

# In-Kind Consultation Highlights and Scenarios

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Development, Engineering and Planning

August 29, 2019

River Valley Community Church

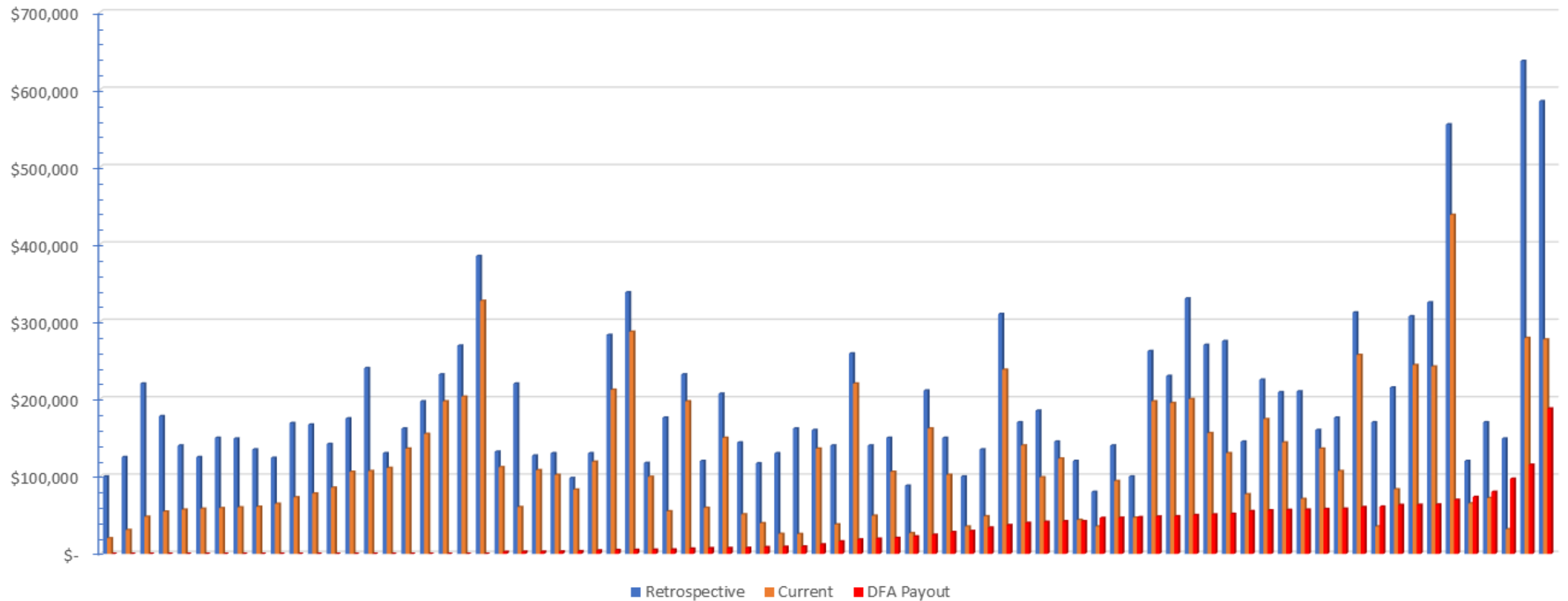
# Overview

- Review of July 15 role and options
- Review of meetings with residents
- Next steps:
  - Survey
  - Resident meeting Aug 29<sup>th</sup>
  - Land Acquisition Team



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# Impact



# Role

- What is the role of the City and the degree of support?
- Goal - Affordable and Attainable Housing:
  - Council aims to support viable and attainable options for relocation of all homeowners in buy out area
  - May be allocated according to means and needs, to be explored with residents



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# Equity and Fairness

- Council will not provide financial lift to the overall asset value of property owners through in-kind assistance
  - Ensures fairness in financial treatment

## Equity

- DEFINED AS:
  - *The quality of being fair and impartial*

## Fairness

- DEFINED AS:
  - *Treating people equally without favoritism or discrimination*

# Sound investment

- Planning, development and servicing investments must provide a long-term benefit for the City and/or leverage additional development.
- Lifecycle costs are able to be paid for over the life of development through generated increase in lease income, taxes, utility and service fees



# Within our capacity



- Minimize administrative complexity: options must be with the capacity of the City's Development and Engineering mitigation team, community partners or contracted management support.

# Review of Consultation Meetings

- 5 meetings over two weeks
- Total of 60 people attending
- Dialogue was positive in exploring options
- Strong interest in continuing to advocate for additional funds for pre-flood value
- Strong interest in retaining land ownership
  - If purchasing own lots separately in-kind options decreased
  - Servicing one-offs costlier
  - Equity ownership still needs to be explored
- Residents willing to hear about lease option
- Design of program still pending land acquisition team and funder agreement





# In-kind support: Affordable Rental

- For households without enough assets for purchasing home
- Provides landing pad for some who may be able to afford option in future
- Priority placement and easing of means test for 19<sup>th</sup> St
  - Requires request to BC Housing and housing provider
- City incentives and support for accessory dwelling unit and rental development
  - Requires both financial incentive and capacity support

# In-kind Support: land lease, servicing support

- Serviced sites for manufactured / modular homes, moved houses on long term lease for those households unable to afford land
- Support in moving of houses
- Ensures dedicated land remains in City's control for affordability
- Explore land trust and cooperative partnerships for tenure and management
- Would require borrowing bylaw and permitting and zoning support
- Would not compete with mobile home parks requiring new homes only



<https://faircompanies.com/videos/palm-springs-revamps-trailer-park-with-mid-century-tiny-homes/>

# Scenario 1

- Homeowner pre-flood value of \$100,000. DFA payout \$40,000 and post-flood value \$45,000.
  - Home not repairable; homeowner bought RV to live in with DFA funds.
  - \$40,000 would not be enough to replace home without in-kind support
- Home not moveable. One solution (hypothetical):
  - City supports placement of manufactured home on to City-developed park
  - Servicing and land development ~ \$30,000; lease to amortize payment over 30 years at \$125/month.
  - Owner to use \$45,000 payout for 50% down payment on new compact manufactured home. Remainder could be financed over 15 years for \$300-\$350 per month – total cost of new home less than renting.
  - Bottom line: homeowner is able to use all of payout for purchasing new home and is highly attainable.

# In-kind support: Facilitating Attainable Housing

- For households with resources for land and improvements but needing in-kind support due to market conditions
- Provide City-owned lots at market value with servicing costs recovered over time
- Could also include moved homes, manufactured or modular, or tiny homes



<https://www.burnabynow.com/real-estate/this-really-is-moving-houses-entire-moodyville-homes-recycled-1.23213369>

# Scenario 2

- Homeowner pre-flood value of \$100,000. DFA payout \$55,000 and post-flood (December) value \$50,000.
  - If DFA + own labour brought home to repaired condition, *current* market value would be close to (if not greater than) pre-flood value.
  - \$100,000 would not be enough to replace home without in-kind support
- Home moveable? (yes). One solution (hypothetical):
  - City supports moving home on to *leased* lot
  - Servicing and land development ~ \$50,000; lease to amortize payment over 30 years at \$210/month or \$2500/year including borrowing costs for City.
  - Owner keeps home so payout reduced by value of home except for costs of new foundation and additional moving, landscaping or other incremental expenses
  - Bottom line: homeowner is able to keep more of their total payout, servicing costs extended over time

# Scenario 3

- Homeowner pre-flood value of \$200,000. DFA payout \$50,000 and post-flood value \$125,000.
  - Home not repairable, homeowner wishes to own their own lot
  - \$125,000 would not be enough to replace home without in-kind support
- Home moveable? (no). One solution (hypothetical):
  - City supports moving home on to lot purchased by homeowner at:
    - Fair market value or
    - City equity
  - Servicing and land development ~ \$50,000; local service area to amortize costs over time (30 years at \$210/month or \$2500/year including borrowing costs for City.)
  - Owner uses payout for down payment of new built home or modular and finances remainder over time
  - Bottom line: homeowner is able to keep more of their total payout for dwelling, servicing costs extended over time

# In-kind support: Facilitating Attainable Housing



- Explore cooperative or partnership development for delivery of new townhomes, pocket neighbourhood or condominiums on City-land
- Would transfer savings of land costs on to purchaser
- Maintaining affordability may require covenant or other measure

Vancouver Cohousing: <https://cohousing.ca/communities/bc/vancouver/>

# Scenario 3

- Homeowner pre-flood value of \$300,000. DFA payout \$65,000 and post-flood (December) value \$250,000.
  - If DFA + own labour brought home to repaired condition, *current* market value would be close to (if not greater than) pre-flood value.
  - Homeowner looking to downsize to duplex or compact single family, preferably in designed community such as Clifton Estates
- Home moveable? (no). One solution (hypothetical):
  - City partners with developer to site and build or source homes on City-owned land
  - Servicing and land development ~ \$50,000 per unit
  - Agreement to be explored with developer to pass land value savings on to purchasers and spread servicing costs over time.
  - Owner does not keep home so payout is full current market value
  - Bottom line: homeowner is able to keep more of their total payout for new dwelling cost instead of having to pay market costs for land value, servicing costs extended over time





## Design

Expert input on Buy-out Design  
Procurement and contracting of team  
Initiating now, Team in place by early September

## Preparation

Assessment of landowner needs  
Confirmation of City In-Kind Supports  
Preparation of Current Market Valuation  
Initiating in September, completion this fall

## Delivery

Landowner discussion and agreement on price and in-kind ("Buy- In")  
Realty transaction and City Possession  
Initiating this fall, completion 2019-2021, pending process design and project prioritization

# Next steps

- Preparing survey on landowner preferences for in-kind options
- Resident meeting proposed for Thursday, August 29<sup>th</sup> at 6:30 pm (venue to be announced). Will provide opportunity answer survey at meeting.
- Boundary Family Services Case Managers to work with independent contractor to support individual housing plan to explore resources, preference and options (Canadian Red Cross funded).
- City to continue costing servicing options and aims to bring for Council decision in September.
- Options to be 'on the table' for negotiation and agreement once land acquisition team in place.