The average price of a home in Greater Victoria is more than \$500,000. If municipalities embrace this concept, then the Flex-Plex Housing Affordability Project could result in a significant increase of affordable housing options for families in our region.



## Credits

The people deserving credit for the success of this project to date, and for continuing the process are:

### CHBA-Victoria

Pat Caporale, Past President 2000/01  
Chris Ricketts, Past President 2001/02  
Lee Lange, Past President 2002/03  
Ron Bickford, Past President 2003/04  
Darrel Orr, Past President 2004/05  
Lindalee Brougham, Past President 2005/06  
Gordon English, President 2006/07

Executive and Board of Directors 2000 – 2007  
Casey Edge, Executive Officer  
Shelly Portmann, Assistant Executive Officer  
Debra Dahlgren, Administration Manager

### *Flex-Plex Housing Affordability Committee:*

Pat Caporale, Chair  
John Sorensen, Project Manager  
Art Finlayson, Architect  
Dan Boot, Designer  
Linden Holmen, Consultant  
Lee King, Corporate Representative, Canada Mortgage and Housing  
Henry Kamphoff, Executive Director, Capital Region Housing  
Patrick Lucey, President, Aqua-Tex Consulting Ltd  
John Alexander, Cox Taylor

District of Saanich  
Mayor Frank Leonard and Council  
Russ Fuoco, Director, Planning Dept  
Anne Topp, Manager, Planning Dept  
Wayne Randall, Lands Commissioner

Habitat for Humanity  
Ron Drane, President,  
Jack Shore, Executive Director

BC Housing  
Craig Crawford, Vice President, Development Services

ACT Program  
Sharon Margison, Program Manager  
Rosemary Kinnis, Program Manager

