

Comments from John Ariens, Arcadis

Good afternoon and Thank You for the invitation to attend this important meeting but unfortunately I am delegating before Niagara on the Lake Council at 6pm the same evening and therefore cannot make your meeting.

Given the importance of providing more affordable and attainable housing I thought I would share some comments with you.

As you know, I have represented many developers and provide them with planning advice and assistance. I have also been very active with affordable housing initiatives as a former Board Member of Kitchener Housing (a municipal nonprofit housing provider with almost 2000 units) and with Habitat for Humanity Hamilton affiliate (Board Member and former Chair).

Your theme is “partnerships” and in my opinion that really is the only way to effectively address this housing crisis. As a Habitat Director and a planning consultant I would always ask my clients if they would consider donating lots or partnering with Habitat for building sites. The typical answer always was –Sure, I’d be glad to work with them but only if the municipality (or other level of government) made me do it. During my 15-year tenure with Habitat only 3 of my clients actually did partner with Habitat and as a result they built 1 single, a semidetached and 3 townhouses. All of the other homes (42 while I was involved) we built were by Habitat and all by itself.

Forcing developers to partner with an affordable housing group is difficult but doable through incentives. “The carrot VS the stick approach”. Examples could include:

Expedited planning approvals. Any project that includes a partnership with a nonprofit housing provider gets processing priority. This would include ZB applications, draft plans and site plans. Stop worrying about having to pay back application fees when provincial processing timelines are exceeded for the other developers who are not participating—make them wait!!! Next time they may just participate and partner.

Reduced application fees. First of all, you need to substantially increase your fees thereby making a partnership more desirable. Also by increasing your fees, should you have to pay back fees to other developers for exceeding timelines you still cover your costs.

Waiver of DC charges or park fees. The nonprofit/affordable units are either exempted or pay a reduced fee.

Designated Coordinator. Identify a Staff person to be responsible for coordinating and expediting any “affordable” project. All permits and approvals need to be streamlined and expedited.

With higher land prices Habitat competes with smaller builders and developers and finding land is extremely difficult. Hence the importance of partnerships. Review your municipal land holdings for possible development sites—be creative, hire a planning consultant to identify development opportunities and then the County can partner with an affordable group and directly contribute to this housing need. Partner with School Boards and the Conservation Authorities to do the same. Any surplus school site should be purchased by the County—rezoned for maximum housing potential and then divided—a portion can be sold for market driven housing to a developer/builder to cover the acquisition costs and another portion can be retained and partner with an affordable provider. Be aggressive with tax arrears and start claiming any land that could be used for affordable housing.

When developing an affordable housing strategy, many municipalities simply focus on housing “price points”. They consider that as long as a unit is sold at a certain rate then they are providing affordable housing. Unfortunately, this does not address the hard working poor who simply cannot qualify for a conventional mortgage. Focusing on the price alone does not deal with the person buying the more affordable unit. For example if a unit is to be sold below market value as an affordable unit, how do we know that the purchaser actually “needs” that unit—what if the unit is purchased by a lawyer, doctor, teacher, engineer or other professional who really doesn’t qualify as a person in need. What prevents that affordable unit buyer from simply “flipping” the unit and making a profit? That is why a partnership with Habitat is so important as they select partner families who have to have a minimum and a maximum income—truly in need, the hard-working poor!! A Habitat family can sell the unit but as long as Habitat holds their mortgage the unit has to be sold back to Habitat who then partners with another family in need. The house is sold to families at fair market value but it remains affordable by a 0% interest mortgage and sweat equity (500 volunteer hours) replacing the down payment. A Habitat mortgage is tailored to the family income and amortized over a longer period. That is what make Habitat one of the leading affordable housing providers—their model works!!
If only they could find more land or have more partnerships.

There are other affordable housing providers out there and while my comments are focused on Habitat for Humanity the above could apply to others needing similar partnerships. Habitat remains my favorite affordable housing provider and I would be pleased to provide more information or attend similar workshops with you.

It’s a complex issue but the solution is rather straight forward—find land and build “simple, decent and affordable housing” for those that really need it, all through partnerships with those that are already doing this.