



2009 | Residential Development

City of Langford

British Columbia

Population: 22, 459



Affordable Housing, Parks and Amenity Contribution

Summary

The City of Langford designed the Affordable Housing, Parks and Amenity Contribution (AHPAC) Policy to increase the availability of affordable housing, improve ecological health and enhance public amenities in the community. While the policy involves the cooperation of many stakeholders, it is highly focused on engaging the development industry through a combination of incentives and requirements. The policy requires developers to build subsidized homes and secondary rental suites in new subdivisions and mandates minimum green space dedications. It also requires developers to pay into a broad range of amenity funds. These funds have been used to encourage urban densification and redevelopment, improve parks and trails, develop community safety programs, enhance watershed ecology, and support art installation and community beautification initiatives. Developer contributions to these funds have already resulted in 57.7 hectares of new parkland (a 400 per cent increase). The policy has led to the construction of 35 affordable homes and over 100 affordable rental units, representing a contribution of nearly \$7 million by the development industry toward affordable housing.

Background

Located on the southern end of Vancouver Island, the City of Langford is one of the municipalities of the island's West Shore in the Capital Regional District and is located in close proximity to the Greater Victoria metropolitan area. Increasing demand for limited land in the Capital Regional District has forced expansion and led to substantial population growth in the West Shore area, especially in Langford, where the population increased by 7.6 per cent from 1996 to 2001.

This rapid growth, along with rising property costs, has created public pressure for more affordable housing. There has also been strong public demand for community development that prioritizes residential density, safety, ecological integrity and access to parks and amenities. The public has shown steady support for municipal leaders and for innovative initiatives, with the same mayor and many incumbent members of council repeatedly elected since the city's incorporation in 1992. Stable governance and collaboration between council members and city staff have created a good environment for innovative policy development. The Planning, Zoning and Affordable Housing Standing Committee convenes twice a month. The committee has seven members, appointed for a three-year term. The City of Langford Planning Department manages all land use, parks, planning and zoning issues in the city, as well as the Affordable Housing Program and green development initiatives.

Project Development

The AHPAC was first launched in 2003 as Langford's Affordable Housing Policy. The city expanded and enhanced this policy in 2007 in response to industry requests for greater clarity and comprehensiveness, renaming it the Affordable Housing, Parks and Amenity Contribution Policy. The city's planning and administration departments were responsible for developing the policy and bringing it forward for consideration by city council. Other municipal departments collaborated in the policy development process through management and development review meetings. The city also worked with external partners such as developers, provincial departments and non-profit organizations. Langford consulted extensively with the West Shore Developers Association, which provided written agreement on behalf of private industry prior to enactment of the policy. The city worked closely with BC Housing on the Affordable Housing Strategy contained within both the AHPAC and the city's Official Community Plan, and signed memoranda of understanding with several non-profit social housing organizations. The policy went through a lengthy public consultation and participatory review process which included workshops and open houses. A thorough report explaining the policy was brought before a public meeting of council and, as a result, the policy became a public document. It was also incorporated into the Official Community Plan.

Project Implementation

Langford's AHPAC Policy is intended to increase the availability of affordable housing, improve sustainability and enhance public amenities in the community by leveraging the support of private developers. The policy requires developers to build one in ten houses as affordable units, to manage partnerships for non-profit rental housing, and to contribute to or undertake beautification and community improvement initiatives. The city, in turn, offers developers incentives such as density bonuses and streamlined development approvals.

The Affordable Home Ownership Program is a subset of the AHPAC Policy. It requires developers to build one out of every ten new homes as an affordable unit, which the developer agrees to sell to qualified purchasers for a maximum price of \$160,000. The affordable housing agreement also restricts the resale of these homes to \$165,000 for a period of five years, after which they are permitted to appreciate by \$2,000 per year, ensuring a sustainable stock of affordable housing. This policy applies to all rezoning of new subdivisions for ten or more single-family residential lots. The AHPAC Policy outlines specific criteria for the design and minimum size of the affordable units and specifies eligibility criteria for purchasers of these homes. A provision in the AHPAC Policy mandates construction of secondary suites on 50 per cent of new single-family dwellings on conventional lots, to be used as market rental units.

Another major component of the AHPAC Policy is the amenity fund contribution, which applies to all market-priced residential units developed in the city through rezoning. The policy supports clustered density residential development by requiring developers to dedicate a certain percentage of land as open space (10 to 50 per cent, depending on the area). This land is used by the city to increase the existing inventory of parkland and trails. The AHPAC is based on a density bonus system whereby developers are permitted to build at a higher density in return for providing other amenities to the community such as affordable housing units, special needs housing or contributions to various community improvement funds. Through a density bonus system, developers profit from increased revenues of higher density development, and the municipality benefits from a wider range of compact housing such as condos, townhouses, row houses and other multi-family units. The AHPAC Policy is consistent with the goal of Langford's new Official Community Plan to build walkable, compact, mixed-use neighbourhoods with a range of affordability options.

The amenity fund contribution policy also requires developers to pay monetary contributions into a range of funds for each market-priced unit developed. The AHPAC Policy clearly delineates the breakdown of funding, which varies according to the area of the city. In addition to a general amenity fund, contributions are paid to a park reserve fund, a community archaeological assessment fund, downtown beautification, school crossing guards, fire hall funds, creek enhancements, an affordable housing fund and other amenities. Total per-unit contributions range from \$2,700 in the pedestrian downtown area to \$9,300 in the most outlying areas of the city. Therefore, the policy encourages infill and redevelopment of the city centre, including brownfield lands.

While the AHPAC Policy focuses on a "made in Langford" approach, the city has made an effort to communicate its successes more broadly through numerous public presentations and by participation in events such as the 2007 FCM conference in Calgary. City staff and councillors have shared the initiative through national radio and newspaper interviews and led a webinar organized by the Canada Mortgage and Housing Corporation. The policy is also accessible on the municipality's website.

Results

- Thirty-five affordable homes have been built by developers and purchased by lower-income families. Based on a price recovery of about 40 per cent of estimated market value, the development industry has contributed nearly \$7 million through this aspect of the policy.
- More than 100 non-profit, subsidized rental units have been constructed as a result of the AHPAC Policy.
- The required contribution of \$500 per developed unit to the affordable housing reserve fund generates about \$300,000 per year in revenues.
- The ratio of multi-family units to total units constructed has increased from 34 per cent in 2003 (when the policy was created) to 64 per cent in 2008.
- The combined affordable housing policies have significantly reduced the ratio of shelter costs to income for many residents of Langford.
- Contributions by the development community, from 2004 to 2008, to the various community improvement funds have totaled over \$5.5 million. This has resulted in 57.7 hectares of new parkland (a 400 per cent increase) and a tenfold increase in the extent of the city's trail system.

- The policy provides clear financial incentives to encourage high-density development in the urban core, minimizing sprawl and its accompanying environmental problems.

Lessons Learned

- **CREATE CLEAR, COMPREHENSIVE POLICIES.** When the policy was first enacted in 2003, the density bonus system lacked clarity. In response to industry requests, the city revised the policy in 2007 to make it clearer and more prescriptive. In retrospect, the policy should have been more comprehensive and defined when first enacted.
- **DEVELOP A PROCEDURAL CHECKLIST FOR MUNICIPAL STAFF.** The regulatory requirements of the B.C. Local Government Act make the administration of the Affordable Home Ownership Program more complex. These requirements necessitated the development of a procedural checklist for city staff. It would have been helpful if the checklist had been developed at the outset of the program.
- **WORK IN PARTNERSHIP WITH PRIVATE INDUSTRY.** By working in partnership with the development industry throughout the policy development process and on an ongoing basis, the city has been able to finance numerous community improvement projects and increase affordable housing with minimal impact on taxpayers.
- **LINK THE PRICE OF AFFORDABLE HOUSING TO THE RATE OF INFLATION.** When the affordable housing policy was developed, the price of each unit was set at \$150,000, which was about 30 to 50 per cent below market value. Subsequently, housing prices in the region have risen dramatically, but the price of each affordable unit was raised to only \$160,000, widening the gap between unit cost and market value. This has increased the amount subsidized by developers and could prompt them to demand that the city provide additional incentives or lower development standards. Emilie Adin, Langford's Deputy City Planner, notes that the better strategy would have been "to link the price of homes to the rate of inflation, rather than to set a fixed price," allowing greater flexibility in value over time and ensuring that affordable homes continue to exceed minimum standards.

Related and Future Initiatives

The municipality has implemented a fast-tracking procedure for those development proposals that are most supportive of the goals of the AHPAC Policy. Priority projects are also, in some cases, granted fee exemptions. Zoning and housing bylaws now incorporate density bonus provisions, ensuring that planning staff and council give density bonuses in exchange for affordable housing, parks and amenity contributions. The city will continue to track building permit statistics, parkland and trail acquisition and other measureable results.

Partners and Collaboration

City of Langford

West Shore Developers Association

BC Housing

Canada Mortgage and Housing Corporation

Contact Information

Emilie Adin, Deputy City Planner

City of Langford, British Columbia

Tel: 250-474-6919

E-mail: eadin@cityoflangford.ca

Website: www.cityoflangford.ca

Photo Information

Photo Caption: An innovative use of amenity contributions involved donated library space in a new urban residential development.

Photo Credit: City of Langford