



# ***Cochrane Affordable Housing Strategy & Implementation Plan 2009***

prepared for the

**Town of Cochrane**

**and the**

**Cochrane Society for Housing Options  
(CSHO)**

September 2009

prepared by

 **housing** *strategies inc.*



# ***Cochrane Affordable Housing Strategy & Implementation Plan 2009***

prepared for the

**Town of Cochrane**

and the

**Cochrane Society for Housing Options (CSHO)**

prepared by

**Housing Strategies Inc.**  
Matthew MacNeil, Principal

September 2009





# Acknowledgements

## Acknowledgements

Housing Strategies Inc. wishes to thank the following people for their time, energy and assistance in developing the *Cochrane Affordable Housing Strategy & Implementation Plan 2009*:

### **Past and Present Members of the Cochrane Affordable Housing Task Force:**

Mayor Truper McBride (Chair)  
Councillor Joann Churchill, Town of Cochrane  
Councillor Tara McFadden, Town of Cochrane  
Howard Pruden, Cochrane Society for Housing Options  
Cathy Haynes, Cochrane Society for Housing Options  
Jochen Dimigen, Family & Community Support Services  
Vinette Gibson, Chamber of Commerce  
Robert McCrossan, Cochrane Planning Commission

### **Staff from the Town of Cochrane:**

Julian deCocq, CAO  
Lori Craig, Director of Corporate Services and Acting Director of Community and Protective Services  
Mike Saley, Director of Planning & Engineering  
Frank Wesseling, Consultant  
Susan Flowers, Manager, FCSS  
Suzanne Gaida, Acting Manager of Community and Protective Services  
Paige Milner, Manager of Financial Services  
Colin White, Manager of Planning  
Corinne Burns, Housing Coordinator  
Kelly Learned, Long Range Planning & Development  
Emily Allert-House, Communications Officer  
Betty Suski, Administrative Assistant  
Theresa Gilchrist, FCSS Summer Intern

### **The Cochrane Society for Housing Options Board of Directors and Staff**

Howard Pruden, Chair  
Cathy Haynes, Vice Chair  
Irene Walker, Treasurer  
Cindy White, Secretary  
Jim Graham, Board Director  
Patti Gryzko, Board Director  
Ken Hutchinson, Board Director  
Glen Sine, Board Director  
Jordan Teed, Board Director  
Corinne Burns, Housing Coordinator  
Helen Parnell, Property Manager

**The many residents, business owners and service providers who participated in the consultation process; providing invaluable insight and perspective.**





# Table

## Table of Contents

### **The Cochrane Affordable Housing Strategy & Implementation Plan 2009**

1.0	Introduction.....	1
2.0	Implementation and Monitoring.....	9
3.0	Enabling Public & Social Policy.....	11
4.0	Education & Advocacy .....	13
5.0	Planning Policies and Protocols.....	21
6.0	Land.....	29
7.0	Affordable Housing Development Capacity .....	35
8.0	Finances, Fees & Taxes .....	47

### **Appendix A: Evaluation of the 2002 Cochrane Affordable Housing Strategy .....**

1.0	Introduction.....	A-i
2.0	Evaluation.....	A-ii
2.1	Implementation .....	A-ii
2.2	Increase the Supply of Land for Affordable Housing.....	A-iv
2.3	Investigate Incentives for Affordable Housing .....	A-v
2.4	Build More Affordable Housing .....	A-vi
2.5	Seek Additional Funding for Affordable Housing.....	A-vii
2.6	Increase Capacity Building (Empowering Families) .....	A-viii
2.7	Identify Affordable Housing Demand in the Community .....	A-x
2.8	Emerging Issues .....	A-x
2.9	Feedback “Strategies & Recommendations Workshop” .....	A-xii

### **Appendix B: Options and Best Practices for Consideration .....**

1.0	Introduction.....	B-i
2.0	Education and Advocacy.....	B-ii
3.0	Removing Barriers.....	B-vii
4.0	Incentives .....	B-xi
5.0	Requirements .....	B-xiv
6.0	Fees and Taxes.....	B-xviii
7.0	Provision of Municipal Land .....	B-xxi
8.0	Assistance to Non-Profit Housing Organizations.....	B-xxv
9.0	Municipal Housing Corporations .....	B-xxvii
10.0	Direct Financial Approaches .....	B-xxx
11.0	Guiding Principles .....	B-xxxiii
11.0	Guiding Principles .....	B-xxxiii





# *Introduction*

## **1.0 Introduction to the *Cochrane Affordable Housing Strategy & Implementation Plan* 2009**



## 1.1 Overview

According to Cochrane's Municipal Development Plan, affordable housing is defined as:

*"housing that is available for people who cannot afford to rent or buy houses generally available on the open market. The highest priority for affordable housing is 'core need households' (households that spend more than 50% [sic.] of their income on shelter costs)."*<sup>1</sup>

This document has been created to address the need for a range of housing options appropriate to the incomes of all Cochrane citizens.

Communities need a variety of infrastructure and services to be a complete community. Affordable housing is one of the key elements needed to support a healthy, vibrant, and sustainable community. This document clearly links with the Cochrane Sustainability Plan 2009, and directly addresses Pathway #9: *Everyone has a roof over their head*. This document also addresses issues identified in the 2009 Social Master Plan.

The *Cochrane Affordable Housing Strategy & Implementation Plan 2009* was developed in consultation with a broad range of stakeholders from the Cochrane community including members of Council, senior Town staff, and local representatives from the housing and development industry, non-profits including Cochrane FCSS, business owners, service providers, and the Cochrane Society for Housing Options.

The Strategy is organized around seven interrelated themes as follows:

1. Implementation and Monitoring;
2. Enabling Social Policy;
3. Education & Advocacy;
4. Planning Policies and Protocols;
5. Land;
6. Affordable Housing Development Capacity; and
7. Finances, Fees & Taxes.

The specific initiatives identified in the Strategy are based on community feedback that included:

1. A series of Key Person Interviews to identify:
  - Affordable housing accomplishments to date (specific outcomes);
  - Challenges associated with implementing the original *Cochrane Affordable Housing Strategy (2002)*;
  - Known barriers and opportunities to overcoming the identified challenges; and
  - New opportunities available to the Town to promote affordable housing.
2. A review of current best practices from other municipalities that have addressed or are attempting to address their local affordable housing needs; and
3. A half-day Strategies & Recommendations Workshop to evaluate the identified best practices and determine which best practices are most appropriate/most likely to succeed in Cochrane.

The implementation plan component of the Strategy was further developed through a series of Key Stakeholder Workshops with four groups, including:

---

<sup>1</sup> Town of Cochrane Municipal Development Plan (October 2008), page 91.



- Developers/Builders (both For-Profit and Non-Profit);
- Local Businesses;
- Local Support and Service Organizations; and
- The Town of Cochrane.

These workshops helped each stakeholder group identify and explore their own specific roles, responsibilities, resources, targets and timelines for increasing the supply of affordable housing in Cochrane.

## **1.2 Emerging Issues and the *Cochrane Affordable Housing Strategy & Implementation Plan 2009***

Since the creation of the original *Cochrane Affordable Housing Strategy* in 2002 and the establishment of the Cochrane Society of Housing Options in 2003, several ongoing and/or emerging challenges have been identified, including:

1. Staffing (Town and CSHO);
2. Governance and partnerships;
3. Identifying and pursuing new housing targets; and
4. Creating and maintaining sustainable sources of funding.

The *Cochrane Affordable Housing Strategy & Implementation Plan 2009* attempts to address staffing issues by recommending the creation of two additional positions (one working for CSHO and the other working for the Town) to assist the Housing Coordinator with implementing the various recommendations included in the Strategy. The Town position would be responsible for implementing Town policy and Bylaw related initiatives, the CSHO position would be responsible for working with individual households to deal with their capacity issues, thereby allowing the Housing Coordinator position to focus more on partnership development, communications and stakeholder engagement and coordination.

The *Cochrane Affordable Housing Strategy & Implementation Plan 2009* attempts to address governance and partnership issues by recommending that the Town and CSHO enter into a contractual Service Agreement whereby the Town provides ongoing operating funds, limited access to Town staff support and capital funding (either through the *Affordable Housing Program – Block Funding Initiative Grant* and/or a Housing Reserve Fund) in exchange for CSHO serving as the Town’s primary affordable housing provider.

The *Cochrane Affordable Housing Strategy & Implementation Plan 2009* attempts to address funding issues (capital and operating) by recommending the creation a Housing Reserve Fund. In addition to providing capital dollars (equity) to assist with new affordable housing construction, this Fund could provide some financial resources (operating dollars) necessary to hire the two additional staff positions mentioned above.

The *Cochrane Affordable Housing Strategy & Implementation Plan 2009* attempts to address the need to identify and prioritize new housing targets by recommending updates to the *Cochrane Affordable Housing Needs Assessment* every five years to coincide with the release of Statistics Canada census data and by recommending that the Town and CSHO establish annual affordable housing targets. The means and criteria by which to establish priorities will need to be developed internally by the Town and CSHO – possibly through an annual strategic planning session.

## **1.3 Realistic Expectations**

While the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* includes a range of strategies to promote affordable housing based on best practices and the experiences of other communities, it should be recognized and accepted that increasing the supply of affordable housing will not



be an easy task even if all of the strategies are fully implemented. Lessons will continue to be learned, best practices will continue to emerge, attitudes will continue to change and evolve, and economic factors affecting housing development and affordability will continue to be dominant factors as the Strategy is implemented.

It should also be recognized and accepted that no one Strategy initiative implemented in isolation will address the issues. Most effective solutions for improving housing affordability require a combination of coordinated and complementary strategies or initiatives.

#### **1.4 Cost Implications**

Implementing the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* will require resources – both financial and human. Pursuing specific options may have cost implications not only for the Town of Cochrane and the Cochrane Society for Housing Options but for the local housing industry (developers and builders) and for local residents (tax payers) as well. Impacts could include:

- Developers could incur increased costs through additional fees, taxes, levies and surcharges on market housing units and potentially lose revenues through requirements to build housing that may have lower profit margins;
- Residents could incur higher housing costs as additional fees, taxes, levies and surcharges to developers are passed on to the consumer and potentially through increased property taxes to support a Housing Reserve Fund;
- The Cochrane Society for Housing Options could incur increased operating costs by hiring the staff necessary to implement the Strategy; and
- The Town of Cochrane could incur increased operating costs through both financial incentives to developers and below-market contributions of land for affordable housing and through increased operating costs by hiring the staff necessary to implement the Strategy.

The long-term sustainability and cost implications of options proposed in this Strategy will need to be determined as will a more substantive verification of stakeholders' willingness to pay prior to proceeding with specific options.



## 1.5 Implementation

The initial process for implementing the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* is as follows:

- Step 1:** The Town of Cochrane decides whether or not it will formally support the Cochrane Society for Housing Options (CSHO) serving the community as the primary affordable housing provider (i.e., the Town formally adopts this Strategy).
- Step 2:** The Town of Cochrane decides formally what resources it can and will commit to the Cochrane Society for Housing Options (CSHO) specifically and affordable housing generally, including financial resources, in-kind resources and staffing resources through the annual budgeting process.
- Step 3:** The Town of Cochrane negotiates, develops and signs a formal Service Agreement with the Cochrane Society for Housing Options (CSHO) establishing the Society as the community's primary affordable housing provider and assigning defined annual supports (financial, in-kind and staffing) to further this role.

- Step 4:** Through an internal planning process, the Cochrane Society for Housing Options (CSHO) prioritizes its specific initiatives identified in the Strategy, including:

- Roles and Responsibilities
- Resources (available and required)
- Targets/Measurable Outcomes
- Timelines
- Partnerships
- Costs (including revenue sources)

NOTE: It should be recognized that the resources that are available at any given point may dictate priorities.

- Step 5:** Through an internal planning process, the Town of Cochrane prioritizes its specific initiatives identified in the Strategy, including:

- Roles and Responsibilities
- Resources (available and required)
- Targets/Measurable Outcomes
- Timelines
- Partnerships
- Costs (including revenue sources)

NOTE: It should be recognized that the resources that are available at any given point may dictate priorities.

- Step 6:** The Town of Cochrane and the Cochrane Society for Housing Options (CSHO) begin formal implementation of their respective priorities as defined above. The Town and CSHO partner with multiple stakeholders and delegate where appropriate.

What follows is a summary of the individual initiatives identified in the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* organized according to the seven themes identified above along with the associated implementation plan for each initiative.



Table 1: Anticipated Costs of Implementing the *Cochrane Affordable Housing Strategy & Implementation Plan 2009*

Recommendations	2009		2010		2011		2012		2013		2014	
	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required
2.1 Monitor/Oversee the Ongoing Implementation of <i>Cochrane Affordable Housing Strategy &amp; Implementation Plan 2009</i>	CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time	
3.1 Amend Existing and/or Develop New Public and Social Policy to Promote Affordable Housing				New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time
4.1 Support CSHO Taking Lead Role in Education and Advocacy	CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time	
4.2 Develop a Focused, Ongoing Affordable Housing Education and Outreach Program				New CSHO & Town Staff time		New CSHO & Town Staff time						
4.3 Facilitate Public Awareness in Planning for Affordable Housing	CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time	
4.4 Network Regionally to Build Local Capacity and to Collaborate on Common Advocacy Initiatives	CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses	
4.5 Network Provincially and Federally to Build Awareness and Support for the Community's Affordable Housing Needs and Efforts	CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses		CSHO & Town Staff Time + Travel Expenses	
5.1 Increase awareness of Existing Opportunities to Develop Affordable Housing in Cochrane						New CSHO & Town Staff time						
5.2 Require Affordable Housing in All New Subdivisions and In Areas of Redevelopment Where Appropriate				New CSHO & Town Staff time		New CSHO & Town Staff time						
5.3 Promote Environmentally Friend Design in Construction of Affordable Housing Developments				New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time
5.4 Encourage Pedestrian-Oriented Development, Particularly in Downtown & Surrounding Business Districts, with Consideration for Future Transit-Oriented Development				New CSHO & Town Staff time								
6.1 Identify and Pursue Opportunities to Make Better Use of Existing Land Resources								New CSHO & Town Staff time				
6.2 Acquire Land and Units from Private Sector for Affordable Housing Where Appropriate	Town \$646,532 Prov. Block Funding CSHO RFP \$.1.74 million		Town \$584,764 Prov. Block Funding			Town and CSHO as funding available		Town and CSHO as funding available		Town and CSHO as funding available		Town and CSHO as funding available and financial capacity established

Legend:

- Black Text – Can be completed with existing resources
- Green Text – Can only be Completed with additional staffing resources
- Red Text – Town of Cochrane financial commitment required
- Blue Text – Cochrane Society for Housing Options financial commitment required



Recommendations (Cont'd)	2009		2010		2011		2012		2013		2014	
	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required	Already Resourced	New Resources Required
7.1 Maintain and Strengthen Positive Relationship Between the Town and CSHO	CSHO & Town Staff time	(Legal fees: Service Agreement) (Town/CSHO)										
7.2 Facilitate Affordable Housing Partnerships Among Local Stakeholders	CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time	
7.3 Encourage External Non-Profit and Charitable Housing Providers to Develop in Cochrane	CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time		CSHO & Town Staff time	
7.4 Hire a Full-Time Position to Conduct Affordable Housing/Social Planning (Town Position)	\$15,000 MSI Grant already approved (Consultants)			CSHO has applied for 3 year funding to cover cost of this position (\$69,500 – Grant))	If CSHO grant approved \$36,000 (1/2 time)	\$36,000 (1/2 time) (Town) Or support/resources supplied through existing Planning Department position	If CSHO Grant approved \$37,000 (1/2 time)	\$37,000 (1/2 time) (Town) Or support/resources supplied through existing Planning Department position	Support/resources supplied through existing Planning Department position		Support/resources supplied through existing Planning Department position	
7.5 Support the Hiring of a Full-Time Housing Support Worker (CSHO Position)				CSHO has applied for 3 year funding to cover cost of this position (\$56,252 – Grant)	If CSHO grant approved \$57,900		If CSHO grant approved \$59,500		Position funded by CSHO with funds raised by Social Ventures (to be developed between 2009 – 2012)		Position funded by CSHO with funds raised by Social Ventures (to be developed between 2009 – 2012)	
8.1 Actively Seek Funding for Affordable Housing			CSHO Grants and Bank Financing			CSHO Grants and Bank Financing		CSHO Grants and Bank Financing		CSHO Grants and Bank Financing		CSHO Grants and Bank Financing
8.2 Explore Opportunities to Increase Funds into Existing Affordable Housing Reserve Fund			CSHO & Town Staff time		CSHO & Town Staff time							
8.3 Support Opportunities to Increase the Long-Term Sustainability of the CSHO through Establishment of Financially Viable Society Enterprises				New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time		New CSHO & Town Staff time

Legend:

Black Text – Can be completed with existing resources  
Green Text – Can only be Completed with additional staffing resources  
Red Text – Town of Cochrane financial commitment required  
Blue Text – Cochrane Society for Housing Options financial commitment required



Sub-total of Anticipated Costs	2009		2010		2011		2012		2013		2014	
	Currently Resourced	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required
Town of Cochrane – Financial	- \$15,000 (MSI Grant) - \$24,000 HC Sal & Ben - \$63,185 William St. purchase - \$14,162 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	Service Agreement legal review – minor cost	- \$24,720 HC Sal & Ben - \$63,185 William St. purchase - \$14,587 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	(Costs listed in red below are pending approval in 2010 budget)  \$3,400 supplies, staff training, Travel, etc  \$2,500 Reserve for 2015 Housing Strategy	- \$25,462 HC Sal & Ben - \$63,185 William St. purchase - \$15,024 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	\$36,000 towards ½ time planning consultant or staff position or support/resources built into existing Planning Department position  \$3,400 supplies, staff training, Travel, etc  \$2,500 Reserve for 2015 Housing Strategy	- \$26,225 HC Sal & Ben - \$63,185 William St. purchase - \$15,475 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	\$37,000 towards ½ time planning consultant or staff position or support/resources built into existing Planning Department position  \$3,400 supplies, staff training, Travel, etc  \$2,500 Reserve for 2015 Housing Strategy	- \$27,012 HC Sal & Ben - \$63,185 William St. purchase - \$15,940 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	If ongoing support not built into existing planning department position, ongoing staff dollars will be required (*\$38,110)  \$3,400 supplies, staff training, Travel, etc  \$2,500 Reserve for 2015 Housing Strategy	- \$27,822 HC Sal & Ben - \$63,185 William St. purchase - \$16,418 budgeted for annual operating expenses <i>(note: current rental income of \$40,000/yr)</i>	If ongoing support not built into existing planning department position, ongoing staff dollars will be required (*\$39,253)  \$3,400 supplies, staff training, Travel, etc  \$2,500 Reserve for 2015 Housing Strategy
Town of Cochrane – In-Kind	Administrative support, supervision, office, supplies, IT, phone, copying		Administrative support, supervision, office, supplies, IT, phone, copying		Administrative support, supervision, office, supplies, IT, phone, copying		Administrative support, supervision, office, supplies, IT, phone, copying		Administrative support, supervision, office, supplies, IT, phone, copying		Administrative support, supervision, office, supplies, IT, phone, copying	
Town of Cochrane Housing Reserve Fund	\$11,000		\$11,330	\$18,670	\$11,670	\$30,000	\$12,020	\$30,000	\$12,381	\$50,000	\$12,752	\$50,000
Cochrane Society for Housing Options	\$37,000 HC Salary	Service Agreement legal review- minor cost	\$38,110 HC Salary	\$145,008 Staffing		\$112,216 Staffing \$20,000 Project Development		\$114,953 Staffing \$18,000 Project Development				
Grants (Operating, Capital)	-\$15,000 MSI Grant -Town \$646,532 Prov. Block Funding -CSHO RFP \$1.74 million		Town \$584,764 Prov. Block Funding	- \$54,992 Capital – office reno and equipment - New Grants for capital projects		- \$13,000 equipment costs - New Grants for capital projects		- New Grants for capital projects		- New Grants for capital projects		- New Grants for capital projects

Legend:

- Black Text – Can be completed with existing resources
- Green Text – Can only be Completed with additional staffing resources
- Red Text – Town of Cochrane financial commitment required
- Blue Text – Cochrane Society for Housing Options financial commitment required



Total Financial Commitment	2009		2010		2011		2012		2013		2014	
	Currently Resourced	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required	Resources Available	New Funding Required
<b>TOWN OF COCHRANE TOTAL ANNUAL OPERATING CONTRIBUTION</b>	\$49,162	\$500 (est.)	\$50,637	\$24,570	\$52,156	\$71,900	\$53,720	\$72,900	\$55,333	\$55,900 +(*\$38,110)	\$56,992	\$55,900 +(*\$39,253)
<b>TOWN OF COCHRANE TOTAL ANNUAL CAPITAL CONTRIBUTION**</b>	\$63,185 + \$646,532 grant = \$709,717		\$63,185 + \$584,764 grant =\$647,949		\$63,185	As resources become available	\$63,185	As resources become available	\$63,185	As resources become available	\$63,185 (completed in 2015)	As resources become available
<b>CSHO TOTAL ANNUAL OPERATING CONTRIBUTION</b>	\$37,000	\$500 (est.)	\$38,110	\$145,008	\$39,253	\$112,216 Staffing \$20,000 Project Development	\$40,431	\$114,953 Staffing \$18,000 Project Development	\$41,644	\$80,292 Salaries (funded by Social Ventures)	\$42,893	\$82,700 Salaries (funded by Social Ventures)
<b>CSHO TOTAL ANNUAL CAPITAL CONTRIBUTION**</b>	\$1.74 million			\$54,992 As resources become available		\$13,000 equipment costs As resources become available		As resources become available		As resources become available		As resources become available

Legend:

Black Text – Can be completed with existing resources  
Green Text – Can only be Completed with additional staffing resources  
Red Text – Town of Cochrane financial commitment required  
Blue Text – Cochrane Society for Housing Options financial commitment required

Additional Notes:

\*\*Note#1: Planning Policy changes may impact revenue generation, but amount cannot be determined without additional research.

\*\*Note #2: To meet housing needs identified in this strategy, as much as \$800,000 - \$2.25 million/year in CAPITAL funding may be needed through a combination of grant funds, bank financing, CSHO and Town Contributions.



# *Implementation*

## **2.0 Implementation and Monitoring**



## **2.1 Monitor and Oversee the Ongoing Implementation of the *Cochrane Affordable Housing Strategy & Implementation Plan 2009***

### **2.1.1 Introduction**

The Town of Cochrane is encouraged to establish a protocol for monitoring and overseeing the implementation of this Strategy. This would include:

- Developing and overseeing an action plan to guide implementation;
- Regular reviews to ensure a continued commitment to making progress;
- Regular reporting to Council and key stakeholders on that progress and;
- Regular updates to the Strategy to ensure it remains both a living and current document.

Monitoring of this Strategy could be done either by establishing a special Committee to meet on a quarterly basis, by assigning responsibilities to the existing Housing Coordinator or, ideally, a combination of both.

### **2.1.2 Considerations**

Monitoring and overseeing the implementation of this Strategy will need to be a collaborative process between the Town of Cochrane and the Cochrane Society for Housing Options (CSHO). It may also require additional staff resources that need to be phased in over time. Monthly or bi-monthly progress meetings between the staff of both organizations may be required. Implementation will likely be an ongoing agenda item for the Board of the Cochrane Society for Housing Options (CSHO) as well. Quarterly or semi-annual updates to Town Council are also recommended.

### **2.1.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative with the participation of the Cochrane Society for Housing Options (CSHO). Both organizations will be responsible for developing annual strategic/business/work plans to identify their perspective priorities and guide the implementation of those priorities. One of the conditions outlined in the proposed Service Agreement may be the requirement for the Cochrane Society for Housing Options (CSHO) to submit its annual strategic/action plan to the Town. Additionally, implementation of the Strategy will be included in the Business Plans of both CSHO and the Town of Cochrane to ensure its continued support.

The Housing Coordinator will coordinate and oversee the implementation of both the Town's and CSHO's strategic/action plans as this staff position is currently funded by and works on a part-time basis for both organizations. It is expected that both organizations will update Council jointly on the progress they are making in implementing their annual strategic/action plans.

For the Town of Cochrane, implementation will likely need to be measured against the Town's current strategic and business plans, ensuring that the resources dedicated to implementing this Strategy are balanced across the range of Town initiatives and annual objectives.

### **2.1.4 Resources**

The resources currently available to assist in implementing this initiative include:

- |  |  |
|--|--|
| • Financial (\$):                        | Town and FCSS funding for CSHO operating costs.                                      |
| • Staff Time, Knowledge & Expertise:     | Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO). |
| • Volunteer Time, Knowledge & Expertise: | Cochrane Society for Housing Options (CSHO) Board of Directors.                      |



Additional staff resources may be required to implement this initiative (e.g., staff from both the Town and CSHO participating in regular meetings to update the Housing Coordinator on progress to date and to discuss additional resource requirements). Alternatively, the Town and/or CSHO could hire a practicum student (or students) on a cost-sharing basis to assist in overseeing implementation. The costs of hiring practicum students are marginal (est. \$7,500) and some of these costs can be covered through grants.

### **2.1.5 Targets & Timelines**

A protocol for monitoring this Strategy and providing progress updates to the Town of Cochrane and CSHO will be established by the end of 2009.

Actual monitoring and provision of updates will be an ongoing process. Hiring the necessary practicum student(s) will begin in 2010.

### **2.1.6 Anticipated Costs (Annual)**

The anticipated costs required to fund the Housing Coordinator position are already approved within the Town's and CSHO's existing budgets under current agreements and, therefore, do not represent new moneys. Additional costs will be incurred should additional staff be hired to assist in the implementation of this plan.



# *Policy*

## **3.0 Enabling Public & Social Policy**



### **3.1 Amend Existing and/or Develop New Public and Social Policy to Promote Affordable Housing**

#### **3.1.1 Introduction**

Establishing appropriate public and social policy is a prerequisite to justify and assist the Town in developing special incentives for affordable housing and for requiring and/or negotiating the creation of affordable housing units within the private sector. The Town is therefore encouraged to both amend existing planning documents and develop new public and social policies to support affordable housing. This would include:

- Amending the Town’s Municipal Development Plan and subsequent Area Redevelopment/Area Structure Plans to include specific policies encouraging not only a broader range and diversity of *housing* types in the community but also a broader range and diversity of *household* types for all income levels;
- Amending the Town’s statutory planning documents to include specific definitions and criteria for what constitutes “affordable housing” for policy purposes;
- Amending the Town’s Land Use Bylaw where applicable;
- Developing a process to establish and implement annual targets for affordable housing linked to annual growth (e.g., as a percentage of anticipated annual growth);
- Developing social policy that gives priority to *perpetually* affordable housing (PAH) over other forms of affordable housing;
- Incorporating a specific vision for affordable housing in the community along with clear definitions and both short- and long-term targets into the Town’s Sustainability Plan (refer to Cochrane Sustainability Plan 2009, Pathway #9);
- Incorporating a specific vision for affordable housing in the community along with clear definitions and both short- and long-term targets into the Town’s Community Social Master Plan; and
- Establishing policy with clear definitions and both short - and long-term targets whereby suitable neighbourhoods are required to support their “fair share” of affordable housing.

In order to function effectively, each of these enabling social policies will need to be consistent and compatible with one another.

#### **3.1.2 Considerations**

The Town will need to determine which enabling public and social policies are most appropriate to pursue in terms of their:

- Anticipated outcomes;
- Ease of delivery and enforcement ; and
- Permissibility within the Municipal Government Act (MGA) of Alberta.

Also, enabling public and social policies developed to support affordable housing will have to be consistent with other enabling public and social policies currently being developed by the Town.

#### **3.1.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative in consultation with the broader community, including (but not limited to):



- The Cochrane Society for Housing Options (CSHO);
- Local developers and builders;
- Local business owners;
- Local non-profits;
- Local community support service providers; and
- Alberta Housing and Urban Affairs.

### 3.1.4 Resources

The resources currently available to assist in implementing this initiative include:

- Staff Time, Knowledge & Expertise: Town of Cochrane (including legal staff), Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors, local developers and builders, local business owners, local non-profits and local community support service providers.

Additional knowledge and expertise could be gained from other communities that have implemented various enabling public and social policy in support of affordable housing. Consultants may also be required.

### 3.1.5 Targets & Timelines

A preliminary list of highest-priority enabling public and social policies to develop will be created within six months after the formal adoption of this Strategy by the Town of Cochrane. The actual development of those highest-priority policies may take up to three years to complete. Additional policies will be identified and developed on an ongoing basis. Actual policy development will be required to be incorporated into the appropriate Business Plans annually for individual Town departments (e.g., Planning & Engineering, Corporate Services, etc.).

### 3.1.6 Anticipated Costs (Annual)

There are no additional costs associated with implementing this initiative other than those costs associated with the hiring of a part-time or full-time Affordable Housing/Social Planner identified in Recommendation 7.4 below. Additionally, some of the costs associated with this recommendation can be covered through grants.



# *Education*

## **4.0 Education & Advocacy**



## 4.1 Support the Cochrane Society for Housing Options (CSHO) in Taking a Lead Role in Education and Advocacy

### 4.1.1 Introduction

The Town of Cochrane is encouraged to assign the lead role for education and advocacy to the Cochrane Society for Housing Options (CSHO) in order to promote greater consistency and coordination among multiple initiatives. The Town is therefore encouraged to resource and charge CSHO with promoting affordable housing education and advocacy in Cochrane through the proposed Service Agreement with the Town. This would include:

- **Education** – educate the public and the local housing industry (e.g., developers, home builders, REALTORS™, mortgage brokers, etc.) about affordable housing best practices, local planning rules and regulations related to housing, NIMBY (“Not In My Backyard”), and funding opportunities for affordable housing.
- **Learning** – learn from the local housing industry about its needs, challenges and potential opportunities to work with CSHO and the Town on affordable housing projects.
- **Advocacy** – recommend policies, programs and procedures to the Municipal, Provincial and Federal Governments that may serve to facilitate affordable housing, including amendments to the *Municipal Government Act* (MGA) where appropriate.
- **Monitoring Housing Needs** – develop and maintain a system for monitoring changing and emerging affordable housing needs in the community.
- **Prioritizing Housing Demand** – work with key stakeholders to identify housing priorities and recommend strategies to the Town, CSHO and the local housing industry.
- **Developing Annual Affordable Housing Targets** – work with the Town and the local housing industry to establish annual affordable housing targets.
- **Partnership Development** – work with local private, public, and non-profit sector organizations to build partnerships for affordable housing development.
- **Community Development** – work with the housing industry, local businesses and non-profits to build the capacity among lower-income households to become homeowners through:
  - Homeownership education and training (where appropriate);
  - Rent-to-own programs (where appropriate); and
  - Down-payment assistance (where appropriate).
- **Funding** – pursue funding opportunities for affordable housing wherever available and appropriate for Cochrane.

### 4.1.2 Access To Information

In order to make information about the community’s housing needs and its overall strategy for addressing those needs readily available and accessible to the general public, both the Town of Cochrane and the Cochrane Society for Housing Options (CSHO) are encouraged to post the completed *2009 Cochrane Affordable Housing Needs Assessment Update* and the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* on their respective websites.

### 4.1.3 Considerations

Feedback gathered from various stakeholder groups during the development of this Strategy indicates a wide range of interested community partners willing to engage in the implementation of this initiative, including developers and builders, local businesses and the local non-profit sector.



A number of education and advocacy initiatives are currently underway and may only need to be enhanced through additional in-kind support from the Town of Cochrane and the Cochrane FCSS. The increase in the number of education and advocacy initiatives will require additional staff time and resources from the Cochrane Society for Housing Options (CSHO) and may be supported through partnerships with other local and regional organizations.

#### **4.1.4 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative in partnership with the Town of Cochrane. The specific roles and responsibilities of each organization will be outlined in the Service Agreement between the Town and CSHO along with the resources (funding, in-kind and staff) to be provided by the Town. Additionally, both The Cochrane Society for Housing Options (CSHO) and the Town of Cochrane will post links to the *2009 Cochrane Affordable Housing Needs Assessment Update* and the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* on their respective websites.

#### **4.1.5 Resources**

The resources currently available to assist in implementing this initiative include:

- Financial (\$): Town and FCSS funding for CSHO operating costs.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors, local developers and builders, local business owners, local non-profits and local community support service providers.
- Networks/Connections: Examples from other communities of successful education and outreach strategies.

#### **4.1.6 Targets & Timelines**

The enhancement of current educational and advocacy programs will begin by the end of 2009. The development of additional educational and advocacy programs will begin in 2010. The posting of documents on both the Town's website and CSHO's website will take place within one month of the formal adoption of this Strategy.

#### **4.1.7 Anticipated Costs (One-Time)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative. Any costs will be covered through existing resources, staff time and commitments from the Town, CSHO and/or grants where available.



## 4.2 Develop a Focused, Ongoing Affordable Housing Education and Outreach Program

### 4.2.1 Introduction

A focused and ongoing affordable housing education and outreach program is needed to build understanding, awareness and support for affordable housing in Cochrane. Such a program could include:

- Updates to the Cochrane Affordable Housing Needs Assessment every five years to coincide with the release of Statistics Canada census data;
- Annual reports or “report cards” showcasing affordable housing success stories and the community’s progress towards meeting its affordable housing needs (e.g., successful implementation of specific recommendations included in this Strategy and any new affordable housing units created);
- Presentations to local groups (including the Chamber of Commerce, local Service Clubs, the Faith Community, local schools, etc.);
- Partnering with the media to:
  - Describe real life situations in the papers (e.g., “putting a face to affordable housing”) – recognizing that anonymous case studies can have the same impact without naming people;
  - Provide a series of interviews with different local business owners and how the lack of affordable housing is affecting their business;
  - Have guest columnists (e.g., from CSHO, etc.) submit stories; and
  - Include an ongoing series of “Did-You-Knows” (always looking the same, always consistent) spread throughout the papers that include affordable housing facts and figures to help dispel the myths.
- Incorporating affordable housing “Did-You-Knows” into community event programs and activities where appropriate;
- Conducting workshops with the private sector bringing in keynote speakers showcasing innovative approaches to affordable housing; and
- Leading special research projects, studies and surveys as identified from time to time.

### 4.2.2 Considerations

Feedback gathered from various stakeholder groups during the development of this Strategy indicates a wide range of interested community partners willing to engage in the implementation of this initiative, including developers and builders, local businesses and the local non-profit sector.

Developing and implementing the education and outreach strategy will require a partnership between the Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).

### 4.2.3 Roles & Responsibilities

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative per the Service Agreement between the Town and CSHO in partnership with Cochrane FCSS. CSHO will seek to actively engage a wide spectrum of local stakeholders in implementing this initiative, including:

- CSHO/FCSS: Identified housing needs and pre-selecting potential homeowners from existing tenants and current waitlists;
- Banks: Homeownership education and training;
- Developers/Builders: Affordable housing barriers and opportunities and assisting CSHO and the Town with individual advocacy initiatives;



- Cochrane Employment: Referrals;
- Cochrane Chamber of Commerce: Sharing information about housing needs with Chamber members, assisting CSHO and the Town with individual advocacy initiatives, and providing a forum for CSHO presentations (monthly meetings, trade shows and events);
- CFC West: Ensuring that proposed economic development projects consider housing as part of the overall development;
- Local employers: Matching staff RRSP contributions to assist with coming up with a downpayment on a home and mentoring employees;
- Local media: Sharing information with the broader community; and
- Canada Mortgage and Housing Corporation (CMHC) Workshops.

#### 4.2.4 Resources

The resources currently available to assist in implementing this initiative include:

- Financial (\$): Town and FCSS funding for CSHO operating costs.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors, local developers and builders, local business owners, local non-profits, local community support service providers, CMHC.
- Networks/Connections: Examples from other communities of successful education and outreach strategies/programs.

Additional resources required to implement this initiative include:

- Direction from CSHO in terms of what information to disseminate and how;
- Press Releases, Fact Sheets, Speaking Points, “Did-You-Knows”, etc.; and
- Specific requests from CSHO for assistance/involvement in education and advocacy campaigns.

#### 4.2.5 Targets & Timelines

The education and outreach program will be developed within six months to one year after the formal adoption of this Strategy by the Town of Cochrane. Implementing the program will occur on an ongoing basis.

#### 4.2.6 Anticipated Costs (Annual)

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



### **4.3 Facilitate Public Awareness in Planning for Affordable Housing**

#### **4.3.1 Introduction**

NIMBY opposition remains a significant constraint to affordable housing. Involving the local community early in the planning and development stages of a new project can help to reduce opposition. By doing so, residents are better able to identify and address their concerns and work cooperatively with developers to ensure affordable housing projects will be attractive, compatible with surrounding homes, and be a community asset.

The Town is encouraged to develop a standard protocol and guidebook for community consultations to assist developers in dealing more effectively with NIMBY opposition to new affordable housing proposals.

#### **4.3.2 Considerations**

The Town already has a policy and guidelines for public consultation. Feedback gathered from various stakeholder groups during the development of this Strategy suggests that these guidelines may not be widely known or used. Additional efforts are likely required to ensure broader and more effective use of these guidelines.

#### **4.3.3 Roles & Responsibilities**

The Town of Cochrane will take a lead role in ensuring the public is more actively engaged in the planning process for affordable housing with assistance/participation from the Cochrane Society for Housing Options (CSHO) and from local developers.

In addition to more broadly advertising the Town's policy and guidelines for public involvement in the planning process, the Town will:

- Provide support and expertise during developer-hosted Open Houses;
- Publicize Open Houses in the media;
- Share existing research and information to help developers overcome NIMBY opposition to their affordable housing projects; and
- Educate developers on how to best present affordable housing projects to the public.

The Cochrane Society for Housing Options (CSHO) will:

- Provide support and expertise during developer-hosted Open Houses;
- Share existing research and information to help developers overcome NIMBY opposition to their affordable housing projects; and
- Perform the responsibilities of developers on CSHO-sponsored housing projects.

Developers (including CSHO) will:

- Lead community Open Houses;
- Provide graphics and supporting information related to the proposed affordable housing projects; and
- Answer the public's questions and concerns in an open and productive manner.

#### **4.3.4 Resources**

The resources available to assist in implementing this initiative include:



- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).
- Enabling Public Policy: Community Consultation Policy 1106-01, June 12, 2006.

Additional resources required include developer willingness to incur the costs of fully implementing Community Consultation Policy 1106-01, June 12, 2006 and additional Town staff time to provide the necessary assistance to developers to implement the policy.

#### **4.3.5 Targets & Timelines**

An action plan for how to more effectively enforce Community Consultation Policy 1106-01, June 12, 2006 will be developed within six months to one year after the formal adoption of this Strategy by the Town of Cochrane. Implementing the policy will occur on an ongoing basis.

#### **4.3.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



## **4.4 Network Regionally to Build Local Capacity and to Collaborate on Common Advocacy Initiatives**

### **4.4.1 Introduction**

Networking with similar groups in surrounding communities (e.g., Airdrie, Canmore, Banff, Okotoks and Strathmore) would help to share information, build awareness, learn from each others' successes and challenges, and work collectively on common advocacy initiatives.

### **4.4.2 Considerations**

Advocacy will likely focus on responding to specific/targeted issues, and therefore, will likely evolve informally and engage relevant stakeholders on an *ad hoc* basis.

### **4.4.3 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative per the Service Agreement between the Town and CSHO. The Town will network regionally on planning and municipal governance questions and challenges, while CSHO will network regionally on housing development and operating questions and challenges.

Where appropriate, both the Town and CSHO will seek to coordinate their advocacy efforts and initiatives as well as support each others' individual initiatives.

### **4.4.4 Resources**

Feedback gathered from various stakeholder groups during the development of this Strategy indicates a wide range of interested community partners willing to engage in the implementation of this initiative, including developers and builders, local businesses and the local non-profit sector. Each of these stakeholders have the potential to contribute a range of resources (depending on the nature and purpose of individual advocacy initiatives), including financial, staff time/knowledge/expertise, volunteer time/knowledge/expertise and external networks (i.e., links to other potential supporters).

### **4.4.5 Targets & Timelines**

Since advocacy will likely be issue-based and evolve informally on an *ad hoc* basis, general targets and timelines for this initiative are not offered.

### **4.4.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than travel costs associated with attending meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



## **4.5 Network Provincially and Federally to Build Awareness and Support for the Community's Affordable Housing Needs and Efforts**

### **4.5.1 Introduction**

Networking with government officials and elected representatives at both the Provincial and Federal levels would help to build greater awareness of the community's housing needs and strategies among the higher levels of government.

### **4.5.2 Considerations**

Advocacy will likely focus on responding to specific/targeted issues, and therefore, will likely evolve informally and engage relevant stakeholders on an *ad hoc* basis.

### **4.5.3 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative per the Service Agreement between the Town and CSHO. The Town will network Provincially and Federally on planning and municipal governance questions and challenges, while CSHO will network Provincially and Federally on housing development and operating questions and challenges. Both organizations will network Provincially and Federally on funding-related questions and challenges.

Where appropriate, both the Town and CSHO will seek to coordinate their advocacy efforts and initiatives as well as support each others' individual initiatives.

### **4.5.4 Resources**

Feedback gathered from various stakeholder groups during the development of this Strategy indicates a wide range of interested community partners willing to engage in the implementation of this initiative, including developers and builders, local businesses and the local non-profit sector. Each of these stakeholders have the potential to contribute a range of resources (depending on the nature and purpose of individual advocacy initiatives), including financial, staff time/knowledge/expertise, volunteer time/knowledge/expertise and external networks (i.e., links to other potential supporters).

### **4.5.5 Targets & Timelines**

Since advocacy will likely be issue-based and evolve informally on an *ad hoc* basis, general targets and timelines for this initiative are not offered.

### **4.5.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than travel costs associated with attending meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



# *Planning*

## **5.0 Planning Policies and Protocols**



## **5.1 Increase Awareness of Existing Opportunities to Develop Affordable Housing in Cochrane**

### **5.1.1 Introduction**

An important part of making this Strategy a success will be to facilitate discussions with developers and builders about existing policies and zoning regulations within the Town's Municipal Development Plan and Land Use Bylaw that support housing affordability. Discussions could include:

- Increasing awareness of the number of residential zoning options already available to developers within the Town's current Land Use Bylaw;
- Exploring opportunities to develop new zoning regulations to encourage more housing variety in the community where appropriate and deemed necessary;
- Identifying more flexible, effective and/or creative uses of existing land (see *Section 3.0 Removing Barriers* in Appendix B);
- Exploring options surrounding the construction of legal basement suites in new residential subdivisions;
- Exploring opportunities to encourage more affordable housing by negotiating:
  - Density bonuses;
  - Parking requirements where appropriate;
  - Development fees and levies;
  - Municipal and School Reserve requirements; and/or
  - Road allowances could help.

The Town of Cochrane, in partnership with CSHO, is encouraged to work with the local housing industry to establish a collaborative venue for discussion and education. It should be noted that while there is a basis for relaxing certain planning requirements where appropriate, reducing standards, fees and/or reserve requirements could have other implications, both financial and social and may not be appropriate in some circumstances. Furthermore, relaxations should not result in sub-standard affordable housing – either in the quality of its construction or in the neighbourhood amenities available to its residents.

The Town is also encouraged to find ways to increase the number of legally-conforming secondary suites throughout the community by assisting residents in the permit process so that construction meets Safety Code standards.

### **5.1.2 Considerations**

The development community plays a significant role in the creation of affordable housing. It is important to make developers aware of what is already available through existing legislation. It is also important to ensure their concerns and suggestions are heard and explored. For example, during stakeholder workshops, the developers discussed:

- The impact on housing costs of carrying Construction Completion Certificates (CCCs) and Final Acceptance Certificates (FACs) (e.g., the cost of carrying Letters of Credit);
- The potential cost savings that could result from achieving greater efficiencies in the overall planning process (i.e., for all types of development); and
- Opportunities that could be gained by providing grants for secondary suites.



Developing additional residential zoning options may not be a priority at this time. Feedback gathered from various stakeholder groups during the development of this Strategy suggests that some developers are not fully aware of the range of zoning opportunities currently available in Cochrane to support affordable housing (including accessory suites, garden suites, etc.). Further consultation with the development industry is required to determine to what extent this initiative is a priority for affordable housing.

This initiative can be potentially implemented with existing staff resources.

### **5.1.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative in partnership with CSHO. This may include establishing a special Task Force that includes local developers and/or representatives from the Urban Development Institute (UDI) and the Calgary Region Home Builders' Association (CRHBA). In addition, CMHC has resources available to aid in facilitating this process.

The Town of Cochrane will take the lead role in implementing this initiative in consultation with the development industry and other Alberta communities that have developed new residential zoning options designed to support affordable housing.

### **5.1.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town of Cochrane, Federal and/or Provincial grants (potentially).
- Staff Time, Knowledge & Expertise: Town of Cochrane, developers and builders.
- Networks/Connections: Examples from other communities .

### **5.1.5 Targets & Timelines**

This Strategy can be implemented within one to two years after the formal adoption of this Strategy by the Town of Cochrane. Specific timelines and action steps will need to be incorporated into the appropriate Business Plans for individual Town departments (e.g., Planning & Engineering, Corporate Services, etc.) commencing in 2010. Increasing the number of residential zoning options available to developers to support affordable housing that meet safety codes standards for accessory suites will be developed on an as needed basis after the formal adoption of this Strategy by the Town of Cochrane. Specific timelines and action steps for the development of new zoning options may need to be incorporated into the Planning & Engineering Department's Business Plan.

### **5.1.6 Anticipated Costs (One-Time)**

No additional costs either from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) would be associated with implementing this initiative other than those costs associated with the hiring of a part-time or full-time Affordable Housing/Social Planner identified in Recommendation 7.4 below. Should the Town of Cochrane proceed with the hiring of this position, any costs would be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants.

Should the Town of Cochrane decide *not* to proceed with the hiring of a part-time or full-time Affordable Housing/Social Planner, this initiative would need to be contracted out; in which case, the Town would incur the cost of consulting fees. It is anticipated that grants could be obtained to cover these fees.



## 5.2 Require Affordable Housing in All New Subdivisions and In Areas of Redevelopment Where Appropriate

### 5.2.1 Introduction

An effective strategy for increasing the supply of affordable housing in Cochrane may be to develop policy that *requires* a range of affordable housing options in all new subdivisions and areas of redevelopment, where appropriate. However, requiring affordable housing may or may not be permissible under the *Municipal Government Act* (MGA). Some local stakeholders feel that if affordable housing is to be required as part of new residential developments, incentives (e.g., density bonuses, reduced parking requirements, etc.) should also be provided by the Town to offset some of the costs (lost revenues) resulting from these requirements. Social policy that enables the creation of affordable housing may also be required to justify these requirements. Careful consideration must be given to policy changes particularly where relaxations and incentives may be involved to ensure the appropriate and best use of such policies.

The Town of Cochrane is also encouraged to establish a policy whereby land use redesignations (i.e., rezoning) and development relaxations are only permitted where the proposed development meets a defined community need for land (e.g., affordable housing in the case of a large scale residential development). Along with this policy, the Town may need to develop clear definitions or criteria for what constitutes a “defined need” in terms of housing (e.g., through annual housing targets or through the Town’s *Sustainability Matrix*).

Additionally, the Town of Cochrane and CSHO are encouraged to establish clear guidelines and targets for what constitutes appropriate affordable housing in different areas of the community (e.g., target household incomes and preferred price points within the Downtown Core vs. established neighbourhoods vs. new subdivisions). This will help to ensure a balanced and appropriate mix of affordable housing throughout the community and particularly in established neighbourhoods where existing affordable housing units may be lost due to redevelopment (i.e., gentrification).

The Town of Cochrane is also encouraged to explore the feasibility (including legal aspects) of:

- Developing a replacement policy whereby any identified or designated affordable housing units lost through redevelopment must be replaced either on-site or elsewhere in the community. If permitted under the MGA and feasible, establish the policy;
- Establishing a commercial linkage program that requires large commercial and residential developments to provide a specified percentage of housing units for its intended workforce and either gift or sell those units at below-market rates to CSHO to own and operate as a neutral third-party. If permitted under the MGA and feasible, establish the program; and
- Requiring that a certain percentage of new single detached homes in large developments incorporate secondary suites (either fully furnished or “roughed-in” to allow cost-effective future renovations).

### 5.2.2 Considerations

It is important to recognize that relaxations and other incentives should not result in sub-standard affordable housing – either in the quality of its construction or in the neighbourhood amenities available to its residents. Furthermore, while some developers may support requiring affordable housing in new developments, the specific nature of those requirements has to be well conceived. If the requirements are too onerous or if they do not suit the particular nature of a given development, the developer may opt to simply give the Town a piece of land with limited development capacity or minimal cash in lieu – neither of which may necessarily achieve the desired goal.

It may not necessarily be advisable to require the *full continuum* of housing in *every* neighbourhood or new development. Rather, an appropriate range of housing types and prices ranges should be encouraged in all neighbourhoods and developments to enhance the overall character and social fabric of the community,



while meeting the community's broader housing needs. The particular range of housing sought in any given neighbourhood will need to:

- Consider market conditions;
- Respect the current socio-economic make-up of the neighbourhood; and
- Make sense (i.e., the right product for the intended client group in the right location, factoring in market and economic conditions).

The prospect of changing or amending Town planning guidelines, related policies and Bylaw documents to fully incorporate all aspects of affordable housing is a significant task which will require considerable dialogue and time to address properly. While this Strategy encompasses many suggestions based on stakeholder input, additional work is still needed in this important area and may necessitate setting up a special ad hoc committee or Task Force. Thus, the initiatives described above, and raised through public consultation, are presented here as "options" to be evaluated for appropriateness and fit within the Town's capacity, priorities and available resources.

It is unlikely that this initiative can be implemented without dedicating additional staff resources.

### **5.2.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative in consultation with the development industry, Alberta Housing and Urban Affairs, and other Alberta communities that have developed planning requirements designed to support affordable housing.

### **5.2.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town of Cochrane, Federal and/or Provincial grants (potentially).
- Staff Time, Knowledge & Expertise: Town of Cochrane, developers and builders, Alberta Housing and Urban Affairs, Cochrane Society for Housing Options (CSHO).
- Networks/Connections: Examples from other communities that developed planning requirements designed to support affordable housing.

Additional consulting expertise may be required to develop the policy and subsequent protocols.

### **5.2.5 Targets & Timelines**

The policy and subsequent protocols requiring affordable housing in all neighbourhoods and new developments will be developed within one to two years after the formal adoption of this Strategy by the Town of Cochrane. Specific timelines and action steps for implementing this initiative will be incorporated into the Planning & Engineering Department's Business Plans and associated Work Program.

Additional policy development will be ongoing and it may be necessary to establish a sub-committee dedicated working on policy development.

### **5.2.6 Anticipated Costs (Annual)**

No additional costs either from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) would be associated with implementing this initiative other than those costs associated with the hiring of a part-time or full-time Affordable Housing/Social Planner identified in Recommendation 7.4 below.



Should the Town of Cochrane proceed with the hiring of this position, any costs would be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants.

Should the Town of Cochrane decide *not* to proceed with the hiring of a part-time or full-time Affordable Housing/Social Planner, this initiative would need to be contracted out; in which case, the Town would incur the cost of consulting fees. It is anticipated that grants could be obtained to cover these fees.



## **5.3 Promote Environmentally Friendly Design and Construction of Affordable Housing Developments**

### **5.3.1 Introduction**

The Town and CSHO are encouraged to promote more environmentally friendly housing development where appropriate and financially viable. This could be achieved by encouraging developers of affordable housing to *emulate* LEED development standards and criteria where feasible. Construction costs for new affordable housing developments could be reduced partially through recycling materials from other projects. Additionally, the ongoing heating and maintenance costs of new affordable housing could be reduced through more innovative design (e.g., passive solar) and technologies (e.g., green technologies).

### **5.3.2 Considerations**

Research from the U.S. indicates that, while the upfront capital costs of a green building are expected to be higher, these additional costs may be negligible (as little as 2%). However, the long-term operating costs of green housing are expected to be significantly lower (as much as 20%).<sup>2</sup>

Market forces may already be encouraging more green building as an increasing number of people are becoming concerned about the environment and about healthy housing.

Emulating LEED standards on new residential developments could reap the benefits of LEED standards without incurring the additional costs associated with obtaining LEED Certification.

### **5.3.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative by researching best practices, investigating opportunities, and training staff. The Town will also coordinate education forums and seminars to educate both the development industry and consumers in the opportunities and benefits of environmentally friendly housing design.

### **5.3.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Staff Time, Knowledge & Expertise: Town of Cochrane, developers and builders, CMHC, CRHBA, UDI.
- Networks/Connections: Examples from other communities where green buildings have been developed.

### **5.3.5 Targets & Timelines**

Promoting more environmentally friendly housing development where appropriate and financially viable can begin immediately after the formal adoption of this Strategy by the Town of Cochrane on an ongoing basis.

### **5.3.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.

---

<sup>2</sup> See <http://www.nrdc.org/buildinggreen/factsheets/cost.asp> and <http://www.sustainablebuildingcentre.com/forum-topic/do-green-buildings-cost-more>



## **5.4 Encourage Pedestrian-Oriented Development, Particularly in the Downtown and Surrounding Business Districts, With Consideration for Future Transit-Oriented Development**

### **5.4.1 Introduction**

Low- and modest-income households requiring affordable housing are less likely to own their own vehicle (let alone multiple vehicles) as demonstrated by the residents living in the HomeStead. These households need to be within walking distance of employment and local services including groceries, retail shopping, health care and personal services.

Encouraging more Pedestrian-Oriented Development (POD) in Cochrane, particularly in the downtown and surrounding business districts, will provide more opportunities not only for low- and modest-income households, but other residents in the area to walk; thereby reducing their reliance on automobiles for short and minor trips. Not only will this provide clear environmental benefits, it may also lead to future reductions in the perceived demand for residential parking stalls; thereby allowing housing developers to make better use of their land and provide more opportunities for affordable housing.

### **5.4.2 Considerations**

Cochrane already has a clearly defined downtown core surrounded by a variety of housing types and containing a wide range of commercial and health services – providing an ideal base for greater pedestrian orientation and future Transit-Oriented Development (TOD).

The Town of Cochrane Land Use Bylaw encourages mixed-use developments, particularly in the Downtown and surrounding business districts.

Pedestrian-Oriented Development (POD) and Transit-Oriented Development (TOD) are important considerations in the Town's Sustainability Plan as well as in the Downtown Area Redevelopment Plan.

Transit-Oriented Development (TOD) creates mixed-use, higher density communities that encourage people to live, work and shop near transit services and decrease their dependence on driving. While Cochrane currently does not have public transit, as the community grows, this option will likely become a financially viable and sought after public service.

Incorporating temporary uses for parking stalls such as community gardens, playgrounds, green space, etc. may help to encourage reduced reliance on vehicles while still allowing for a major change of land use in the future that might increase the need for parking.

### **5.4.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative through the establishment of public policies and planning tools to encourage Pedestrian-Oriented Development (POD) with future consideration for Transit-Oriented Development (TOD), particularly in the Downtown and surrounding business districts.

### **5.4.4 Resources**

A variety of resources are currently available to assist in implementing this initiative, including:

- Financial (\$): Federal and Provincial infrastructure and research grants.
- Staff Time, Knowledge & Expertise: Town of Cochrane.
- Networks/Connections: Examples from other communities (particularly smaller communities) creating Pedestrian-Oriented Development (POD) and Transit-Oriented Development (TOD) districts.



Additional resources required to implement this initiative may include:

- Public consultation to confirm public support for this initiative; and
- Consulting expertise.

#### **5.4.5 Targets & Timelines**

Encouraging Pedestrian-Oriented Development (POD) and/or Transit-Oriented Development (TOD) in Cochrane will be an ongoing process through the Planning & Development Department.

#### **5.4.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from the Town and CSHO and/or grants where available.



# *Land*

## **6.0 Land**



## **6.1 Identify and Pursue Opportunities to Make Better Use of Existing Land Resources**

### **6.1.1 Introduction**

There are pockets of vacant publicly-owned land (some small and some large) distributed throughout the community that could be used more efficiently. This may include unused road allowances, odd shaped lots, underutilized or surplus Municipal and School Reserve lands, and underdeveloped parcels of land. Some of these parcels could be rezoned and used for affordable housing. Alternatively, these parcels could be sold to developers for other types of development or to adjacent landowners with the proceeds of those sales going into a Housing Reserve Fund.

Town of Cochrane is encouraged to identify all potential publicly-owned lands and conduct a review and feasibility study to see which parcels could be used, redeveloped, reconfigured or sold off using the proceeds to buy land that could be developed for affordable housing. In this sense, publicly-owned land could include Municipal, Provincial or School Reserve land. Where appropriate, the Town could also consider selling at below-market value, leasing, or gifting publicly-owned land to local non-profits to develop affordable housing with priority and greater incentives given to organizations developing *perpetually* affordable housing (PAH).

The Town of Cochrane has identified a number of different needs for land in addition to affordable housing. Mixed-use developments offer the greatest opportunity to meet a range of needs on a given parcel of land, including affordable housing. The Town is encouraged to establish policy whereby mixed-use developments be given first priority for any publicly-owned land that is deemed surplus to its original purpose. The Town is also encouraged to develop an RFP process for the purchase and redevelopment of any municipally-owned lands; requiring that an affordable housing component be included in the proposed redevelopment where appropriate.

The Town is also encouraged to investigate opportunities to use vacant or unused school sites for affordable housing and to consider allowing mixed-use developments (i.e., incorporate affordable housing) on recreational and/or institutional land. This could include incorporating affordable housing into new municipal buildings where appropriate.

While there is currently no surplus Provincial or Federal land within the Town boundaries, the Town and CSHO are encouraged to explore on an on-going basis, opportunities to access the Surplus Federal Real Property for Homelessness Initiative (SFRPHI) and to facilitate contributions of Crown land from the Province as Provincial or Federal lands within Cochrane are declared surplus.

### **6.1.2 Considerations**

Not all publicly-owned parcels of land may be appropriate for development and/or use as affordable housing given their current use (e.g., park space) and related importance to the community. Furthermore, some parcels may not be appropriate for development and/or use as affordable housing given their location, size and particular dimensions. In these *former* situations, the Town should continue to link the identified best use for publicly-owned lands to the overall public good. In these *latter* situations, it may be appropriate for the Town to sell the land outright and contribute a defined percentage of the proceeds from the sale to a Housing Reserve Fund which can be used toward the purchase of privately-owned land more suitable for affordable housing.

There may be limited Town-owned land suitable for affordable housing development and feedback suggests that there are no Provincially- or Federally-owned lands currently within the Town boundaries. Some work has already been done by the Town to identify lands that could be designated for affordable housing.



Mixed-use developments have a greater chance of meeting a wider range of land needs in Cochrane and may garner public support from a range of stakeholders. This policy will have to fit within an overall land strategy for the Town of Cochrane.

The Town and CSHO may also wish to consider approaching private landowners whose existing developments are approaching the end of their life cycles and encourage those parcels to be redeveloped to a higher and better use that *may* include affordable housing (or other community-identified needs for land).

It is unlikely that this initiative can be implemented without dedicating additional staff resources.

### **6.1.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in implementing this initiative by developing a formal inventory of Town-owned lands that could potentially be used for affordable housing, establishing policy and a strategy for redeveloping appropriate parcels, lands and working with the Cochrane Society for Housing Options (CSHO) to identify and pursue appropriate housing projects (including mixed-use developments) on those lands.

The Cochrane Society for Housing Options (CSHO) will assist in implementing this initiative by exploring opportunities with local developers, business owners, non-profits and the Faith Community to identify privately-owned lands that could potentially be redeveloped to incorporate affordable housing.

### **6.1.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town of Cochrane.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane Society for Housing Options (CSHO).
- Networks/Connections: Relationships with local developers, business owners, non-profits and the Faith Community. Examples from other communities that developed similar policies and protocols.
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors. Other stakeholder groups.

Additional Federal and/or Provincial capital grants could potentially be accessed in order to acquire the land and develop the housing.

### **6.1.5 Targets & Timelines**

The Town of Cochrane and the Cochrane Society for Housing Options (CSHO) will have identified all government-owned lands within the Town of Cochrane within one to two years after the formal adoption of this Strategy by the Town of Cochrane. Subsequent redevelopment of those parcels deemed appropriate will be ongoing. Specific timelines and action steps for implementing this initiative will be incorporated into the Planning & Engineering Department's Business Plan and associated Work Program.



### **6.1.6 Anticipated Costs (Annual)**

No additional costs either from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) would be associated with implementing this initiative other than those costs associated with the hiring of a part-time or full-time Affordable Housing/Social Planner identified in Recommendation 7.4 below. Should the Town of Cochrane proceed with the hiring of this position, any costs would be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants.

Should the Town of Cochrane decide *not* to proceed with the hiring of a part-time or full-time Affordable Housing/Social Planner, this initiative would need to be contracted out; in which case, the Town would incur the cost of consulting fees. It is anticipated that grants could be obtained to cover these fees.



## **6.2 Acquire Land and Units from the Private Sector for Affordable Housing Where Appropriate**

### **6.2.1 Introduction**

There may be opportunities whereby the Town and/or CSHO are able to acquire land and/or units from private owners. Examples could include:

- Land or units acquired by the Town from developers in exchange for density bonuses or other negotiated planning incentives offered by the Town; and/or
- Land or units acquired through donation from developers wishing to support either CSHO or the Town's affordable housing objectives.

Some of these parcels or units could potentially be obtained at favorable (i.e., more affordable) rates.

The Town could make land and/or units that it acquires available for affordable housing where appropriate by transferring that land either to CSHO or another appropriate housing non-profit, or by partnering with CSHO as with the HomeStead. Where the land is deemed inappropriate for affordable housing, the Town is encouraged to sell the land and contribute a defined percentage of the proceeds from the sale to a Housing Reserve Fund which can be used toward the purchase of privately-owned land appropriate for an affordable housing development.

CSHO is encouraged to purchase housing units from the private sector whenever those housing units can be purchased for the same or lower price than it would cost CSHO to build those units itself. This would require that CSHO has the funds and financial means to do so and that acquiring the specific units is both financially and operationally viable. The Town may also have a role in facilitating the purchase of such units because of its working relationship with the development and building industry.

### **6.2.2 Considerations**

Under current economic conditions, a range of opportunities may be available to purchase units from the private sector at favorable (i.e., more affordable) rates. In time, developers may come to recognize the opportunities provided by CSHO to pre-sell units and, therefore, approach CSHO during the early stages of development.

Acquiring land (or units) from the private sector may also require the development of a policy and planning framework along with establishing annual targets for affordable housing.

Additionally, establishing a Housing Reserve Fund may be required in order to provide the capital necessary to purchase land from the private sector – especially land that is identified outside Federal and/or Provincial funding rounds. Establishing a line of credit with a local financial institution could also help to secure interim financing when appropriate land is identified outside Federal and/or Provincial funding cycles.

It is unlikely that this initiative can be implemented without dedicating additional Town and CSHO financial resources.

### **6.2.3 Roles & Responsibilities**

The Town of Cochrane will take the lead role in negotiating with developers for land that is suitable for affordable housing where appropriate. The Cochrane Society for Housing Options (CSHO) will take the lead role identifying and approaching developers during the pre-development phase to determine what opportunities may exist to purchase units at favorable (i.e., affordable) rates and in negotiating with developers for the purchase or donation of land and/or housing units. The Town of Cochrane may assist CSHO by facilitating discussions between developers and CSHO.



#### 6.2.4 Resources

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town of Cochrane, Federal and/or Provincial capital grants.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane, Cochrane Society for Housing Options (CSHO) Board of Directors, other stakeholder groups/industry partners.
- Networks/Connections: Existing relationships with developers.

Additional capital funding (e.g., Provincial grants, a Housing Reserve Fund), access to mortgage financing, and (potentially) access to a substantial line of credit may also be required to implement this initiative.

#### 6.2.5 Targets & Timelines

The Town of Cochrane will develop the necessary supporting policy to pursue this initiative within six months to one year after the formal adoption of this Strategy by the Town of Cochrane. Subsequent acquisition of land and/or housing units from the private sector will be ongoing and based on the availability of grants and/or moneys acquired and made available through the Housing Reserve Fund, additional Town moneys and donations.

#### 6.2.6 Anticipated Costs (Annual)

The Cochrane Affordable Housing Needs Assessment 2009 identifies a potential target of 20-30 new affordable housing units per year. Should the Town of Cochrane and CSHO choose to proceed with meeting those annual targets through the acquisition of land from the private sector, the total *annual* cost could be between \$800,000 and 1.2 million (based on an average estimated land cost of \$40,000 per unit).

Should the Town of Cochrane and CSHO choose to proceed with meeting those annual targets through the purchase of units from the private sector, the total annual cost could be between \$1.5 million – \$2.25 million per year (based on an average unit cost of \$250,000 whereby up to 70% of those costs - \$170,000 – are accessed through Provincial and Federal grants and the remaining \$75,000 are provided through a combination of Town money, the Housing Reserve Fund, donations, mortgage financing).

Additionally, the Town of Cochrane can contribute to the targets set by CSHO by working with developers and builders to encourage construction of affordable housing through policy.





# *Capacity*

## **7.0 Affordable Housing Development Capacity**



## **7.1 Maintain and Strengthen the Positive Relationship between the Town of Cochrane and the Cochrane Society for Housing Options (CSHO)**

### **7.1.1 Introduction**

Since the creation of the original *Cochrane Affordable Housing Strategy* in 2002 and the establishment of the Cochrane Society of Housing Options in 2003, a strong working relationship has developed between the Town of Cochrane and the Cochrane Society for Housing Options. Part of this success is due to the Town and CSHO sharing a three quarter-time Housing Coordinator. Through this arrangement, the Coordinator is able to:

- Keep affordable housing on the radar of the local community;
- Assist where needed in pursuing new initiatives;
- Balance and coordinate the interests of both organizations;
- Keep the lines of communication open; and
- Maintain a positive and productive relationship between the Town and CSHO.

It is vital that a positive relationship between the Town and CSHO be maintained and strengthened wherever appropriate and possible.

### **7.1.2 Considerations**

Cochrane provides a model for other communities to follow in terms of how well a Municipality and a local non-profit Society can work collaboratively to address the community's affordable housing needs.

It is not in the best interest of the community for the Town of Cochrane and the Cochrane Society for Housing Options (CSHO) to compete for limited resources (land, funding and developer interest). In partnering and assigning the primary responsibility for facilitating new affordable housing development to CSHO, the Town is able to focus its efforts on developing and implementing public and social policy that enables the creation of affordable housing as well as meeting other identified infrastructure needs in the community.

### **7.1.3 Roles & Responsibilities**

The Town of Cochrane and the Cochrane Society for Housing Options (CSHO) will jointly take the lead role in implementing this initiative. It will be the responsibility of both organizations to continue acting collaboratively, non-competitively and in good faith – as they have been doing for several years – in the best interest of the community.

The Town of Cochrane currently provides support to CSHO via gift-in-kind support through FCSS. Support includes office space, IT and telephone support, administrative support and office supplies. While this support is appreciated and integral to the success of CSHO, it may be necessary for the Town to increase its support if CSHO is to become the Municipality's primary provider of affordable housing.

CSHO has the philosophy, reputation and networks to continue addressing the community's affordable housing needs. Increasing the Society's capacity to do so will require Town support. The Town is therefore encouraged to:

- Continue working directly with CSHO by contributing the majority of capital grant funding obtained through the *Affordable Housing Program – Block Funding Initiative Grant* to new CSHO-based housing projects.
- Develop a special Housing Reserve Fund to support both the operating costs of CSHO and a portion of the capital costs of new CSHO-based housing projects; and



- Enter into a contractual Service Agreement with CSHO whereby the Town provides ongoing in-kind support, operating funds, Town staff support and capital funding (either through the *Affordable Housing Program – Block Funding Initiative Grant* and/or a Housing Reserve Fund) in exchange for CSHO serving as the Town’s primary affordable housing provider.<sup>3</sup>

#### 7.1.4 Resources

A variety of resources are currently available to assist in implementing this initiative, including:

- |  |   |
|--|---|
| • Financial (\$):                        | Town and FCSS funding and in-kind support for CSHO operating costs.   |
| • Staff Time, Knowledge & Expertise:     | Town of Cochrane, Cochrane FCSS and the Cochrane Society for Housing Options (CSHO).  |
| • Volunteer Time, Knowledge & Expertise: | Cochrane Society for Housing Options (CSHO) Board of Directors.   |
| • Networks/Connections:                  | Examples from other communities and examples of other organizations within the community currently operating under a Service Agreement with the Town of Cochrane. |

Additional resources required to implement this initiative may include:

- Public consultation to confirm public support for this initiative; and
- Consulting expertise to advise on the Service Agreement.

#### 7.1.5 Targets & Timelines

The Town of Cochrane and the Cochrane Society for Housing Options (CSHO) will enter into a legal agreement (i.e., Service Agreement) that clearly defines:

- The roles and responsibilities of each organization in terms of affordable housing funding, development, ownership and management;
- Operational aspects (including audit procedures); and
- Governance.

In addition, the Service Agreement will:

- Identify an appropriate long-term strategy and mechanism to secure the HomeStead as perpetually affordable housing (PAH); and
- Clarify the rules and conditions under which the Town can continue to channel donations to the Cochrane Society for Housing Options (CSHO), including seeking official confirmation from Canada Revenue Agency (CRA) (i.e., the Town will continue to accept donations on behalf of CSHO as long as those donations are within Canada Revenue Agency guidelines).

This agreement will be developed and executed by the end of 2009.

As part of the Service Agreement, both the Town of Cochrane and CSHO will continue to jointly fund the Housing Coordinator position. This will be an ongoing responsibility of both organizations.

---

<sup>3</sup> This option would give the organization credibility, access to the Town’s leadership and administrative capacity while still allowing the organization to take full advantage of available grants and other funding opportunities.



### **7.1.6 Anticipated Costs (One-Time)**

- Legal Services (Service Agreement): Minimal – subject to review by Town Lawyer and CSHO Lawyer.

### **7.1.7 Anticipated Costs (Annual)**

The anticipated ongoing costs required to fund the Housing Coordinator position are already approved within the Town's and CSHO's existing budgets under current agreements and, therefore, do not represent new moneys. Additional financial resources may be required pending the outcome of the Service Agreement. However, it is recognized due to the current economic climate, that additional financial resources may not be available until after 2010.



## **7.2 Facilitate Affordable Housing Partnerships Among Local Stakeholders**

### **7.2.1 Introduction**

Partnerships are seen as essential for the development of affordable housing. Partnerships increase the housing expertise available to a group and help spread the risk of developing affordable housing across different sectors and groups.<sup>4</sup> The Town and CSHO are encouraged to facilitate housing partnerships between public sector, private sector and non-profit agencies for the provision of affordable housing wherever feasible and appropriate.

### **7.2.2 Considerations**

Most housing projects already involve some form or level of partnering between organizations, including developers, builders, financial institutions and property managers.

Feedback gathered from various stakeholder groups during the development of this Strategy indicates a wide range of interested community partners willing to engage in the implementation of this initiative, including developers and builders, local businesses and the local non-profit sector.

Not all affordable housing partnerships will necessarily involve the Cochrane Society for Housing Options (CSHO). Some projects may make more sense to involve other partners (e.g., Habitat for Humanity), facilitated by CSHO.

Within the current economic conditions, developers may be more receptive to recognizing and appreciating the role of affordable housing in their overall sustainability.

### **7.2.3 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in establishing and managing partnerships for affordable housing whether it is to build housing on land provided by the Town or land acquired from the private sector. A range of partnership options will be considered depending on the nature of the project (e.g., homeownership or rental) and the support services required to make the project a success.

The Cochrane Society for Housing Options (CSHO) will also take the lead role in facilitating partnerships between other stakeholder groups for affordable housing where appropriate.

### **7.2.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town and FCSS funding for CSHO operating costs.
- Staff Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors.
- Networks/Connections: Existing relationships with other stakeholders. Examples from other communities that developed multi-stakeholder partnerships for affordable housing.

---

<sup>4</sup> A standard form of partnership could be where the Town provides serviced residential land, the private sector builds the affordable housing, CSHO then owns and manages that housing, and CSHO provides coordinated services and supports to the individuals and families living in that housing through FCSS and other community supports.



Additional capital funding will be required in order to develop the actual housing projects. Depending on the nature of the partnership, it may not be the responsibility of the Town to secure funding for these future projects.

#### **7.2.5 Targets & Timelines**

Facilitating affordable housing partnerships will be ongoing.

#### **7.2.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



## **7.3 Encourage External Non-Profit and Charitable Housing Providers to Develop in Cochrane**

### **7.3.1 Introduction**

Other non-profit or charitable housing organizations (e.g., Habitat for Humanity, housing co-operatives, etc.) may have the capacity and interest in developing different types of affordable housing in Cochrane and for different target groups than are currently being served by the Cochrane Society for Housing Options. The Town and CSHO are encouraged to actively identify and invite appropriate non-profit housing organizations to come to Cochrane and work with them to find appropriate sites, acquire the necessary funding, and obtain permits to proceed with affordable housing development.

### **7.3.2 Considerations**

Not all affordable housing projects in Cochrane will be developed and managed by the Cochrane Society for Housing Options (CSHO). Some projects may make more sense to involve other partners (e.g., Habitat for Humanity), facilitated by CSHO or the Town (whichever organization is most appropriate for the particular situation).

### **7.3.3 Roles & Responsibilities**

Both the Town of Cochrane and the Cochrane Society for Housing Options (CSHO) will take the lead role in encouraging other non-profit and charitable housing providers to develop affordable housing in Cochrane. The Town and CSHO will actively facilitate partnerships where appropriate and ensure new services are coordinated with existing ones to avoid duplication.

### **7.3.4 Resources**

The resources potentially available to assist in implementing this initiative include:

- Financial (\$): Town and FCSS funding for CSHO operating costs.
- Staff Time, Knowledge & Expertise: Town and Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors.
- Networks/Connections: Existing relationships with other stakeholders. Examples from other communities that developed multi-stakeholder partnerships for affordable housing.

Additional capital funding may be required in order to develop the actual housing projects. However, in some cases, capital funding requirements would be the responsibility of the partnering organizations.

Additional support by Town staff may also be required to assist non-profits and charitable housing providers with items such as the Town's planning and permitting processes and in promoting the project or program to the community. .

### **7.3.5 Targets & Timelines**

Encouraging other non-profit and charitable housing providers to develop affordable housing in Cochrane will be ongoing.

### **7.3.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional



stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



## 7.4 Hire a Full-Time Position to Conduct Affordable Housing/Social Planning for the Town of Cochrane

### 7.4.1 Introduction

The community currently has a three-quarter-time Housing Coordinator funded jointly through the Town and CSHO. This position will play a key role in implementing individual strategies within the overall *Cochrane Affordable Housing Strategy & Implementation Plan 2009* – especially those strategies related to working with the local housing industry and partnership development. Implementing the *Cochrane Affordable Housing Strategy & Implementation Plan 2009* – especially those strategies related to Town policies and planning protocols – will also require additional resources by hiring dedicated staff or consultants (e.g., an Affordable Housing/Social Planner) to conduct research and develop policy related to affordable housing. Responsibilities could include:

- Developing annual affordable housing targets;
- Developing appropriate enabling public and social policy to promote affordable housing (e.g., capital replacement programs, commercial linkage programs, requirements, etc.)
- Developing opportunities to promote more affordable housing development by the private sector;
- Identifying ways to achieve greater housing affordability *within existing zoning regulations*;
- Exploring opportunities to develop new zoning regulations where appropriate and as the need arises to achieve greater housing affordability;
- Ensuring that new major developments include opportunities for affordable housing where appropriate;
- Developing and maintaining an inventory of all publicly-owned lands (Town of Cochrane, Province of Alberta, Government of Canada) that could potentially be used for affordable housing development;
- Expanding the Town's existing Affordable Housing Reserve;
- General research; and
- Assisting the Housing Coordinator with:
  - Monitoring and overseeing the ongoing implementation of the *Cochrane Affordable Housing Strategy & Implementation Plan 2009*;
  - Education, outreach and advocacy (including local and regional advocacy as well as advocacy to the Provincial and Federal governments);
  - Facilitating affordable housing partnerships; and
  - Identifying opportunities and strategies for acquiring land and/or units from the private sector for affordable housing.

### 7.4.2 Considerations

The Town of Cochrane may have limited financial resources to pursue this initiative at the present time. In this case, five options are available:

- Option 1: Hire a new full-time Affordable Housing/Social Planner;
- Option 2: Hire a new half-time Affordable Housing/Social Planner;
- Option 3: Assign the responsibilities to an existing Town staff person as part of his/her ongoing portfolio of responsibilities;
- Option 4: Hire practicum students to assist Town staff; or
- Option 5: Contract out individual initiatives to consultants on a case-by-case basis.



### 7.4.3 Roles & Responsibilities

The Town of Cochrane will take the lead role in implementing this initiative by identifying the resources, responsibilities and technical expertise required to pursue this initiative either through a phased approach or through a combination of grants and budget allocations.

### 7.4.4 Resources

The resources required to implement this initiative will include both financial (the funding to hire the Affordable Housing/Social Planner) and physical office space should the Town decide to hire a new staff person to fill the position. There will also be a requirement for supervision by a professional Planner for the practicum student(s) should that option be selected.

Alternatively, should the Town decide to assign the responsibilities to an existing staff person, those resources may already be available internally.

### 7.4.5 Targets & Timelines

The following timelines are recommended to implement this initiative:

- 2009:** Contract out individual initiatives to consultants on a case-by-case basis;
- 2010:** Hire a practicum student with some additional contract work;
- 2011:** Hire a half-time Affordable Housing/Social Planner; and
- 2012:** The half-time Affordable Housing/Social Planner position converts to a full-time position.

### 7.4.6 Anticipated Costs (Annual)

The following annual costs are anticipated to implement this initiative:

- 2009:** \$15,000 (previously approved *Municipal Sustainability Initiative* grant);
  - 2010:** \$30,000 to hire a practicum student and fund additional contract work (could be funded through a combination of grants and budget allocations);
  - 2011:** Salary & benefits for one half-time Affordable Housing/Social Planner: \$50,000; and
  - 2012:** Salary & benefits for one full-time Affordable Housing/Social Planner: \$90,000.
- Future Costs:** Funding by the Town if required and as resources are available.

Preliminary funding for this initiative will, therefore, need to commence as part of the Town's 2010 Budget year.



## **7.5 Support the Hiring of a Full-Time Housing Support Worker Working for the Cochrane Society for Housing Options (CSHO)**

### **7.5.1 Introduction**

It is also recommended that the Town of Cochrane support the hiring of a full-time Housing Support Worker working with the Cochrane Society for Housing Options (CSHO) to help households access required supports and build their individual capacities related to housing and future homeownership where appropriate. Responsibilities could include:

- Assisting low- and moderate-income households with articulating their particular housing and support needs;
- Assisting low- and moderate-income households with identifying and applying for supports as needed (e.g., rent supplements, social supports, etc.);
- Identifying new support programs that are needed in the community;
- Facilitating the delivery of homeownership education and training workshops in the community (including working with local financial institutions to pre-qualify low- and moderate-income households for homeownership where appropriate);
- Administering client applications and selection for CSHO- and Town-owned units, including perpetually affordable housing (PAH) units where available;
- Identifying areas for advocacy (i.e., common issues identified across households) with the three orders of government;
- Providing program and project support to affordable housing initiatives as needed; and
- Day-to-day operations of CSHO.

Some of these responsibilities are already being provided by the Community Resource Worker position currently funded through Cochrane FCSS.

### **7.5.2 Considerations**

The Cochrane Society for Housing Options (CSHO) may have limited financial resources to pursue this initiative at the present time. In this case, four options are available:

- Option 1: Assign additional responsibilities to the existing Community Resource Worker currently funded through Cochrane FCSS;
- Option 2: Assign Social Work practicum students to assist CSHO and FCSS staff;
- Option 3: Hiring a half-time Housing Support Worker; or
- Option 4: Hiring a full-time Housing Support Worker.

Regardless of the option pursued, the Town of Cochrane will support the Cochrane Society for Housing Options (CSHO) in achieving this goal by means of providing:

- Physical space;
- Supervisory services;
- IT support; and
- Payroll assistance, etc.



### **7.5.3 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative by identifying the resources, responsibilities and technical expertise required to fill this position (i.e., either filling the position or working with FCSS to assign the responsibilities to an existing FCSS staff person).

### **7.5.4 Resources**

The resources required from the Town of Cochrane to implement this initiative will be in-kind support through Cochrane FCSS. Obtaining the necessary financial resources to hire a part-time or full-time position could require either funding from the Town of Cochrane as part of the Service Agreement between the Town and CSHO or a grant from an external funder (or a combination of the two).

### **7.5.5 Targets & Timelines**

The following timelines are recommended to implement this initiative:

- 2009:** Maintain the existing responsibilities of the existing Community Resource Worker currently funded through Cochrane FCSS;
- 2010:** Assign Social Work practicum students to assist CSHO and FCSS staff;
- 2011:** Hire a half-time Housing Support Worker; and
- 2012:** The half-time Housing Support Worker position converts to a full-time position.

### **7.5.6 Anticipated Costs (Annual)**

The following annual costs are anticipated to implement this initiative:

- 2009:** \$0 additional (currently funded through Cochrane FCSS);
  - 2010:** \$5,000 - \$10,000 gift in-kind to supervise and support the Social Work practicum students;
  - 2011:** Salary & benefits for one half-time Housing Support Worker (CSHO): \$30,000; and
  - 2012:** Salary & benefits for one full-time Housing Support Worker (CSHO): \$60,000.
- Future Costs:** Funded through Social Ventures operated by CSHO.





# *Financial*

## **8.0 Finances, Fees & Taxes**



## **8.1 Actively Seek Funding for Affordable Housing**

### **8.1.1 Introduction**

Given the high cost of land and homes in Cochrane, additional sources of funding will likely be required to provide affordable housing for low-income households. The Town is currently taking full advantage of funding provided through the *Affordable Housing Program – Block Funding Initiative Grant* to support affordable housing. The Town is encouraged to continue accessing this funding. The Town and CSHO are also encouraged to actively pursue other opportunities to obtain capital funding and financial assistance for new affordable housing development (or redevelopment) wherever feasible, appropriate and available.

### **8.1.2 Considerations**

The *Affordable Housing Program – Block Funding Initiative Grant* is not the only source of funding available for affordable housing. CMHC provides a number of grants that may be appropriate for different projects (e.g., through the Residential Rehabilitation Assistance Program – RRAP) as well as Seed Funding and Proposal Development Fund (PDF) loans.

Additional funding programs are expected to be developed by both the Federal and Provincial Governments from time to time. These programs should also be accessed where appropriate to provide affordable housing.

In many cases, conventional mortgage and construction financing may also be available.

### **8.1.3 Roles & Responsibilities**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative by actively identifying and seeking funding for affordable housing where appropriate.

### **8.1.4 Resources**

The resources currently available to assist in implementing this initiative include:

- Staff Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors.
- Networks/Connections: Existing relationships with funders, Examples from other communities and how they financed/funded their affordable housing projects.

### **8.1.5 Targets & Timelines**

Seeking funding for affordable housing will be ongoing.

### **8.1.6 Anticipated Costs (Annual)**

No additional costs from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) are associated with implementing this initiative other than the potential costs associated with additional stakeholder meetings. Any costs will be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants where available.



## **8.2 Explore Opportunities to Expand the Town's Current *Affordable Housing Reserve Fund***

### **8.2.1 Introduction**

While capital funding sources are currently available for new affordable housing development – primarily through the Province of Alberta – there are no guarantees that these funding sources will continue long-term. There are currently no Provincial or Federal funds available to support ongoing operating costs. Furthermore, these funding sources often require the housing proponent to contribute some level of equity from its own sources.

A Housing Reserve Fund could be used to support either the operating costs of the Cochrane Society for Housing Options (CSHO), some of the capital costs of new affordable housing developed in Cochrane, or both. In order to achieve this, the Town will need to update its current policies regarding:

- How the Affordable Housing Reserve Fund is capitalized (e.g., to what extent and from what revenue sources);
- How the Affordable Housing Reserve Fund is used (e.g., both capital and operating, just capital or just operating); and
- Who can draw from the Affordable Housing Reserve Fund and under what conditions.

Options for capitalizing the Affordable Housing Reserve Fund could include:

- Allocating the property taxes on any future properties owned by non-profit housing organizations used for the purpose of affordable/below-market housing to the Affordable Housing Reserve Fund;
- Allocating an appropriate percentage of existing residential and commercial development fees, levies, or taxes; and/or
- Establishing a special housing surcharge.

Additional research is required to identify and evaluate the full range of potential strategies and revenue sources in order to determine which options will prove most feasible for Cochrane.

Any funds drawn from Affordable Housing Reserve Funds will need to be approved by Town Council either directly or through policy.

### **8.2.2 Considerations**

The community as a whole benefits from affordable housing either directly or indirectly. Therefore, the community as a whole should participate in capitalizing the Affordable Housing Reserve Fund – not just the developers and new homebuyers.

The Town of Cochrane currently contributes \$11,000 per year into an Affordable Housing Reserve Fund to cover the annual property taxes owing on the HomeStead property. A future possibility includes directing \$65,000 per year into that Fund from funds currently directed to paying down the mortgage on the Town owned 4-plex. It is anticipated that this liability will be paid off in 2015.

Research and development can be conducted by the Housing Coordinator and staff from Corporate Services and/or as resources permit.



### 8.2.3 Roles & Responsibilities

The Town of Cochrane will take the lead role in implementing this initiative by researching examples from other communities that have existing Housing Reserve Funds. The process could include conducting a Feasibility Study that includes broad public consultation, developing the policy and structure for the Fund and then managing that Fund.

### 8.2.4 Resources

The resources currently available to assist in implementing this initiative include:

- Financial (\$): Town of Cochrane.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane FCSS, Cochrane Society for Housing Options (CSHO).
- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors.
- Networks/Connections: Existing relationships with community stakeholders. Examples from other communities that developed a Housing Reserve Fund.

Additional consulting expertise may be required to conduct the background research and Feasibility Study.

### 8.2.5 Targets & Timelines

The background research and Feasibility study will be completed within one to two years after the formal adoption of this Strategy by the Town of Cochrane. Specific timelines and action steps for establishing the Housing Reserve Fund itself will need to be incorporated into Corporate Services' 2010 Business Plan and associated Work Program.

### 8.2.6 Anticipated Costs (Annual)

No additional costs either from the Town of Cochrane or the Cochrane Society for Housing Options (CSHO) would be associated with implementing this initiative other than those costs associated with the hiring of a part-time or full-time Affordable Housing/Social Planner identified in Recommendation 7.4 above. Should the Town of Cochrane proceed with the hiring of this position, any costs would be covered through existing resources, staff time and commitments from both the Town and CSHO and/or grants.

Should the Town of Cochrane decide *not* to proceed with the hiring of a part-time or full-time Affordable Housing/Social Planner, this initiative would need to be contracted out; in which case, the Town would incur the cost of consulting fees. It is anticipated that grants could be obtained to cover these fees.



### **8.3 Support Opportunities to Increase the Long-Term Sustainability of the Cochrane Society for Housing Options (CSHO) Through the Establishment of Financially Viable Social Enterprises**

#### **8.3.1 Introduction**

Long-term sustainability is a key consideration for the Cochrane Society for Housing Options (CSHO). Creating sustainable opportunities to generate operating funds for the Society will lead to less reliance over time on the Town of Cochrane, other levels of Government, and other funders. This will allow more of the Affordable Housing Reserve Fund dollars to be used for capital projects that fall outside of Provincial and Federal mandates, or that require contributions from the Municipal Government in order to access grant funds.

Therefore, CSHO is encouraged to establish social business ventures/enterprises that:

- Meet defined social, environmental and financial needs in the community;
- Provide employment opportunities for marginalized and/or under-employed residents; and
- Generate sufficient surplus revenues to cover at least a portion of the operating costs of the organization.

Local examples of successful social ventures include the Clothesline owned and operated the Cochrane Activettes and Cochrane Home Treasures owned and operated by the Cochrane Home Essentials Society.

In Calgary, Habitat for Humanity receives 100% of its operating revenues from the proceeds gained through its Re-Store (re-cycled construction and home renovation materials); ensuring that 100% of all financial and in-kind donations made to Habitat housing projects are used for capital construction.

#### **8.3.2 Considerations:**

The Board and staff of the Cochrane Society for Housing Options (CSHO) have identified a number of creative social enterprise opportunities for the Society to consider. Staff also recently participated in a number of training and education courses dealing with social enterprise and Community Economic Development. The Town of Cochrane can support CSHO in exploring social ventures through their Business Licensing Bylaw and through support with and zoning and safety codes issues.

#### **8.3.3 Roles & Responsibilities:**

The Cochrane Society for Housing Options (CSHO) will take the lead role in implementing this initiative by identifying, researching and conducting comprehensive planning exercises (including the development of solid business plans) to confirm the market and financial viability of various social enterprises and obtain additional funding financing where appropriate to proceed with their creation.

#### **8.3.4 Resources:**

- Financial (\$): Grants and financing.
- Staff Time, Knowledge & Expertise: Town of Cochrane, Cochrane FCSS, Cochrane Society for Housing Options (CSHO). The Housing Coordinator and some CSHO board members have direct experience in setting up and operating non-profit businesses.



- Volunteer Time, Knowledge & Expertise: Cochrane Society for Housing Options (CSHO) Board of Directors.
- Networks/Connections: Existing relationships with other non-profit organizations that have created successful social enterprises.

### **8.3.5 Targets & Timelines:**

A financially viable social enterprise will be established by the Cochrane Society for Housing Options within two to three years after the formal adoption of this Strategy by the Town of Cochrane.

### **8.3.6 Anticipated Costs (One-Time):**

The costs associated with pursuing this initiative could be covered through grants as follows:

- Staff for project development: \$25,000
- Staff for first year of project: \$50,000
- Capital construction/renovation and working capital: \$50,000





*Appendix A:*  
**Evaluation of the 2002 Cochrane  
*Affordable Housing Strategy***



## **1.0 Introduction to Appendix A: Evaluation of the 2002 Cochrane Affordable Housing Strategy**

In 2001, the Cochrane Affordable Homes Task Force embarked on an initiative to not only quantify and explore the community's affordable housing issues through a Housing Needs Assessment but also to identify specific strategies to help the community address those identified needs. In 2002, the *Cochrane Affordable Housing Strategy* was completed and included nineteen different strategies for the Town to pursue in seven key areas. These strategies (outlined in *Chapter 3: Implementation*) are as follows:

### **3.1 Implementation**

1. Establish Cochrane Affordable Homes Society
  - Stage I: Advisory Role
  - Stage II: Administrative Role
  - Stage III: Management Role
2. Hire a Full-Time Affordable Housing Coordinator

### **3.2 Increase the Supply of Land for Affordable Housing**

3. Establish a Community Land Trust
4. Explore Use of Under-Utilized Lands

### **3.3 Investigate Incentives for Affordable Housing**

5. Develop an Incentive Formula for Affordable Housing
6. Streamline Regulations and Planning Procedures for Affordable Housing
7. Develop Annual Affordable Housing Targets
8. Explore "Performance Standard Zoning" for Cochrane

### **3.4 Build More Affordable Housing**

9. Educate the Development Industry about Affordable Housing Best Practices
10. Continue to Hold Housing Industry Workshops
11. Initiate Affordable Housing Partnerships
12. Involve the Public in the Planning Process for Affordable Housing
13. Ensure that Affordable Housing Developments Comply with Appropriate Controls

### **3.5 Seek Additional Funding for Affordable Housing**

14. Actively Seek Funding for Affordable Housing
15. Request Municipal Funding Support

### **3.6 Increase Capacity Building Towards Home Ownership (Empowering Families)**

16. Develop a Home Ownership Education Program
17. Explore Avenues to Facilitate Home Ownership for Low- and Medium-Income Households



### 3.7 Identify Affordable Housing Demand in the Community

18. Monitor Changing Housing Needs in Cochrane on an Annual Basis
19. Develop a Housing Registry

While several of the strategies identified above have been successfully implemented, a number of these strategies have not for various reasons – most of which relate to limited available resources including time, staffing resources and money.

What follows is an evaluation of the various strategies included in the *Cochrane Affordable Housing Strategy* based on feedback gathered from the Cochrane Affordable Housing Task Force and a series of key person interviews with local stakeholders.

## 2.0 Evaluation

Participants in the key person interviews and the members of the Cochrane Affordable Housing Task Force were asked to evaluate the 2002 *Cochrane Affordable Housing Strategy* according to the following four criteria:

1. Accomplishments to date;
2. Implementation challenges;
3. Barriers to future implementation; and
4. Opportunities for future implementation.

What follows is a summary of the feedback gathered through the key person interviews.

### 2.1 Implementation

- **Establish Cochrane Affordable Homes Society**
  - **Stage I: Advisory Role**
  - **Stage II: Administrative Role**
  - **Stage III: Management Role**
- **Hire a Full-Time Affordable Housing Coordinator**

#### 2.1.1 Accomplishments to Date

Following the completion of the *Cochrane Affordable Housing Strategy*, the Cochrane Affordable Homes Task Force incorporated as the Cochrane Society for Housing Options (CSHO) and embarked on the development of its first affordable housing project – the HomeStead. The HomeStead is a four-storey building with ground floor commercial and 21 near market rental units (a combination of bachelor, one-, two- and three-bedroom units) on the top three floors. CSHO received a grant of \$1,050,000 from Alberta Seniors and Community Supports through the *Alberta Housing Partnership Initiative (AHPI)* along with other contributions. In addition, the Town of Cochrane waived approximately \$40,000 in municipal fees and gave CSHO a 60 year lease on the land.



Another key accomplishment has been the creation of a three-quarter-time Housing Coordinator position. The Town of Cochrane funds half of this position and CSHO funds the other half. Through this arrangement, the Coordinator is able not only to keep affordable housing on the radar of the local community and assist where needed in pursuing additional initiatives but also to balance and coordinate the interests of both organizations; maintaining a positive and productive relationship between the Town and CSHO.

A third key accomplishment to date has been the growing awareness and support for affordable housing in Cochrane. Affordable housing is now recognized as a key issue in the community and resistance to affordable housing initiatives has been reduced.

### 2.1.2 Implementation Challenges

With the creation of the HomeStead, CSHO bypassed the proposed Advisory and Administrative roles outlined in the 2002 *Cochrane Affordable Housing Strategy* and went straight to the Management role. Developing and operating the HomeStead proved to be more time consuming than anticipated. As a result, CSHO has not had the time or staff resources required to pursue advocacy or develop other initiatives to support affordable housing – until now.

Two other challenges include political challenges (different Councils have different mandates and support for affordable housing varies from Council to Council) and community awareness/understanding (Cochrane continues to grow and a lot of new people have moved to the community since the completion of the 2002 *Cochrane Affordable Housing Strategy* – people who may not be aware of the community’s needs and goals with respect to affordable housing).

With each new affordable housing project, the relationship between the Town and CSHO varies – particularly in terms of land ownership. A standard process and operating arrangement has yet to be developed which may lead to operating challenges and uncertainties around accountability.

### 2.1.3 Barriers to Future Implementation

Two key barriers were identified affecting future implementation of affordable housing initiatives in Cochrane:

1. **Human Resources:** the individuals involved at both the Town (Council and Administration) and CSHO (Board and Staff) levels change, and each time new people get involved, there is both a learning curve and new interests/priorities to consider – which can make it difficult to maintain momentum.
2. **Governance:** as the practice of affordable housing evolves in Cochrane, the roles, responsibilities and relationships between the Town, CSHO and other key stakeholders change, leading to growing uncertainty and confusion (i.e., who is responsible for what outcomes and how is accountability decided and monitored?).

### 2.1.4 Opportunities to Future Implementation

The willingness of Council to support affordable housing and the positive relationship between the Town and CSHO provides an opportunity to work together to find appropriate solutions to those challenges that limit continued updating and implementation of the *Cochrane Affordable Housing Strategy*.



## **2.2 Increase the Supply of Land for Affordable Housing**

- **Establish a Community Land Trust**
- **Explore Use of Under-utilized Lands**

### **2.2.1 Accomplishments to Date**

While no progress has been made to date on establishing a Community Land Trust for affordable housing (much of the community's energy has gone into establishing CSHO and developing the HomeStead), the Town has started work on developing an inventory of underutilized lands. Some good information has been collected to date.

### **2.2.2 Implementation Challenges**

The Key challenge with developing the inventory of land is the general lack of land. There is limited Provincial and Federal land in Cochrane and none that has been identified as surplus. Nor are there sufficient underutilized Municipal Reserve lands in Cochrane. Another challenge with the land inventory is the staffing resources required to update and maintain this inventory.

### **2.2.3 Barriers to Future Implementation**

The lack of sufficient staff resources to maintain the land inventory (in addition to staff's other responsibilities) and the lack of land available (i.e., limited returns on the time invested) will likely pose an ongoing barrier to further developing the land inventory.

The lack of sufficient staff resources and the lack of available land may also present a barrier to undertaking the necessary research and planning to evaluate and decide whether or not to establish a Community Land Trust in Cochrane. Also, in order to secure donations of land, CSHO would likely need to obtain charitable status – which would limit the types of housing projects and client groups it could serve. This may not be in the best interests of the community.

### **2.2.4 Opportunities to Future Implementation**

A number of opportunities may exist that could help to overcome the identified barriers to acquiring land for affordable housing, including:

- Recent changes to Provincial legislation allowing underutilized school lands to be used for affordable housing (initial contact has been made with the Province by the Town to further explore this option);
- The Town and/or CSHO may be able to purchase land from private landowners if sufficient money could be raised through capital grants;
- Partnerships with builders could also provide land;
- The redevelopment/intensification of existing properties (e.g., basement suites, mixed-use commercial/residential) could allow more housing units to be developed on the community's existing land base (the Town's new Municipal Development Plan is asking for two-storey commercial development and encouraging residential on the second storey).
- Changes to the Town's Land Use Bylaw now permits residential buildings as tall as eight storeys. This supports higher densities and more efficient use of the community's existing land base.



## **2.3 Investigate Incentives for Affordable Housing**

- **Develop an Incentive Formula for Affordable Housing**
- **Streamline Regulations and Planning Procedures for Affordable Housing**
- **Develop Annual Affordable Housing Targets**
- **Explore “Performance Standard Zoning” for Cochrane**

### **2.3.1 Accomplishments to Date**

The Town has applied for a grant to evaluate opportunities for streamlining the planning process for affordable housing as well as engaged private developers in discussions to identify appropriate incentives that would result in more affordable housing being built. The Town also established the Cochrane Affordable Housing Task Force to explore and recommend to Council specific strategies that would result in more affordable housing being built in the community.

### **2.3.2 Implementation Challenges**

One key challenge preventing the development of incentives for affordable housing is the lack of staff resources within the Town’s planning department to study the options and develop the strategies. The other challenge is that the Town has not yet received the grant that it is seeking to assist it in evaluating and developing a more streamlined planning process for affordable housing applications.

### **2.3.3 Barriers to Future Implementation**

While incentives may be seen as a way to increase the supply of affordable housing in Cochrane, some incentives may not be appropriate (e.g., reducing sidewalk requirements). Another barrier may be the difficulty of developing incentives that are both standardized (applied to all developers consistently) *and* appropriate in all development situations. How to govern and administer incentives and how to ensure compliance also presents a challenge (i.e., is a special Bylaw required or would the Subdivision Agreement suffice?).

### **2.3.4 Opportunities to Future Implementation**

Despite these potential barriers, a number of opportunities may exist to develop incentives for affordable housing, including:

- Developers in Cochrane are more interested in affordable housing now so there is more opportunity to discuss incentives;
- Direct Control zoning has been established in Cochrane which allows the Town to create case-specific conditions regarding variances (parking, road widths, sidewalks) incentives and reductions in off-site levies; and
- The Cochrane Affordable Housing Task Force has been established and could take on the responsibility of consulting with the public and with developers to create an incentive formula and governance protocols (thereby addressing Town staffing limitations).



## **2.4 Build More Affordable Housing**

- **Educate the Development Industry about Affordable Housing Best Practices**
- **Continue to Hold Housing Industry Workshops**
- **Initiate Affordable Housing Partnerships**
- **Involve the Public in the Planning Process for Affordable Housing**
- **Ensure that Affordable Housing Developments Comply with Appropriate Controls**

### **2.4.1 Accomplishments to Date**

In addition to the HomeStead, the Town recently used a portion of its allotted *Municipal Sustainability Housing Program* and *Capital Enhancement Program* funding to acquire an existing fourplex in town and preserve those units for affordable housing.

At the same time, however, the community has lost a number of existing affordable private housing units through redevelopment. For example, the community recently lost its mobile home park in this manner. Other affordable housing units (e.g., single family homes) may also have been removed from the community through redevelopment. While some new condo developments are relatively affordable, they may not necessarily be affordable to lower income households and may not necessarily remain affordable long-term (i.e., as those units change hands through resale).

Despite the loss of existing housing, the community has become more aware not only of the need for affordable housing but also of the important contributions people living in affordable housing make to the community – and what the loss of these residents means to the community.

A number of local developers have also come forward expressing interest in developing more affordable housing through partnerships. Partnerships, however, cannot be one-sided. Each member of the partnership (e.g., developers/builders, non-profits and the Town) has to be willing to contribute.

Partnerships also require leadership. A common challenge for non-profits seeking to partner with the private sector related to expectations around leadership. Non-profits often look to the developer for leadership – not only in proceeding with building a project but also in defining the project and its intended target group and then identifying a suitable parcel of land to develop. However, for an effective Public/Private Partnership (P3) for affordable housing to occur, leadership will likely have to come from the Town (providing the land) and CSHO (defining the project and its intended target group).

### **2.4.2 Implementation Challenges**

Limited staff and financial resources (e.g., capital grants) have presented key challenges to building more affordable housing in Cochrane. Another key challenge is the local housing market. While some new housing developments may be affordable to the first-time homebuyer, these homes often accelerate in price quickly due to market conditions and may not necessarily be affordable to future homebuyers.

### **2.4.3 Barriers to Future Implementation**

The lack of affordable, developable land and capital grant funding will likely continue to present a challenge to building more affordable housing. While developers are becoming more interested in affordable housing, most of their interest lies in building more affordable *entry-level ownership*



housing. An ongoing barrier to developing affordable *rental* housing is the question of who will own and manage the project once it is built.

Challenges with the Building Code (i.e., minimum standards that have to be met) also pose a challenge to building more affordable housing as does the way houses are typically built in the community (new techniques and technologies that result in lower construction costs may be slow to gain broad acceptance).

The Province currently does not support rent controls and municipalities may have limited opportunities to place price or tenancy restrictions on new affordable housing developments. As a result, there are limited opportunities to ensure that new affordable housing is both *perpetually* affordable and affordable to those *most in need*.

The Province also places restrictions on funding that it provides for affordable housing including income thresholds, assets and rents that can be charged. These restrictions create gaps in the housing continuum (e.g., those households that make too much money to qualify for support but not enough money to access market housing<sup>5</sup>) that are difficult to address in the absence of Provincial funding.

#### **2.4.4 Opportunities to Future Implementation**

A number of potential opportunities may exist to encourage the construction of more affordable housing in Cochrane, including:

- Current Town legislation (e.g., the Town’s Land Use Bylaw promotes basement suites in single family areas as well as Granny Suites and now permits residential buildings up to eight storeys);
- The Province may be revisiting the Building Code which may result in new standards that could achieve greater affordability;
- A combination of policy and incentives could be developed to increase the number of basements suites in the community including:
  - Grants to support putting in legally-conforming basement suites in existing homes;
  - Encouraging developers to “rough in” the required electrical, plumbing, etc. in new homes to make the future development of basement suites easier and less expensive to accomplish; and
  - Building public awareness, acceptance and appreciation of basements suites (including their potential as “mortgage helpers”).
- Educating developers and consumers about different design and construction techniques that promote greater affordability (e.g., FlexHousing, manufactured housing, Structural Insulated Panels - SIPs).

CSHO is also starting to explore the creation of *perpetually* affordable housing if and where permitted under the requirements of the *Affordable Housing Program – Block Funding Initiative Grant*.

#### **2.5 Seek Additional Funding for Affordable Housing**

- **Actively Seek Funding for Affordable Housing**
- **Request Municipal Funding Support**

---

<sup>5</sup> For example, households with higher incomes and assets that are tied up in times of change (e.g., divorce, a death in the family, immigration, etc.).



### **2.5.1 Accomplishments to Date**

CSHO has been successful in obtaining both capital grant funding for affordable housing and funding support from the Town of Cochrane. CSHO received \$1,050,000 from the Province along with land and a waiving of municipal fees from the Town to build the HomeStead. The Town also funds half of the Housing Coordinator position.

The Town is also using its block funding through the *Affordable Housing Program – Block Funding Initiative Grant* to support affordable housing and additional capital funding is being sought from the Province through its recent RFP process.

The value of in-kind contributions from the community, local non-profits and the Town – particularly through CSHO and the HomeStead – should not go understated or underappreciated.

### **2.5.2 Implementation Challenges**

A key challenge in obtaining capital funding from the Province is the lack of funding available, the limits placed on that funding in terms of how it can be used, what rents can be charged, and what portion of a particular housing project can be funded using Provincial money.

A key challenge in obtaining funding from the Town of Cochrane is the likelihood that the Town would need to raise taxes in order to obtain that funding and the contentious issue this presents.

### **2.5.3 Barriers to Future Implementation**

The lack of Provincial funding and the limits placed on that funding will likely continue to be a barrier. Accessing money from the Town through its tax base will also likely continue to pose a challenge.

### **2.5.4 Opportunities to Future Implementation**

A number of potential opportunities may exist to obtain both capital and operating funding for affordable housing in Cochrane, including:

- The Province's *Affordable Housing Program – Block Funding Initiative Grant*;
- Other potential funding programs (e.g., the Province's annual RFP funding process, CMHC's various programs, etc.);
- The potential to establish a Housing Trust Fund or Housing Reserve Fund;
- Revenues generated from existing affordable housing projects;
- Development fees and levies; and
- Charitable status (if appropriate).

## **2.6 Increase Capacity Building Towards Home Ownership (Empowering Families)**

- **Develop a Home Ownership Education Program**
- **Explore Avenues to Facilitate Home Ownership for Low- and Medium-Income Households**



### 2.6.1 Accomplishments to Date

Neither the Town nor CSHO has had the time, resources or opportunity to either develop a local homeownership education program or explore opportunities to invite existing programs (e.g., the HOME Program from Edmonton) to come to Cochrane. However, the Town is currently exploring opportunities to facilitate TRICO Homes' and Norfolk Housing Society's attainable homeownership program for moderate-income households. CSHO has also developed an informative website providing information on affordable housing and FCSS has a Community Resource Worker who works with households in need to educate them about housing, programs and supports that that may be available to them.

### 2.6.2 Implementation Challenges

Limited staff and financial resources have been the primary challenges preventing the Town or CSHO from assisting low- and medium-income households to build their capacity to become homeowners. Both the Town and CSHO have also been focused on providing affordable rental housing rather than homeownership.

### 2.6.3 Barriers to Future Implementation

Limited staff and financial resources will likely continue to serve as barriers to the Town or CSHO assisting low- and medium-income households to build their capacity to become homeowners. Other potential challenges include the lack of homeownership options available to low- and medium-income households in Cochrane, deciding who should take on the leadership role (the Town, CSHO or some other organization), and the overall lack of subsidy or grant options available to renters to help them become homeowners.

### 2.6.4 Opportunities to Future Implementation

A number of potential opportunities may exist to assist low- and medium-income households to become homeowners, including:

- TRICO Homes and the Norfolk Housing Society are developing an attainable homeownership program in Cochrane (for households in the \$52,000-\$82,000 income ranges);
- Classic Communities offers an attainable homeownership program and could be encouraged to develop in Cochrane;
- Habitat for Humanity helps low-income families with children become homeowners;
- The HOME Program from Edmonton provides education and downpayment assistance to help low- and medium-income households to become homeowners; and
- The Treaty 7 Management Corporation is currently seeking approval to develop a province-wide status-blind downpayment assistance program for persons with Aboriginal heritage (status, non-status, Métis, etc.) using a portion of the Federal *Off Reserve Housing Trust* funds.<sup>6</sup>

CSHO is currently exploring the creation of *perpetually* affordable housing with the Town if and where permitted under the requirements of the *Affordable Housing Program – Block Funding Initiative Grant*.

---

<sup>6</sup> The proposal for the first year of the project is to provide 100 downpayments of \$20,000 each for a year-one total of \$2,000,000 in downpayment assistance.



## **2.7 Identify Affordable Housing Demand in the Community**

- **Monitor Changing Housing Needs in Cochrane on an Annual Basis**
- **Develop a Housing Registry**

### **2.7.1 Accomplishments to Date**

The Town, CSHO and the Cochrane Family and Community Support Services recently updated the community's 2002 Housing Needs Assessment. The HomeStead waitlist also provides a good indicator of the current need for affordable rental housing in the community. Cochrane FCSS also frequently receives information about housing needs and challenges through its various programs and supports.

### **2.7.2 Implementation Challenges**

Limited staff and financial resources have been the primary challenges preventing the Town, CSHO or the Cochrane FCSS from developing a Housing Registry. Another challenge has been the perceived need for such a registry given the other priorities in the community and the level of information already provided through the HomeStead waitlist.

### **2.7.3 Barriers to Future Implementation**

Limited staff and financial resources will likely continue to serve as barriers preventing the Town, CSHO or the Cochrane FCSS from developing a formal Housing Registry – as will the perceived need for such a registry. Key stakeholders are already very aware of the needs and that there is more demand in the community that can be met in the short term. People are also transient, so the benefit of developing a Housing Registry remains a question.

### **2.7.4 Opportunities to Future Implementation**

There may be the potential and incentive to develop a Housing Registry if it could be demonstrated to provide a beneficial tool for working with developers (i.e., if the Housing Registry could be used to compile market data and demonstrate specific housing needs and targets).

## **2.8 Emerging Issues**

Since the creation of the *Cochrane Affordable Housing Strategy* in 2002 and the establishment of the Cochrane Society of Housing Options in 2003, a lot of work has been done to address the community's affordable housing needs. Through those efforts, several ongoing and/or emerging challenges have been identified, including:

1. Staffing (Town and CSHO);
2. Governance and partnerships;
3. Identifying and pursuing new housing targets; and
4. Creating and maintaining sustainable sources of funding.



### **2.8.1 Staffing (Town and CSHO)**

While the current partnership between the Town and CSHO (including the joint funding of the Housing Coordinator position) is working well, there are concerns that neither the Town nor CSHO have enough staff to successfully pursue all of the strategies outlined in either the current or future updates to the *Cochrane Affordable Housing Strategy*. Furthermore, as CSHO evolves, it will need more staff, but it will likely need more staff before it can evolve (a “Catch-22”). In order to hire more staff, money is required. It is uncertain where that money would come from or how sustainable that funding would be in the long term. There is also only so much assistance that volunteers can provide.

### **2.8.2 Governance and Partnerships**

While the current relationship between the Town and CSHO is working well with the existing affordable housing projects, there is concern about how that relationship will evolve as CSHO evolves as an organization. Key questions include:

1. Who will be responsible for new affordable projects in Cochrane?
2. Who will be responsible for implementing the updated *Cochrane Affordable Housing Strategy*?
3. If the Town uses block funding (i.e., *Affordable Housing Program – Block Funding Initiative Grant* funding) for a housing project that CSHO owns and operates, how would accountability to the Province be organized and maintained?
4. What assurance is there that Town support for affordable housing and for CSHO will be maintained into the future (and what will happen to the HomeStead if the Town does not support affordable housing when the current 60-year lease expires)?
5. Should the Town be directly involved in developing and/or owning affordable housing and how much risk is the Town willing to accept if it chooses to do so?
6. What level of funding could/should the Town provide to CSHO in terms of capital and operating funds?
7. Should CSHO maintain its existing legal structure or evolve into a different legal structure (e.g., Housing Authority, municipally owned Part 9 Corporation, foundation or registered charity)?
8. How can the Town and CSHO overcome future changes in leadership (Council and Board) and staffing that may change the current relationship?

### **2.8.3 Identifying and Pursuing New Housing Targets**

The community has the HomeStead (which was developed to address the most immediate need identified in the original Housing Needs Assessment – rental housing for people in the service industry). The community also has a fourplex (four units total) obtained by the Town using *Municipal Sustainability Housing Program* and *Capital Enhancement Program* funding. The Town and CSHO are also currently exploring possibilities for developing perpetually affordable housing. However, gaps still exist in Cochrane’s housing continuum (e.g., supportive housing for people with addictions, people with mental health issues, people who do not have stable employment; housing for Aboriginal people, and housing for the community’s immigrant population). A key challenge for the Town and CSHO is how and where to prioritize limited resources to meet breadth and extent of the growing demand for affordable housing.

### **2.8.4 Creating and Maintaining Sustainable Sources of Funding**

Creating and maintaining a sustainable source of capital funding is required to continue pursuing new affordable housing projects (even with capital grant programs, organizations are often required to contribute a certain level of funding and equity of their own). Creating and maintaining a sustainable



source of operating funding is required for both the Town and CSHO to hire the staff necessary to pursue new housing projects and implement the strategies identified in both current and future updates to the *Cochrane Affordable Housing Strategy*.

## **2.9 Feedback “Strategies & Recommendations Workshop”**

On November 27, 2008 a Strategies & Recommendations Workshop was held at the HomeStead. This workshop brought together a diverse mix of stakeholders to review and discuss options for increasing the supply of affordable housing in Cochrane. The first exercise in this workshop asked participants to identify what they felt to be the most important challenges to promoting affordable housing in Cochrane. Their comments are as follows:

1. Market Challenges:
  - The cost of living in Cochrane;
  - Land and construction costs; and
  - The local housing market (i.e., the value of real estate in Cochrane is so high)
2. Funding and Resource Challenges:
  - Limited funding (capital grants) available for affordable housing;
  - Lack of operating grants available to non-profit housing providers;
  - Funding limitations (e.g., expected rent levels and eligibility requirements for capital grants) limiting the incomes that can be served;
  - Future restrictions on the availability of funding/financing (e.g., program cuts); and
  - Limited public land (e.g., Municipal, Provincial and Federal) available for affordable housing.
3. Local Attitudes and Beliefs
  - The attitude of the general public toward “affordable” housing (stigma); and
  - Educating landlords that they do not have to charge the highest rents possible (just because they can).
4. Implementation Challenges
  - Coordination of key stakeholders;
  - Regulatory impairment (planning rules and regulations that add to the costs of new housing development and construction);
  - Governance (e.g., how actions and responsibilities are shared/coordinated between the Town and the Cochrane Society for Housing Options); and
  - A good solid plan in place to move us forward to fill housing gaps in community (diverse affordable housing for sustainability of community).
5. Housing Needs and Priorities
  - Safe, affordable housing for seniors;
  - Safe, affordable housing for young families, single mothers, people dealing with domestic violence, people in their mid-20s and younger with limited housing prospects;
  - Housing for people just coming out of university/college with degrees ;and
  - The increased demand for affordable housing that is going to come with economic situation.



*Appendix B:*  
**Options and Best Practices for  
Consideration**



## 1.0 Introduction to Appendix B: Options and Best Practices for Consideration

The following report summarizes current best practices used to promote affordable housing in communities throughout Alberta and British Columbia.<sup>7</sup> The information presented is organized according to a framework established by the Alberta Urban Municipalities Association's (AUMA) Housing and Social Development Task Force. The framework is presented in as part of AUMA's *The Affordable Housing "Toolkit"*.

The framework developed by AUMA to describe the various approaches that municipalities can use to address local affordable housing issues is organized into the following nine general categories:

- (i) Education and Advocacy
- (ii) Removing Barriers
- (iii) Incentives
- (iv) Requirements
- (v) Fees and Taxes
- (vi) Municipal Land
- (vii) Private Non-profits
- (viii) Municipal Housing Corporations
- (ix) Financial Approaches

What follows is a brief summary of each of these approaches along with some examples for consideration. Details about these approaches come from several sources including AUMA, research conducted by Canada Mortgage and Housing Corporation (CMHC), studies from individual communities and feedback gathered during a series of key person interviews with planners and representatives from communities discussed in this report.

Following the examples in each of the nine categories are a series of suggested options for the Town of Cochrane to consider. The options are organized into a hierarchy according to the degree of effort (time, energy, people and cost) required. In most cases, it is anticipated that the greater the effort expended, the greater the expected benefits (and vice versa).

It should also be mentioned that some overlap does exist between the categories. For example, barriers and incentives tend to overlap – especially since some of the incentives that municipalities use to promote affordable housing actually represent the removal of existing barriers (e.g., reduced parking standards or reduced development fees).

---

<sup>7</sup> Examples from communities in British Columbia may or may not be appropriate for Cochrane due to differences between BC's *Local Government Act* and Alberta's *Municipal Government Act*.



## **2.0 Education and Advocacy**

### **2.1 Overview**

Education and advocacy are two complementary activities with slightly different goals. The goal of education is to increase and expand people’s knowledge, awareness and perceptions about affordable housing and related issues; while advocacy seeks to promote or encourage people to support a particular course of action or group needing housing. Advocacy often begins with education.

In terms of affordable housing, education and advocacy typically focus on three general areas:

1. Raising and expanding community awareness and knowledge about local housing issues, needs and opportunities as a means of increasing public understanding and support for affordable housing (i.e., reducing NIMBY opposition to proposed affordable housing developments);
2. Increasing support for and active participation in affordable housing-related initiatives (i.e., creating opportunities for a large number of people to become involved in a wide range of projects to address local housing issues); and
3. Building strong and effective networks between groups and individuals to achieve positive action (i.e., more support, more involvement, more affordable housing units being built).

Education and advocacy often involve:

- Sharing ideas, facts and figures about affordable housing issues, needs and opportunities in the community presented through a variety of means;
- Clearly defining what “affordable housing” is and what it is not so that the community understands what is being sought;
- Demonstrating the individual and broader community benefits of increased housing affordability and choice in the community (more units that are affordable to low- and moderate-income households); and
- Seeking support for particular initiatives designed to address the community’s affordable housing needs.

It is important to note that education is a “two-way street” – those leading the education have to be ready and willing to learn themselves.

### **2.2 Examples of Themes to Address Through Education & Advocacy**

- Definitions and different types of affordable housing;
- Level and types of housing needs and issues in the community (putting a face to affordable housing);
- Causes and effects of local housing issues;
- Impacts of local housing issues on the broader community;
- Community attitudes, beliefs and knowledge towards specific solutions or household groups;



- Myths and misconceptions about affordable housing (including the impacts, or lack thereof, of affordable housing on surrounding property values);
- Barriers and challenges to addressing local housing issues;
- Potential solutions and strategies (best practices) to address local housing issues; and
- Resources required to address local housing issues.

### **2.3 Examples of Target Audiences for Education & Advocacy**

- The community-at-large
- Neighbours (e.g., addressing NIMBY opposition)
- Council and Administration
- The Provincial and Federal Governments
- Developers and Builders
- Landlords
- Banks and financial institutions
- Business community (e.g., Chamber of Commerce)
- Donors and funders
- Households in need of affordable housing

### **2.4 Examples of Municipal Initiatives that Support Education & Advocacy**

- Broad public consultation during the development of a Housing Needs Assessment and community housing plan/strategy (e.g., key person interviews and Focus Group meetings);
- Setting up special Task Forces and housing committees;
- Developing public awareness campaigns;
- Working with the local media (newspapers, radio, television) to share findings from various studies and build awareness in the community;
- Making local housing studies readily available to the public;
- Distributing educational pamphlets, brochures and fact sheets;
- Sharing information through websites and email newsletters;
- Conducting surveys (individual households, tenants, employees, employers, seniors, etc.);
- Making presentations to Council, Chamber of Commerce, Service Clubs, etc.;
- Workshops;
- Education Symposiums;
- Open Houses, Town Hall Meetings, information fairs, trade shows and conferences;
- Developing and maintaining a Housing Registry; and



- Providing homeownership education and training programs to local residents to assist them in becoming successful homeowners.

## 2.5 Expected Outcomes of Education & Advocacy

1. Increased awareness and understanding of the community's housing issues;
2. Increased resident and political support for addressing the community's housing issues;
3. Reduced neighbourhood opposition (NIMBY) to proposed housing solutions; and
4. Increased participation from the private and public sectors to implement solutions.

## 2.6 Anticipated Risks of Education & Advocacy

1. The particular education/advocacy initiatives pursued may not result in the desired changes in terms of increased knowledge, improved attitudes and understanding, increased participation, etc.;
2. The particular education/advocacy initiatives pursued may not result in new affordable housing units being built;
3. Too few tangible benefits are *perceived* for the energy and money invested;
4. The time, energy and money required to address the community's education and advocacy requirements take resources away from actual service delivery; or
5. The particular education/advocacy initiatives pursued "backfires" (e.g., it ends up promoting greater opposition or new information comes to light that refutes what the group is trying to accomplish).

## 2.7 Options for Consideration for Education & Advocacy

### Basic Options:

- Post the completed *2009 Cochrane Affordable Housing Needs Assessment Update* and (once completed) the *Cochrane Affordable Housing Strategy Update 2009* on both the Town's website and the website of the Cochrane Society for Housing Options (CSHO) to allow ready access to the information.
- Network with similar groups in other communities to share information and work collectively on common advocacy initiatives.

### Intermediate Options:

- Hire a full-time Housing Support Worker to:
  - Assist low- and moderate-income households with articulating their particular housing and support needs;
  - Assist low- and moderate-income households with identifying and applying for supports as needed (e.g., rent supplements, social supports, etc.);
  - Identify new support programs that are needed in the community; and



- Facilitate the delivery of homeownership education and training workshops in the community; and
- Identify areas for advocacy (i.e., common issues identified across households) with the three orders of government.

### **Advanced Options:**

- Develop an ongoing housing education and outreach program that would include:
  - Updates to the *Cochrane Affordable Housing Needs Assessment* every five years to coincide with the release of Statistics Canada census data;
  - Annual reports or “report cards” showcasing affordable housing success stories and the community’s progress towards meeting its affordable housing needs (e.g., successful implementation of specific recommendations included in the *Cochrane Affordable Housing Strategy Update 2009* and any new affordable housing units created);
  - Presentations to local groups;
  - Workshops with the private sector bringing in keynote speakers showcasing innovated approaches to affordable housing; and
  - Leading special research projects, studies and surveys as identified from time to time.
- Establish a Housing Registry under the auspices of FCSS and CSHO to collect and compile direct information on the number and type of households in need of affordable housing and their particular housing needs. This information could then be used as a tool (justification and/or opportunity to obtain pre-lease agreements) to assist and encourage the private and/or non-profit sector to develop housing that could potentially meet those needs.

## **2.8 Feedback from the “Strategies & Recommendations Workshop” Participants**

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Education and Advocacy:

### **1. What will work in Cochrane:**

- *Physical* presentations that are face-to-face and interactive (suggested groups include Service Clubs and children – i.e., through the schools);
- Education and advocacy needs to take a long-term approach (i.e., planting seeds in a step-by-step process);
- The information shared should include both quantitative and qualitative as people want and need both; and
- CSHO provides a great vehicle to promote education and advocacy as the resources are available to maintain and update the site with new information.

### **2. What will not work in Cochrane:**

- Paper, pamphlets and other forms of written education and advocacy will not likely work as people have to take too much initiative to read through the documents and written forms tend to have limited impact; and
- A Housing Registry may not be necessary as information on local housing needs is already being obtained through informal networks. There may be a need for something



more formal in nature in the future (e.g., manual documentation or some form of online portal).

### **3. Creative Suggestions:**

- Develop a focused public awareness campaign describing local housing needs and situations. The campaign could be designed around the CSHO logo (e.g., doors being closed and doors being opened);
- Share the ideas and results of this workshop with the media;
- Partner with the media to:
  - Describe real life situations in the papers (e.g., “putting a face to affordable housing”) – recognizing that anonymous case studies can have the same impact without naming people;
  - Provide a series of interviews with different local business owners and how the lack of affordable housing is affecting their business;
  - Have guest columnists (e.g., from CSHO, etc.) submit stories; and
  - Include an ongoing series of “Did-You-Knows” (always looking the same, always consistent) spread throughout the papers that include affordable housing facts and figures to help dispel the myths.
- Incorporate affordable housing “Did-You-Knows” into community events (e.g., how the Cochrane Centennial Committee shared facts about the history of Cochrane on movie screen); and
- There is often unused space in community resource books that could include affordable housing “Did-You-Knows”.

### **4. General Feedback about the Options Presented:**

- Workshop participants were generally in support of all of the Education and Advocacy options presented above with two caveats:
  - There has to be both political will and financial support for the intermediate and advanced options to work; and
  - A Housing Registry may not be required or the best use of limited resources.



## **3.0 Removing Barriers**

### **3.1 Overview**

Removing barriers to the development of more affordable housing focuses on isolating factors (barriers) that add unnecessary costs to the construction of new housing and then removing them. The assumption is that, by reducing such barriers, the overall costs of developing housing may be reduced, thereby enabling local developers to bring housing on-stream more affordably and then pass those cost savings on to the consumer. In some cases, developers may be required to demonstrate proof that the cost savings achieved through the removal of specific cost-related barriers are in fact passed on to the end consumer.

### **3.2 Examples of Barriers to Improved Housing Affordability**

- Escalating land costs, infrastructure costs, labour costs and the cost of construction materials;
- Municipal fees, levies and taxes;
- Zoning and development standards that limit the number of units permitted on a given parcel of land;
- Planning controls that prohibit the use of more cost effective construction materials and techniques;
- Lengthy rezoning and permitting processes that increase the total interest charges paid by developers and builders on development and construction financing;
- NIMBY (the high cost and reduced certainty of addressing community opposition to affordable housing projects);
- Lower profit margins on affordable housing compared to higher-end homes (i.e., profits may be too low to encourage developers to build affordable housing and/or not high enough to absorb cost overruns leading to increased risk and the fear of actually losing money on the development);
- The perception that there isn't a strong enough market for affordable housing (i.e., low- and moderate-income households are less able to purchase units – even affordable units – for a variety of reasons and cannot afford the rents required to make a newly built rental housing project profitable); and
- Limited knowledge, experience or creativity on how to produce affordable housing that still fits with the neighbourhood, is aesthetically pleasing and is desirable to the intended market despite the use of less expensive materials and design elements.

### **3.3 Examples of Municipal Approaches Used to Remove Barriers**

- Streamlining or fast-tracking the development permit approval process for affordable housing projects;
- Reduced or waived development fees for affordable housing projects;
- Reduced development standards for affordable housing projects (e.g., reduced set backs, reduced road allowances, reduced parking requirements, etc.) to increase the number of units that can be built on a given site;



- Reduced requirements for Municipal Reserve and/or road allowances, thereby increasing the developable portion of a large site (and total number of housing units that can be built) in exchange for affordable housing; and
- The creation of special zoning that encourages more housing variety in the community and more flexible, effective and/or creative uses of existing land.<sup>8</sup>  
Examples include:
  - Narrow-Lot Subdivisions
  - Infill Lots
  - Mixed Use Commercial (e.g., residential above commercial)
  - Secondary Suites (e.g., granny suites, carriage houses, basement suites, etc.)
  - Manufactured Home Neighbourhoods
  - Z-Lot Subdivisions
  - Cluster Housing
  - Employee Housing Districts
  - Perpetually Affordable Housing Districts

### **3.4 Expected Outcomes**

- Developers are encouraged and enabled to create more affordable housing units in the community;
- Reductions in construction costs that are then passed on to the consumer; and
- Relatively more affordable housing units being developed in the community.

### **3.5 Anticipated Risks**

- The barriers that are removed may not result in the desired level of housing affordability (e.g., the cost of housing becomes relatively more affordable to middle-income households but still not affordable enough to low- and moderate-income households);
- The barriers that are removed may result in less revenue to the Town (e.g., reduced development fees) in exchange for private “win falls” for developers and individual homeowners if developers do actually pass the full cost savings on to the consumer and/or controls are not placed on the resale of those relatively more affordable homes;
- The time, energy and money spent to study and develop the appropriate cost saving initiatives may cost more in the short-term than subsidizing housing/households directly; or
- Problems anticipated with reducing standards may actually come to fruition in the future (e.g., reducing parking standards today may result in parking problems in the neighbourhood down the road as the area’s overall density further increases).

---

<sup>8</sup> In most cases, new zoning opportunities help to reduce per-unit land costs by increasing density. In other cases, allowing for mixed-use developments (e.g., residential over commercial, mixed tenure and/or mixed density developments) can promote using the more profitable market units to “cross-subsidize” the more affordable housing units.



### **3.6 Options for Consideration**

#### **Basic Options:**

- Increase the number of residential zoning options available to developers to encourage more housing variety in the community and more flexible, effective and/or creative uses of existing land.
- Educate the local development industry about current and emerging best practices in affordable housing either informally (on a case-by-case basis) or formally through special workshops and presentations.

#### **Intermediate Options:**

- Develop procedures to streamline the planning process for affordable housing proposals, thereby reducing the amount of time required to obtain approvals.
- Develop a standard protocol and guidebook for community consultations to assist developers in dealing more effectively with NIMBY opposition to new affordable housing proposals.
- Negotiate with developers on a case-by-case basis to remove barriers identified by the developer if deemed appropriate by the Town.

#### **Advanced Options:**

- Develop a standard policy and protocol for reducing or waiving development fees, levies and/or taxes for housing projects that include affordable units.
- Develop a standard policy and protocol for reducing or altering development standards for housing projects that include affordable units. Specific standards can be identified for specific areas (e.g., reduced parking standards permitted only in downtown areas where access to employment, shopping, recreation and health services can be more readily accessed by pedestrians).
- Develop a standard policy and protocol for reducing requirements for Municipal Reserve and/or road allowances where affordable housing is to be developed.

### **3.7 Feedback from the “Strategies & Recommendations Workshop” Participants**

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Removing Barriers:



**1. What Will Work in Cochrane:**

- Increasing the number of residential zoning options available to developers such as allowing homes closer to property lines or narrow lots
- Educating developers about current and emerging best practices through workshops and presentations (these workshops must have a local focus and increase developers' sensitivities about the affordability needs for low- and modest-income households – e.g., that \$300,000 is not affordable to these target groups);
- Streamlining planning procedures could be achieved but there needs to be someone within the Planning Department dedicated to affordable housing projects;
- A standard protocol and guidebook for developers to deal with NIMBY could work if the guidebook included examples of past experiences in other communities and with other developers;
- Reducing municipal fees, levies and taxes for affordable housing;
- Reducing zoning and development standards for affordable housing would need to be considered on a project-by-project;
- Increase the percentage of secondary suites allowed in each neighbourhood;
- Manufactured home neighbourhoods (i.e., privately-owned properties with manufactured housing units placed on them) could work if architectural controls were in place to ensure that the manufactured homes were stylistically appropriate to the neighbourhood (e.g., less “boxish”);
- Canmore's Z-lots, cluster housing, Employee Housing Districts, and Perpetually Affordable Housing (PAH) Districts could work in Cochrane; and
- The Town could share in the costs of infrastructure to promote more affordable housing.

**2. What Will Not Work in Cochrane:**

- Accelerating zoning and permitting processes only for affordable housing – this needs to be done for all housing development permits in Cochrane; and
- Trying to make rents affordable using standard land use planning mechanisms.

**3. Creative Suggestions:**

- Reducing construction costs by recycling materials from other projects; attracting volunteers (e.g., Habitat for Humanity), or developing on less-than-ideal lands;
- Taking a portion of the 10% of land required for Municipal and School Reserves (MSR) and allocating that land to an affordable housing land bank;
- Creating special development areas or zones that require increased variety of homes (e.g., narrow lots, mixed use); and
- The Town could share in the costs of infrastructure if that infrastructure is “green” infrastructure.

**4. General Feedback about the Options Presented:**

- It is important that we make it as easy as possible for developers to build affordable housing and to understand the rules.



## 4.0 Incentives

### 4.1 Overview

Another approach to stimulating the construction of affordable housing units is to provide specific incentives to developers. Often, specific incentives are negotiated with developers on a voluntary basis in exchange for a specific number of new affordable housing units being built. The difference between removing barriers (described above) and providing incentives can be semantic since some of the incentives that municipalities use to promote affordable housing actually represent the removal of existing barriers (e.g., reduced parking standards or reduced development fees). The primary difference between the two strategies is in how the strategies are used (i.e., whether they involve the reduction or removal of identified or perceived existing barriers to affordability or the provision of something new to encourage greater affordability).

Research conducted by CMHC<sup>9</sup> concludes that incentives alone do not work as well as mandatory requirements in terms of units built and affordability achieved since participation by developers is often voluntary and the particular incentives may not provide sufficient advantage in terms of cost savings to offset the actual losses associated with developing lower-revenue-generating units (e.g., affordable market or below-market units).

### 4.2 Examples of Municipal Incentives to Promote Affordable Housing

- Density bonusing (e.g., more floor area and more density in exchange for affordable housing) and/or density transfers (e.g., more commercial density in exchange for affordable housing). According to CMHC research<sup>10</sup>, density bonusing tends to be more effective in downtown areas of large urban centres where land costs per unit and the value of commercial development is high enough to produce meaningful results from the bonusing;
- Exempting affordable housing units (and especially perpetually affordable housing units) from all growth management quotas established through a Growth Management Strategy. Given the rapid growth that has occurred in the community, such a strategy may be justifiable;
- The municipality sharing a portion of the costs of providing infrastructure (water, sewer, power lines, gas lines, roads, etc.) with developers in exchange for affordable housing; and
- Channelling donations to non-profits through the municipality (i.e., the municipality negotiates tax receipts and other incentives with private developers to assist local non-profits in acquiring existing units in the community that they then can own and manage as affordable housing).

### 4.3 Expected Outcomes

- Developers are encouraged to create more affordable housing units in the community.

### 4.4 Anticipated Risks

---

<sup>9</sup> CMHC (1998) *Municipal Regulatory Initiatives: Providing for Affordable Housing*, Socio-economic Series 46.

<sup>10</sup> *Ibid.*



- The particular incentives used may not be sufficient to produce meaningful results. For example:
  - There is limited uptake by developers;
  - The desired level of affordability is not achieved; or
  - The full value of the financial benefits resulting from the incentives is not passed on to the end consumer.
- The added costs to the Town to implement the particular incentives.

## 4.5 Options for Consideration

### Basic Options:

- Develop a package of incentives exclusively for affordable housing projects that meet an identified need and target group in the community.

### Intermediate Options:

- Develop a package of incentives to encourage developers to incorporate affordable housing into their larger projects.
- Develop a policy and program whereby the municipality shares a portion of the costs of providing infrastructure (water, sewer, power lines, gas lines, roads, etc.) with developers in exchange for affordable housing.

### Advanced Options:

- Develop a Growth Management Strategy along with a policy to remove qualifying affordable housing units from annual growth management quotas.

## 4.6 Feedback from the “Strategies & Recommendations Workshop” Participants

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Incentives:

### 1. What Will Work in Cochrane:

- A clear and consistent package of incentives specifically for affordable housing projects where permitted under the *Municipal Government Act* (MGA);
- A clear and consistent package of incentives to encourage developers to incorporate affordable housing units within their projects;
- Density bonusing and/or density transfers in exchange for affordable housing; and
- There is the potential of creating a Growth Management Strategy for Cochrane with annual quotas and then exempting affordable housing units from those quotas.



**2. What Will Not Work in Cochrane:**

- One-offs or inconsistent application of incentives for affordable housing projects (the incentives need to be consistent and applied equally so developers know the rules, where they stand, and have a greater degree of certainty and trust in the process).

**3. Creative Suggestions:**

- A Growth Management Strategy for Cochrane could allow a certain percentage of additional market units over and above the annual quota in exchange for PAH.

**4. General Feedback about the Options Presented:**

- Incentives need to be consistent; and
- Participants were not sure if it would be appropriate for the Town to issue tax receipts on behalf of local non-profits in exchange for private sector donations.



## 5.0 Requirements

### 5.1 Overview

In some cases, municipalities create mandatory requirements to provide more affordable housing; including specific rules and regulations that require a developer to build a certain percentage of affordable housing as a condition of obtaining planning approvals (e.g., rezoning and development permit approvals).<sup>11</sup> The specific nature and number of affordable units required would typically be outlined in the master plan agreement with the developer. Meeting this requirement can be achieved by incorporating the required units directly into the proposed housing project or building the required units elsewhere in the community (e.g., another site). In some cases, the developer may have the option to provide cash *in lieu* of developing actual units.

### 5.2 Examples of Municipal Requirements for Affordable Housing

- Inclusionary zoning (i.e., requiring that a certain percentage of units within an overall housing development be affordable). The City of Vancouver, requires that 20% of units in new large-scale developments be social housing (the Province of British Columbia has recently amended its Municipal Government Act to extend this power to municipalities throughout the province). The City of Edmonton recently established policy whereby developers of large-scale developments must give the City the right to purchase 5% of the units at 15% below market prices or provide the City with cash *in lieu*;
- Linkage programs (i.e., requiring developers of large-scale commercial or residential developments to provide housing for a specified percentage of the employees generated by the development). The Resort Municipality of Whistler, BC successfully raised \$6.5 million through cash *in lieu* commercial linkage programs between 1990 and 1996 to fund new affordable housing development through its Employee Housing Service Charge;
- Housing replacement polices (i.e., any affordable housing units lost through the redevelopment of an existing parcel of land must be replaced either on-site or elsewhere in the community). This strategy (along with inclusionary zoning and linkage programs) has been used successfully in communities throughout the US; and
- Permitting land use redesignations (rezoning) only where the proposed development meets a defined community need for land (e.g., the District of Invermere has adopted a policy whereby the District will only entertain OCP amendments – e.g., land use redesignation – that meet an identified need in the community for land. Affordable housing is considered one of those identified needs for land).

Canmore has been able to create a type of voluntary “inclusionary” zoning using the *Voluntary Inclusionary PAH Program* that offers incentives to developers (see incentives above) in exchange for perpetually affordable housing. The Town also requires that 25% of all units within both the Three Sisters and Silver Tip developments to be “entry-level.” Examples of entry-level units produced under this program include:

1. Condominium units that are smaller than similar market-size units;

---

<sup>11</sup> Research from CMHC shows that mandatory requirements are more successful in terms of the number of new affordable housing units built than are incentive programs. In the US, the combination of inclusionary zoning and commercial linkage programs has achieved the greatest amount of success. However, these strategies may not necessarily be permissible under current provincial planning legislation (i.e., the *Municipal Government Act* of Alberta).



2. Single detached homes containing legally-conforming basement/secondary suites; and
3. Perpetually Affordable Housing (PAH) achieved through resale-restrictions (e.g., through restrictive covenants) to ensure ongoing affordability as homes are bought and sold.

Reducing the size of homes alone has not achieved significant affordability in Canmore as developers are still able to sell the smaller units at a market premium; partially because smaller units can still command breathtaking views and there are no controls on interior amenities and finishes in the units (e.g., slate tile vs. linoleum and hardwood vs. laminate flooring, granite vs. laminate countertops, etc.). For this reason, the Town of Canmore has moved away from encouraging entry-level housing and is now focusing the majority of its efforts on voluntary contributions of Perpetually Affordable Housing units.

### **5.3 Expected Outcomes**

- Developers are mandated to create more affordable housing units

### **5.4 Anticipated Risks**

- Individual strategies may not necessarily be legal in Alberta depending on how the mandate is presented and implemented, which could lead to costly legal challenges from developers.
- Developers may decide not to develop in Cochrane because other municipalities do not have or enforce the same requirements.
- Entry-level housing units may not be affordable to low- and moderate-income households.

### **5.5 Options for Consideration**

#### **Basic Options:**

- Negotiate with developers on a case-by-case basis the replacement of any affordable housing units lost through new development.
- Negotiate with developers on a case-by-case basis the inclusion of affordable housing units (e.g., secondary suites, affordable rental units, perpetually affordable homeownership, etc.) in new developments.



## **Intermediate Options:**

- Establish a policy whereby land use redesignations (rezoning) and development relaxations are only permitted where the proposed development meets a defined community need for land (e.g., affordable housing in the case of a large scale residential development). Along with this policy, the Town may need to develop additional zoning alternatives (or options such as Direct Control Districts) that can allow the developer to achieve the desired level of affordability.
- Develop a voluntary inclusionary program similar to Canmore for all new large-scale residential developments.

## **Advanced Options:**

- Explore the feasibility (including legal aspects) of developing a replacement policy whereby any affordable housing units lost through redevelopment must be replaced either on-site or elsewhere in the community. If permitted under the MGA and feasible, establish the program.
- Explore the feasibility (including legal aspects) of requiring a certain percentage of affordable housing units in all new developments as a condition of approval. If permitted under the MGA and feasible, establish the program. Use a range of incentives and removal of barriers to offset the costs or lost revenue. Provide the greatest number of incentives to perpetually affordable units that are gifted or sold to a local non-profit.
- Explore the feasibility (including legal aspects) of establishing a commercial linkage program that requires large commercial and residential developments to provide a specified percentage of housing units for its intended workforce. If permitted under the MGA and feasible, establish the program.

## **5.6 Feedback from the “Strategies & Recommendations Workshop” Participants**

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Requirements:

### **1. What Will Work in Cochrane:**

- Rezoning only if the proposed development meets a defined need in the community will likely become more attractive over time;
- There is some merit to developing a replacement policy but replacement units should be allowed to be built elsewhere in the community rather than just on site; and
- There is also some merit to developing a commercial linkage policy.

### **2. What Will Not Work in Cochrane:**

- Negotiating on a case-by-case basis will be difficult for the Town and may not achieve the desired outcomes (there needs to be an overall policy and protocol in place and is administered consistently);
- Voluntary inclusion is also questionable (there may need to be regulatory requirements); and
- A commercial linkage policy could be difficult from an economic development perspective.

### **3. Creative Suggestions:**

- There needs to be Perpetually Affordable Housing (PAH) requirement and policy; and
- The Town’s *Sustainability Matrix* may be useful as a tool to require affordable housing.



#### **4. General Feedback about the Options Presented:**

- Workshop participants were generally in favor of requiring affordable housing and thought that Canmore's program for PAH offered a good model to follow;
- It is difficult to separate requirements from incentives since they are very similar in nature and one leads to the other;
- The Town needs to offer incentives in exchange for requirements (e.g., density bonuses, reducing planning standards/requirements, etc.);
- There has to be a solid and agreed-upon understanding of "defined community need" for rezoning (in terms of affordable housing, there needs to be clear definitions and targets);
- How a commercial linkage policy would deal with the expansion of existing businesses needs to be addressed;
- In terms of staff housing, workshop participants were not sure how much control a company should have over its employees and where they live as this could impact upon employee's personal choice over the long-term. Therefore, careful consideration is required before any company/employer starts providing housing for its staff;
- Requiring a certain percentage of affordable housing units in all new developments may pose a challenge depending on the scale of the project (e.g., it may be easier to provide 5% affordable housing on a 60 acre project than on a 2-5 acre development) and, therefore, needs to be more clearly defined; and
- The advanced options presented above should be explored to determine whether or not they are legally possible under the *Municipal Government Act (MGA)*.



## **6.0 Fees and Taxes**

### **6.1 Overview**

Municipalities may be able to establish and levy special fees or taxes from developers and the business community on new commercial and residential development and/or local residents and use the income generated from those fees and taxes to facilitate new affordable housing development (usually through a special Housing Reserve Fund). For example, the Town of Canmore has created a special Housing Reserve Fund (e.g., the PAH Capital Reserve Fund) which is funded 33% by residents through property taxes, 33% by businesses through commercial property taxes, and 33% by developers through development fees. Currently, the Town of Canmore collects \$600,000 per year of which \$150,000 is used to support the operating costs of the Canmore Community Housing Corporation and the remaining \$450,000 is allocated to capital projects.

### **6.2 Examples of Municipal Fees and Taxes**

- Development charges/surcharges
- Business taxes
- Residential property taxes
- Commercial property taxes

### **6.3 Expected Outcomes**

- A special pool of funding is created to support more affordable housing development (i.e., a long-term sustainable source of funding) that can be used either to leverage Provincial and/or Federal housing capital grants or provide operating dollars for non-profit housing organizations.

### **6.4 Anticipated Risks**

- Increasing residential property taxes may lead to increased financial burden on those in need (i.e., low- and moderate-income households whether they are homeowners paying the property taxes directly or renters paying their portion of the property taxes through their rents).
- Opposition from community (the Town would likely need to demonstrate how and where the money being levied is creating a demonstrable return on investment).
- The money raised may not be enough to produce sufficient results in terms of number of units and level of affordability.
- The private sector may abdicate its role in building affordable housing because it perceives it is already doing its fare share by paying into the fund, which puts the onus of new housing development on the Town and/or non-profits that may not have the capacity to build housing.



## 6.5 Options for Consideration

### Basic Options:

- Create a special development surcharge based on square footage similar to Canmore (the larger the unit, the higher the surcharge and units below a certain size do not incur any surcharge) and place the revenues from that surcharge into a dedicated Housing Reserve Fund.

### Intermediate Options:

- Increase commercial property taxes and place the revenues from those taxes into a dedicated Housing Reserve Fund.
- Increase residential property taxes and place the revenues from those taxes into a dedicated Housing Reserve Fund but give rebates in the amount of the increase to households who can demonstrate:
  - Need based on income;
  - Permanent (year-round) residency;<sup>12</sup> and
  - Work in the community (if applicable).<sup>13</sup>

### Advanced Options:

- Follow the Canmore model whereby a special Housing Reserve Fund is created to support either the operating costs of the Cochrane Society for Housing Options (CSHO), some of the capital costs of new affordable housing developed by CSHO, or both.

## 6.6 Feedback from the “Strategies & Recommendations Workshop” Participants

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Fees and Taxes:

### 1. What Will Work in Cochrane:

- Establishing a Housing Reserve Fund:
  - Place a fraction of a percent of property taxes into a Housing Reserve Fund; and
  - Restructure the Town’s operations to reduce the Town’s operating costs and take a percentage the cost savings into a Housing Reserve Fund.

---

<sup>12</sup> Lower-income households who own property elsewhere or have the financial means to travel extensively throughout the year may not necessarily warrant a tax rebate.

<sup>13</sup> Lower-income households who both work and live full-time in the community may be seen to contribute more of their limited disposable income to the local economy than households that work outside the community (who may be prone to shop more in their employment community than their home community).



**2. What Will Not Work in Cochrane:**

- Increasing fees, levies or taxes applied to developers will only add to the cost of housing and may adversely impact people needing affordable housing;
- The Town does not have commercial taxes and it does not want to add such a tax; and
- Property taxes are a difficult form of taxation to use for affordable housing as they are not linked to income but rather to property values (some low-income households may own high-valued homes if they bought their home years ago).

**3. Creative Suggestions:**

- The Town has a property tax discount program targeted to low-income seniors. This program could be expanded to provide discounts to other low-income households should residential property taxes need to be increased to support a Housing Reserve Fund. However, such a program may be administratively expensive to implement (e.g., verifying income qualifications for the discount).

**4. General Feedback about the Options Presented:**

- The Town is already taking advantage of MSI grants;
- The property taxes generated from HomeStead are the only taxes going into a fund for future affordable housing in Cochrane; and
- Any increase in property taxes should only go to people who have higher incomes (i.e., who have the financial means to handle the increase).



## **7.0 Provision of Municipal Land**

### **7.1 Overview**

Municipalities that have their own land may be able to either gift or sell some of that land at a reduced rate to private or non-profit organizations that commit to building affordable housing. Municipalities may also purchase land from private landowners or seek donations of Crown land from the Province or Federal Governments for the same purpose.

According to a study prepared by the Town of Revelstoke, BC<sup>14</sup>, land banking is one of the most successful and important measures that a municipality can use to promote affordable housing – especially in the downtown core and inner city where land values are typically among the highest, transportation is less of an issue, and the required infrastructure (physical and social) already exists.

### **7.2 Examples of How Municipalities Have Contributed Land for Affordable Housing**

- Sell municipally-owned land to a non-profit or for-profit group at below-market or book value to build affordable housing;
- Lease municipally owned land to a non-profit or for-profit group to build affordable housing (e.g., \$1 year or below-market value); or
- Gift municipally owned land to a non-profit or for-profit group to build affordable housing.

### **7.3 Examples of Strategies Municipalities Have Used to Acquire Land for Affordable Housing**

- Investigate opportunities to use underutilized or oddly-shaped parcels of municipal-owned land (including consolidating parcels) for affordable housing.
- Contribute a defined percentage of the proceeds from the sale of municipally-owned land to a Housing Reserve Fund which can be used toward the purchase of privately-owned land for affordable housing.
- Establish policy that affordable housing be given first priority for any municipally-owned land that is deemed surplus to its original purpose.
- Access the Surplus Federal Real Property for Homelessness Initiative (SFRPHI) or facilitate contributions of Crown land from the Province.
- Close off unused road allowances and make that land available for affordable housing (or sell the land and either use the proceeds to purchase a suitable parcel of land for affordable housing elsewhere or contribute the proceeds to a Housing Reserve Fund).
- Buy land from the private sector (or use a combination of purchase and tax receipt).
- Allow mixed-use developments on recreational and/or institutional land and incorporate affordable housing into all new municipal buildings.
- Commit appropriately-zoned land acquired through tax foreclosure to affordable housing (or sell the land and either use the proceeds to purchase a suitable parcel of land for affordable housing elsewhere or contribute the proceeds to a Housing Reserve Fund).

---

<sup>14</sup> City of Revelstoke (2006) *Revelstoke Affordable Housing Strategy and Policy Options Final Report*.



- Negotiate restrictive covenants on land outside the municipal boundaries being sought for annexation.
- Acquire land from developers in exchange for density bonuses and other incentives.
- Investigate opportunities to use vacant or unused school sites for affordable housing.

#### **7.4 Expected Outcomes**

- Land is made available not only to help affordable projects get started (providing equity to obtain additional financing and providing a specific building site upon which to start the planning process) but also to help lower the cost of each new housing unit (in the amount of the land price per unit).

#### **7.5 Anticipated Risks**

- The Town may not own appropriate land to gift or sell.
- The Town may have to buy land at inflated prices – money that could have produced better results being used elsewhere.
- Tax payers may end up contributing to private win-falls if mechanisms are not put in place to ensure that the units created on this land remain perpetually affordable.

#### **7.6 Options for Consideration**

##### **Basic Options:**

- Conduct a review and feasibility study of all municipal-owned land to see which parcels could potentially be used, redeveloped, reconfigured or sold off and the proceeds used to buy land that could be developed for affordable housing.
- Continue to explore opportunities to access the Surplus Federal Real Property for Homelessness Initiative (SFRPHI) and to facilitate contributions of Crown land from the Province as Provincial or Federal lands within Cochrane are declared surplus.
- Develop an RFP process for the purchase and redevelopment of any municipally-owned lands to require that an affordable housing component be included in the redevelopment.
- Develop a policy and protocol to *sell* municipally-owned land to a non-profit or for-profit group at below-market or book value to build affordable housing;



## Intermediate Options:

- Close off unused road allowances and make that land available for affordable housing (or sell the land and either use the proceeds to purchase suitable parcels of land for affordable housing elsewhere or contribute the proceeds to a Housing Reserve Fund).
- Allow mixed-use developments on recreational and/or institutional land and incorporate affordable housing into all new municipal buildings.
- Acquire land from developers on a case-by-case basis for affordable housing in exchange for density bonuses and other planning incentives.
- Develop a policy and protocol to *lease* municipally owned land to a non-profit or for-profit group to build affordable housing (e.g., \$1 year or below-market value); or

## Advanced Options:

- Develop and implement a long-term land banking strategy for affordable housing.
- Contribute a defined percentage of the proceeds from the sale of municipally-owned land to a Housing Reserve Fund which can be used toward the purchase of privately-owned land for affordable housing.
- Commit appropriately-zoned land acquired through tax foreclosure to affordable housing (or sell the land and either use the proceeds to purchase suitable parcels of land for affordable housing elsewhere or contribute the proceeds to a Housing Reserve Fund).
- Negotiate restrictive covenants on land outside the municipal boundaries being sought for annexation to promote affordable housing.
- Develop a policy and protocol to *gift* municipally owned land to a non-profit or for-profit group to build affordable housing.
- Develop and implement a “value-latching” strategy for affordable housing.

## 7.7 Feedback from the “Strategies & Recommendations Workshop” Participants

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to the Provision of Municipal Land:

### 1. What Will Work in Cochrane:

- Identifying Town-owned lands that could be used for affordable housing;
- Identifying underutilized lands that could be used for affordable housing;
- Selling, leasing or gifting land to non-profits to develop affordable housing;
- Acquiring land from developers in exchange for incentives allowed under MGA (e.g., density bonuses, etc.);
- Contribute proceeds from the sale of Town-owned land and/or contribute a portion of development fees to a Housing Reserve Fund;
- Making Town-owned lands available through an RFP process that requires affordable housing;
- Explore opportunities to acquire land through SFRPHI and Provincial land where available; and
- Allow mixed-use development on recreational or industrial lands where appropriate.



## **2. What Will Not Work in Cochrane:**

- Restrictive covenants may not work
- Gifting Town-owned land to non-profits may be prohibitive if the Town has to purchase new land elsewhere;
- Tax payers may not be willing to subsidize affordable housing if that housing is not PAH; and
- Some municipal buildings and projects may not be appropriate for affordable housing (e.g., works yard, water treatment plant, etc.).

## **3. Creative Suggestions:**

- Lobby the Province to amend the MGA to make incentives easier;
- Build tall, narrow units or mother-in-law sized suites (smaller footprint means better use of land);
- Accessing CMHC funding for redevelopment of existing municipal buildings;
- Work with banks to take over homes that are undergoing foreclosure and turn those homes into affordable housing;<sup>15</sup>
- Designate spaces within the campsites for travel trailer living and put in centralized facilities for showers, washrooms, etc.
- Requiring all new home plans to include secondary suite requirements to make renovations/retrofitting easier; and
- Explore Direct Control (DC) options to secure sites for affordable housing.

## **4. General Feedback about the Options Presented:**

- Workshop participants were generally in favor of both the basic and intermediate options presented above.
- Concerns were expressed about NIMBY and its impact on developing Town-owned land for affordable housing;
- Concerns were expressed about whether or not the financial resources would be available to build affordable housing once land became available;
- Concerns were expressed about the resources required to implement a land banking strategy;
- More information is required relating to tax foreclosure strategies; and
- More information is required relating to value latching strategies.

---

<sup>15</sup> Follow-up feedback from Key Person Interviews indicates that this may not be possible due to privacy legislation and because banks usually want fair market value for homes if they need to foreclose.



## **8.0 Assistance to Non-Profit Housing Organizations**

### **8.1 Overview**

Municipalities can assist local non-profits (e.g., non-profit housing societies, faith-based groups and service clubs) that are either already in the community managing existing affordable housing (e.g., the Cochrane Society for Housing Options) and/or non-profits not currently operating in the community (e.g., Habitat for Humanity) to develop and manage new affordable housing units. Assistance can be provided through any or all of the means described in this report.

### **8.2 Expected Outcomes**

- Local non-profit organizations take responsibility for providing affordable housing specifically targeted to low- and/or moderate-income households (i.e., an organization mandating itself to meet this need rather than attempting to mandate that responsibility to the private sector which may or may not be legal under the MGA).
- Perpetually affordable housing.

### **8.3 Anticipated Risks**

- Limited new affordable housing development (in terms of real numbers) since non-profits may lack the required capacity to develop housing on a significant scale.

### **8.4 Options for Consideration**

#### **Basic Options:**

- Invite Habitat for Humanity and another appropriate non-profit housing societies (or housing co-operatives) to come to Cochrane and work with them to find an appropriate site, acquire the necessary funding, obtain permits and proceed with an affordable housing development.

#### **Intermediate Options:**

- Facilitate partnerships between the for-profit sector and the Cochrane Society for Housing Options (CSHO) whereby the for-profit sector develops new affordable housing, CSHO owns and manages that housing, and CSHO provides coordinated services and supports to the individuals and families living in that housing through FCSS and other community supports.



### **Advanced Options:**

- Continue to work directly with CSHO by contributing the majority of capital grant funding obtained through the *Affordable Housing Program – Block Funding Initiative Grant* to new CSHO-based housing projects.
- Follow the Canmore model whereby a special Housing Reserve Fund is created and used to support both the operating costs of CSHO and a portion of the capital costs of new CSHO-based housing projects.

### **8.5 Feedback from the “Strategies & Recommendations Workshop” Participants**

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to providing Assistance to Non-Profit Organizations:

#### **1. General Feedback about the Options Presented:**

- It was felt by workshop participants that each of the options (basic, intermediate and advanced) presented above would work in Cochrane.



## **9.0 Municipal Housing Corporations**

### **9.1 Overview**

Some Municipalities have chosen to establish their own non-profit corporations (i.e., under Part 9 of the *Companies Act* (Alberta) – commonly known as a “Part 9 Corporation”) to both develop and manage affordable housing on municipal-owned land and/or to own and manage affordable housing purchased from the private sector.

### **9.2 Examples of Municipal Non-Profit Housing Corporations**

- Banff Housing Corporation (Banff)
- Canmore Community Housing Corporation (Canmore)
- Calgary Housing Company (Calgary)
- Whistler Housing Authority (Whistler)
- Wood Buffalo Housing and Development Corporation (Regional Municipality of Wood Buffalo – i.e., Fort McMurray)

### **9.3 Expected Outcomes**

- A Town-owned subsidiary focused exclusively on providing affordable housing specifically targeted to low- and/or moderate-income households.
- Fewer issues and challenges with attempting to require or mandate the private sector to build affordable housing.
- Fewer issues and challenges with or non-profit housing providers trying to fund their operations through provincial grants.
- Guaranteed operating dollars and economies of scale in terms of staff resources from the Town.
- Perpetually affordable housing.

### **9.4 Anticipated Risks**

- Additional ongoing operating costs that the Town would have to fund as part of its annual budget process;
- A reduction in potential operating and/or capital grants available to the organization (e.g., the Wild Rose Foundation will not fund municipalities and affiliated bodies; however both the Alberta Real Estate Foundation and the Community Initiatives Program *do* fund municipalities and affiliated bodies);
- Opposition from the development community due to the potential for increased development fees and levies and the perception that the Town is competing unfairly with the private-sector;
- The private sector relinquishing any role in affordable housing development leaving the Town with the full responsibility; and
- The organization could be at risk should future Councils not support the organization and/or affordable housing (i.e., as the corporation’s sole shareholder, the Town could seek to dissolve the corporation).



## 9.5 Options for Consideration

### Basic Options:

- Seek opportunities to increase support and assistance to the Cochrane Society for Housing Options (CSHO) using any of the strategies identified in this report.

### Intermediate Options:

- Enter into a service contract agreement with the Cochrane Society for Housing Options (CSHO) whereby the Town provides ongoing operating funds, limited access to Town staff support and capital funding (either through the *Affordable Housing Program – Block Funding Initiative Grant*, through a Housing Reserve Fund, or both) in exchange for CSHO serving as the Town’s primary affordable housing developer.<sup>16</sup>

### Advanced Options:

- Establish a municipally-owned Part 9 Corporation similar to the Canmore Community Housing Corporation or the Banff Housing Corporation. The two primary shareholders of this new corporation could be the Town of Cochrane and the Cochrane Society for Housing Options.<sup>17</sup>

## 9.6 Feedback from the “Strategies & Recommendations Workshop” Participants

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Municipal Housing Corporations:

### 1. What Will Work in Cochrane:

- It was felt by workshop participants that both the basic and intermediate options presented above would work in Cochrane; and
- There is strong support for developing a Service Agreement between the Town and CSHO (similar agreements are in place elsewhere in the community – e.g., recreation).

---

<sup>16</sup> This option would give the organization credibility, access to the Town’s leadership and administrative capacity while still allowing the organization to take full advantage of available grants and other funding opportunities.

<sup>17</sup> This option could conceivably allow CSHO to seek charitable status with all charitable housing projects being owned by CSHO and all non-profit housing projects (i.e., housing projects not falling within Canada Revenue Agency’s guidelines for housing charities) being owned by the Part 9 corporation. A portion of the net proceeds from the corporation could then go to CSHO to help fund its operations, client supports and future housing projects.



## **2. What Will Not Work in Cochrane:**

- It was felt by workshop participants that a Part 9 Corporation similar to Banff or Canmore is not necessary as the working relationship between the Town and CSHO continues to work effectively.



## 10.0 Direct Financial Approaches

### 10.1 Overview

Some Municipalities have established special funds to enable them to contribute directly either to non-profit housing societies operating in the community to build affordable housing or to individual households in need. These funds are created and maintained through local levies and taxes as well as provincial and federal grants such as the *Affordable Housing Program – Block Funding Initiative Grant* and its predecessors – the *Municipal Sustainability Housing Program* and *Capital Enhancement Program* and the *Affordable Housing Partnership Initiative (AHPI)*.

### 10.2 Examples of Direct Municipal Financial Approaches to Support Affordable Housing:

- Providing capital grants to local non-profit and for-profit developers to build affordable housing using funds obtained through the *Affordable Housing Program – Block Funding Initiative Grant*.
- Establishing a Housing Reserve Fund or Housing Trust Fund used to facilitate new affordable housing development (e.g., Canmore's *PAH Capital Reserve Fund*);
- Directing financial assistance to households using funds obtained through the *Affordable Housing Program – Block Funding Initiative Grant*.
  - Rent supplements (e.g., the *Direct Rent Supplement Program*) for low-income households; and
  - Grants for secondary suites (e.g., to help homeowners either legalize their existing secondary suites or create new legally-conforming secondary suites).
- Establishing a rent bank (e.g., funds to assist renters with coming up with rent and utility deposits);
- Providing second mortgages (to provide downpayment assistance for homeownership); and
- Providing deferred property taxes (e.g., low-income seniors who own their homes but cannot afford the property taxes).

### 10.3 Expected Outcomes

- Grants provided directly to individual households and/or developers resulting in an increased supply of relatively more affordable rental housing (restrictions are placed on how much the units can rent for over a period of 15-20 years).
- Secondary suites *can* in some cases act as a mortgage helper allowing moderate-income households become homeowners (i.e., using the rental income to help them qualify for a mortgage). However, the added cost associated with developing a legally conforming basement suite may increase the price of the home beyond what the expected increase in income can support in terms of mortgage.
- Grants provided directly to renter households in need to help them cover a portion of their monthly rents.

### 10.4 Anticipated Risks



- Grants will have to be administered both up front and on an ongoing basis to ensure continued compliance, which represents an ongoing financial and logistical obligation for the Town.
- Direct financial assistance provided through the Province may not be sustainable in the long term unless other programs (e.g., through taxes and fees) are established.
- It is expected that households receiving direct rent subsidies will come to depend greatly on those subsidies. If funding to maintain the subsidies dries up, these households may experience significant hardship in the future.
- Some homeowners wanting to develop basement suites may not necessarily be ready to become landlords leading to tenant-landlord issues.

## 10.5 Options to Consider for Providing Direct Financial Assistance

### Basic Options:

- Provide direct rent supplements to low-income renters using funds obtained through the *Affordable Housing Program – Block Funding Initiative Grant*.
- Provide grants to assist existing owners of secondary suites to bring their units up to code and to encourage other homeowners to build secondary suites using funds obtained through the *Affordable Housing Program – Block Funding Initiative Grant*.

### Intermediate Options:

- Purchase new or existing units on the private market using funds obtained through the *Affordable Housing Program – Block Funding Initiative Grant* and make them available to low- and moderate-income households as rental housing.

### Advanced Options:

- Establish a Housing Reserve Fund to support both the operating costs of the Cochrane Society for Housing Options (CSHO) and a portion of the capital costs of new CSHO-based housing projects.

## 10.6 Feedback from the “Strategies & Recommendations Workshop” Participants

The following feedback was gathered from participants in the November 27, 2008 “Strategies & Recommendations Workshop” related to Direct Financial Approaches:

### 1. What Will Work in Cochrane:

- Using MSI grants to build affordable housing; and
- Establishing a Housing Reserve Fund

### 2. What Will Not Work in Cochrane:

- Establishing a rent bank may not be the best use of resources; and
- Providing second mortgages may not be the best use of resources.

### 3. General Feedback about the Options Presented:

- The Town is already taking advantage of MSI grants to acquire existing units and sees this as the most appropriate use of these funds at this time.





## 11.0 Guiding Principles

The following six (6) guiding principles are proposed for the *Cochrane Affordable Housing Strategy 2009*.

### 11.1 Successful strategies should be sustainable in the long-term.

Short-term quick fixes may help to reduce some of the pressure being felt in the community but they may only be delaying or postponing the problem. Strategies selected for Cochrane should be sustainable in the long-term wherever possible. In terms of homeownership, every effort should be made to ensure that solutions are *perpetually* affordable through a combination of leasehold interest homeownership and resale formulas and restrictions. In terms of financing affordable housing, strategies should be developed to provide a source of capital funding that can exist beyond the limited timeframe of the *Affordable Housing Program – Block Funding Initiative Grant*.

### 11.2 Successful strategies should mobilize multiple stakeholders and interests.

In order to successfully implement the *Cochrane Affordable Housing Strategy 2009*, the community as a whole will need to come together and participate where appropriate and within individual and collective means. This will require coordination and collaboration among multiple stakeholders and interests including the Town of Cochrane, the Cochrane Society for Housing Options, the development community (developers and builders), local businesses and local non-profits. Everyone should have a role to play in implementing the Strategy.

### 11.3 Wherever possible, strategies should combine different approaches to form a synergy.

There are very few quick-fixes and rarely does one single initiative serve as a panacea. Most successful strategies pursued by other communities combine several strategies into a single cohesive program. For example, the Town of Canmore:

1. Collects \$600,000 per year from a combination of: a) developers through development fees; b) local businesses through commercial property taxes; and c) residents through residential property taxes (Strategy: Fees and Taxes) and then;
2. ...places that money into the *PAH Capital Reserve Fund* (Strategy: Direct Financial Approaches), which then;
3. ...goes to the Canmore Community Housing Corporation (Strategy: Municipal Housing Corporations);
4. ...to build perpetually affordable housing for qualifying households;
5. ...on land acquired by the municipality from the Province and the private sector (Strategy: Provision of Municipal Land); and
6. ...zoned specifically to allow affordable housing (Strategy: Remove Barriers).



#### **11.4 Successful strategies should be able to leverage additional funds and other contributions.**

Leveraging additional contributions can help to increase the total funds available to the community to address some of its affordable housing needs. Leveraging comes in many forms including combining grants from multiple sources to fund different aspects of the same project, seeking matching funds for the money already raised from other grant or funding source (i.e., whatever money raised is matched by another funder resulting in a doubling of the funding raised) and using existing grants as equity/downpayment to obtain financing.

#### **11.5 Any direct financial assistance to households and/or developers (i.e., the private sector) should represent a “hand-up” and not a “handout”.**

Private developers should have to demonstrate how and where any direct financial assistance they receive from the Town is being passed on to the end consumer. Individual households receiving direct financial assistance should be required to participate in community programs designed to help them overcome whatever barrier(s) keep them in poverty (in the case of rent supplements) and landlord education and training (in the case of grants provided to build secondary suites). Where feasible, grants to individual households should be offered as forgivable loans – if the household does not comply with the conditions of the loan, it must be repaid.

#### **11.6 Successful strategies should be developed that can meet the community’s emerging issues identified in Part I.**

Four ongoing and/or emerging challenges have been identified for Cochrane, including:

1. Staffing (Town and CSHO);
2. Governance and partnerships;
3. Identifying and pursuing new housing targets; and
4. Creating and maintaining sustainable sources of funding.

Specific strategies will need to be developed and included in the *Cochrane Affordable Housing Strategy 2009* to address these ongoing and/or emerging challenges. This could be accomplished through stand-alone strategies or through a coordinated “package” of strategies (e.g., the Canmore approach described above).

