

City of Revelstoke

Housing Entity Feasibility Study

May 2024

Prepared by:



MAKOLA
DEVELOPMENT
SERVICES

PROJECT OVERVIEW

In November 2023, the City of Revelstoke engaged M’akola Development Services (MDS) to develop and deliver a Housing Vision Workshop and to complete a Housing Entity Feasibility Study as part of the City’s ongoing Housing Solutions Project.

City Staff and partners have been actively developing and implementing tools to increase housing supply, particularly non-market housing supply, in the City of Revelstoke. Though broadly successful, housing is still a critical issue for Revelstoke residents. Council is interested in exploring additional tools and municipal roles in the housing sector beyond land regulation and project-based financial contributions. In August 2023, Council directed staff to provide a feasibility report outlining the process, timeline, management, and financial considerations of a Revelstoke Housing Authority.

In response to this direction, staff have developed the Housing Solutions Project, a five-phase plan to catalogue local housing issues, understand the challenges and opportunities that exist within the housing supply chain, and analyze various municipal approaches to impact housing supply and support partners.

In January 2024, MDS facilitated the Mayor and Council Housing Workshop to complement the ongoing staff activities occurring between phases 1 and 2 of the Housing Supply Project. The goal of the workshop was to provide Council with information on the non-market housing sector, including development processes, operations, and funding partners, and facilitate discussion on Council’s housing-related goals and priorities.

A key finding from the Mayor and Council Housing Workshop was that the City is interested in further supporting non-market housing in Revelstoke by taking on a more active role and potentially providing funding, leading development, and/or leading operations. To better understand the potential role(s) that Council could play, MDS completed the Housing Entity Feasibility Study. The project team conducted a thorough review of best practices for local government-supported non-market housing entity models, taking into consideration the Council goals and priorities outlined in scope one. The goal of the feasibility study is to provide a recommended model for the City of Revelstoke that will meet Council’s non-market housing goals and is rooted in analysis criteria developed by staff and relevant partners.

As illustrated in Figure 1 below, the Feasibility Study compliments the ongoing staff activities occurring between phases 3 and 5 of the Housing Supply Project.

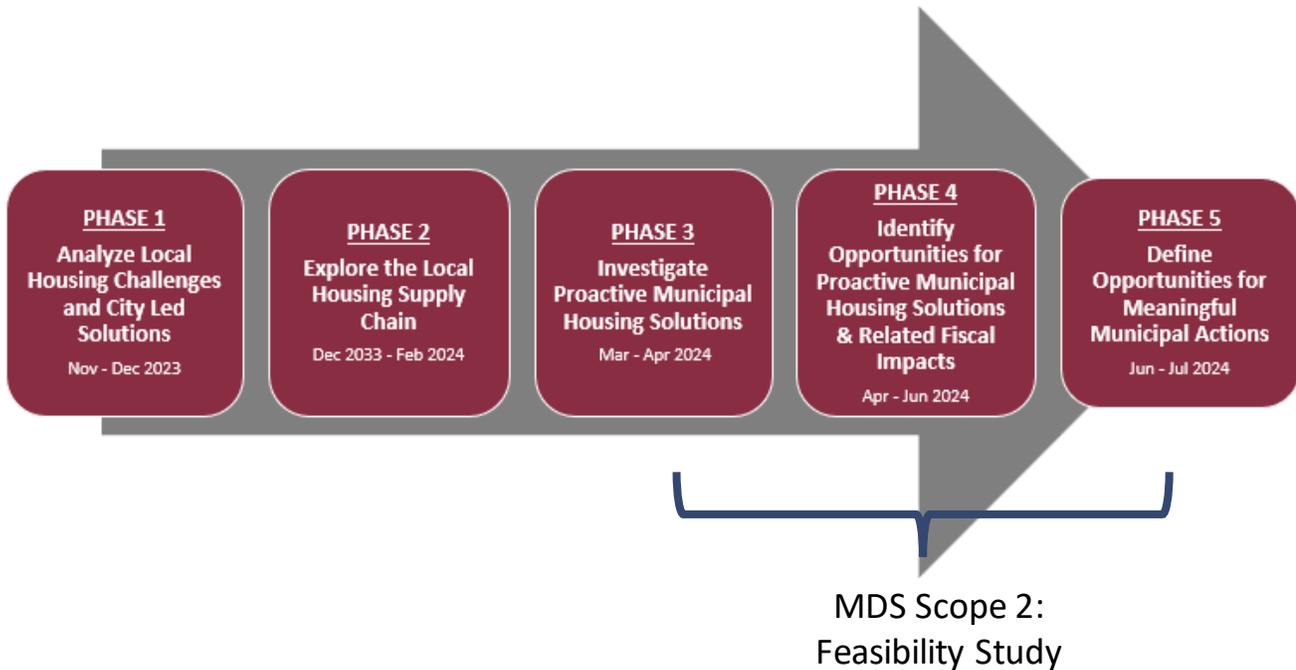


Figure 1: City of Revelstoke Housing Solutions Project Workplan with MDS Scope 2

PROCESS

To complete the Housing Entity Feasibility Study, the project team reviewed successfully established and new housing authorities, corporations, non-profits, or a combination of models across BC. Each case study provides an overview of the organization, including its current portfolio, and describes the various tools used to encourage affordable housing development, the financial mechanisms to sustain and expand operations, as well as the organization’s governance structure, and staff resourcing model. The case studies most relevant to Revelstoke are presented as part of the Option Model Analysis section. Additional reviewed case studies are included in Appendix A – Case Studies.

In conjunction with reviewing the housing models, the project team also met with the Revelstoke Community Housing Society (RCHS) to gain insight on the organization’s long-term vision, goals, and capacity to take on more projects. Through previous engagement with the non-profit housing sector led by the City, it was identified that RCHS has the capacity and interest in taking on more development projects. Though a relatively small non-profit operator, RCHS clearly understands housing need within the City of Revelstoke and “is committed to achieving greater operational capacity in order to expand its role as a housing supplier and leader of change.”¹ Given the critical role that RCHS plays in the non-market housing sector in Revelstoke, it was important the Society be engaged early and throughout the feasibility study.

Through the case study summary and engagement with the non-profit sector, key commonalities, structures, partnerships, and funding mechanisms were identified which informed the development of four models (including one recommended model) to support affordable and non-market housing

¹ Revelstoke Community Housing Society, About, <https://www.revelstokecommunityhousing.com/about>

initiatives in Revelstoke. Each model requires a differing level of involvement and commitment from the City. The four housing organization option models include:

- Model 1: Funder (Recommended)
- Model 2: Developer
- Model 3: Developer and Operator
- Model 4: Regional Approach

These option models are described in greater detail throughout the remainder of the report.

RECOMMENDATION: FUNDER (MODEL 1)

The project team recommends that the City of Revelstoke formalize its relationship with the RCHS and explore ongoing funding options to build administrative, operations, property management, and staff and board capacity. The goal of this funding should be to "scale up" the Society so it can take on larger development projects. In exchange for funding, the society would need to provide a business plan that can demonstrate the potential to be self-sustaining within 3-5 years (timeline to be determined) and report regularly to Council on progress. The business plan could include the following elements:

- Organization Overview
- Service Description
- Management Plan
- Staffing Structure
- Market Analysis
- Marketing Plan
- Operations Plan
- Risk Analysis
- Implementation Plan
- Operating Budget

To formalize the relationship between the Society and the City, it is recommended that a policy, bylaw, or partnership agreement be developed to clearly define the roles of the Society and those of the City in the development of affordable, non-market housing in the City of Revelstoke. This policy and/or partnership agreement should outline details such as the funding allocation commitment and expected reporting requirements, housing agreements, land transfers/disposals, and other items deemed necessary to include by the City and RCHS.

To support RCHS in scaling up its capacity to take on and lead larger development projects, the project team recommends that RCHS partner with a development consultant, similar to the Tofino Housing Corporation's partnership model with Catalyst Community Developments Society (this partnership is described in the Model Two - Developer analysis). Development consultants work with non-profit societies to support and assist in navigating the complex world of housing development. The THC model offers insight as to how the RCHS could leverage partnerships for the development and operation of its housing portfolio. Through a partnership with a development consultant, the RCHS has access to a high level of expertise, while balancing and supplementing its staff capacity as needed. A third-party partnership could enhance appropriate staff capacity levels for current initiatives and support ongoing operations capacity building.

The recommended model outlined below, with the municipality acting as a funder and the RCHS as a developer and operator, should be reviewed and monitored in good faith by the City. Given the depth of experience of RCHS, the organization should be supported and provided the tools and resources it needs to build and expand its capacity, rather than implementing a new entity. If the proposed model is unsuccessful, it is then recommended that the municipality step in and take over the role of developer (Model Two) through the potential implementation of a corporation/authority model.

| Recommendation Summary Table | |
|--------------------------------------|--|
| Role of the Municipality: | <ul style="list-style-type: none"> • Funder |
| Role of the Society: | <ul style="list-style-type: none"> • Developer and Operator |
| Financial Mechanisms | <ul style="list-style-type: none"> • Multi-year funding commitment from the City of Revelstoke, formalized through the development of a policy, bylaw, or partnership agreement. • Funding partnerships with senior levels of government. |
| Financial Commitment | <ul style="list-style-type: none"> • To be determined with the submission of the RCHS Business Plan. |
| Tools | <ul style="list-style-type: none"> • Policy, bylaw, or partnership agreement that clearly define the roles of the Society and those of the City in the development of affordable, non-market housing in the City of Revelstoke. • Partnership with a third-party Development Consultant. |
| Proposed Governance Structure | <ul style="list-style-type: none"> • Board is comprised of a representative from the City and community members with relevant experience in non-market housing, social services, real estate, development, and construction. |
| Proposed Staffing Model | <ul style="list-style-type: none"> • Executive Director • Manager of Housing Operations • Manager of Society Operations |

OPTION MODEL ANALYSIS

This section highlights four option models to support the development of affordable, non-market housing in Revelstoke. Each model includes the following components:

- **Overview:** Describes the proposed model and the role of the municipality.
- **Feasibility Considerations:** Includes criteria and a corresponding scale to assess the four models as they relate to governance and organizational structure (i.e., control and ownership), legal implications, financial implications, and ease of implementation and start-up.
- **Case Study and Relevance to Revelstoke:** Each model includes a case study of an existing non-market housing entity in BC. The case study provides an overview of the organization, including its current portfolio, and describes the various tools used to encourage affordable housing development, the financial mechanisms to sustain and expand operations, as well as the organization's governance structure and staff resourcing. Though none of the case studies perfectly match conditions within Revelstoke, some housing entity models utilize relevant tools or funding mechanisms that will be instructive to the City.
- **Non-market Housing Sector Considerations:** Discusses the implications of the proposed model on organizations working in the non-market housing sector. These considerations were shared with the project team through engagement sessions led by the City and the project team.

MODEL 1: FUNDER (RECOMMENDED)

OVERVIEW

In this model, the City of Revelstoke is acting as a **funder**, providing funding to support non-market, affordable housing operations and organizational development of an existing non-profit Society. The Society is accountable to the municipality through a regular update and reporting structure; however, there is no expectation for a return, as the work the Society is doing is a benefit to the community and ultimately the return.

The City of Revelstoke is already a key investor in local housing projects, providing land and project-specific funding to the RCHS. To support the Society to “scale up” operations, the City would make an ongoing investment in housing operations capacity and organizational development. An ongoing investment in a non-profit Society is typically tied to a business plan or other organizational development plan and would require the Society to regularly report to Mayor and Council.

FEASIBILITY CONSIDERATIONS

GOVERNANCE & ORGANIZATIONAL STRUCTURE

| CRITERIA | SCALE | | |
|---|------------------------------------|--|---|
| Degree of control to which the City can regulate the activities of the entity | <i>No Control</i> | <i>Limited Control</i> | <i>Full Control</i> |
| City approvals required for day-day operations or decision making | <i>City approvals not required</i> | <i>City approvals are sometimes required</i> | <i>City approvals are always required</i> |
| Ownership of the entity | <i>Not owned by the City</i> | <i>Shared ownership model</i> | <i>Owned by the City</i> |
| Ownership of the asset | <i>Not owned by the City</i> | <i>Partially owned by the City</i> | <i>Owned by the City</i> |

LEGAL IMPLICATIONS

| CRITERIA | SCALE | | |
|---|-----------------------------------|-------------------------------------|----------------------------------|
| Legal responsibility of the City for the entity's actions and/or the results of these actions | <i>Least legal responsibility</i> | <i>Partial legal responsibility</i> | <i>Most legal responsibility</i> |

FINANCIAL IMPLICATIONS

| CRITERIA | SCALE | | |
|--|-----------------------------------|--------------------------------|---------------------------------------|
| Number of ongoing resources (financial and human) that are required from the City to achieve | <i>Minimal resources required</i> | <i>Some resources required</i> | <i>Significant resources required</i> |

| | | | |
|--|--|--|--|
| the goals and ongoing operations of the entity | | | |
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IMPLEMENTATION AND START-UP

| CRITERIA | SCALE | | |
|--|--|--|--|
| Ease of implementation of the entity | <i>Simple organizational set-up and implementation</i> | <i>Somewhat challenging organizational set-up and implementation</i> | <i>Difficult and length implementation process</i> |
| Extent to which the entity would be recreating or duplicating existing structures and programs | <i>Dependent on existing non-profits with capacity in the sector</i> | | |

CASE STUDY: SQUAMISH COMMUNITY HOUSING SOCIETY

The District of Squamish established the Squamish Community Housing Society (SCHS) to increase the supply, availability, and access to affordable housing options across the community and the entire housing spectrum. The Society became operational in 2023 and collaborates with the District, local non-profit housing and social service agencies, Squamish Nation, other levels of government, and the community to deliver housing and housing-related services. The organization is guided by a strategic plan that consists of four pillars: bring affordable housing to the community; coordinate and improve affordable housing delivery; educate, engage and advocate; and embody reconciliation and good governance.

| SCHS | |
|-----------------------------|---|
| Portfolio | <ul style="list-style-type: none"> Two units are currently operated by the Society. 63 units are under construction. 434 units are committed through developer commitments. |
| Tools | <ul style="list-style-type: none"> In March 2020, the District approved the Perpetually Affordable Housing (PAH) Policy to provide a clear definition of the District's affordable housing needs, in order for developers to pledge units to the affordable housing inventory from their developments as part of a Community Amenity Contribution (CAC). The policy ensures rental rates are determined by income to support the diverse housing needs of the community. CACs are negotiated by the District as part of amendments proposed to the Zoning Bylaw or Official Community Plan by developers. |
| Financial Mechanisms | <ul style="list-style-type: none"> Multi-year funding commitment from the District for start-up costs, staffing, infrastructure and board development. The District was successful in its Housing Accelerator Funding (HAF) application to the Canada Mortgage and Housing Corporation (CMHC) – some of this funding will be allocated to the Society. |
| Governance Structure | <ul style="list-style-type: none"> Board is comprised of representatives from community non-profits and the District, as well as community members with relevant experience in real estate, development, and construction. Elected officials on the board do not have a majority vote. |

| | |
|-------------------------|--|
| Staff Resourcing | <ul style="list-style-type: none"> • Executive Director. • Currently hiring for a Manager of Housing Operations and a Manager of Society Operations. |
|-------------------------|--|

STRENGTHS AND CHALLENGES

| STRENGTHS AND CHALLENGES | |
|---------------------------------|--|
| Strengths | <ul style="list-style-type: none"> • Leverages specialized expertise contained within the community – internal expertise can be effectively developed and retained. • The Society has access to funding sources that corporations are not eligible for, including research, operations, and program support grants. SCHS is eligible for BC Housing and CMHC development and operational funding programs. • The organization is fully independent – society debts and/or borrowing does not impact municipal borrowing limits. • Society model helps to remove political involvement from housing provision in day-to-day operations. • Governance structure includes representation from the community, including non-profits and industry experts. |
| Challenges | <ul style="list-style-type: none"> • The organization took two years to become operational. • The association does not yet have a portfolio of its own and as a result, has not developed or built up any operations capacity. • The Society remains financially dependent on the District – if the organization does not become self-sufficient, the organization could face public scrutiny and the District may discontinue the funding. |

RELEVANCE TO REVELSTOKE

This non-market housing entity model is relevant to the City of Revelstoke because of the organization’s similarity to the RCHS model – however, the SCHS has a more formalized relationship with the District than that of RCHS. Like the RCHS, the SCHS operates independently from but in collaboration with the municipality. To solidify its support for the organization, the District of Squamish has committed to multi-year funding to cover start-up costs, staffing, and infrastructure. This funding has enabled the organization to expand their staffing model from one Executive Director to a team of three that will soon include a Manager of Housing Operations and a Manager of Society Operations (SCHS is currently recruiting for these positions).

In 2020, the District adopted the [Perpetually Affordable Housing \(PAH\)](#) to administer rental rate and price restricted affordable housing in the District which will remain in perpetuity. Although the SCHS and the District are still solidifying the process, the intent is for the Society to assume management of PAH units and their waitlists that are being provided in new developments as part of Community Amenity Contributions (CACs) related to rezonings.

NON-MARKET HOUSING SECTOR CONSIDERATIONS

Through engagement sessions, model one was identified as the preferred model by the non-profit sector as it enables an existing Society to build its internal capacity and become a self-sufficient organization in the future, rather than creating a new entity or new structure. In discussions with the non-profit sector, it was identified that the RCHS can take on new development projects. Given this, the RCHS would like to formalize its relationship with the City to build administrative, operations, property management, and staff and board capacity. RCHS expressed that clear communication pathways and a continued commitment to trust will be required to formalize the relationship.

MODEL 2: DEVELOPER

OVERVIEW

In this model, the municipality takes on the role of **developer** through a housing authority/corporation model. This requires a large up-front investment to establish administrative infrastructure and continued additional investment of land and pre-development funds to build new units. As a developer, the authority or corporation would focus on building new homes, then partner with a society or other external operator to operate the development. The authority or corporation would still rely on partnerships with senior levels of government to maintain affordable rent structures.

FEASIBILITY CONSIDERATIONS

GOVERNANCE & ORGANIZATIONAL STRUCTURE

| CRITERIA | SCALE | | |
|---|------------------------------------|--|---|
| Degree of control to which the City can regulate the activities | <i>No Control</i> | <i>Limited Control</i> | <i>Full Control</i> |
| City approvals required for day-day operations or decision making | <i>City approvals not required</i> | <i>City approvals are sometimes required</i> | <i>City approvals are always required</i> |
| Ownership of the entity | <i>Not owned by the City</i> | <i>Shared ownership model</i> | <i>Owned by the City</i> |
| Ownership of the asset | <i>Not owned by the City</i> | <i>Partially owned by the City</i> | <i>Owned by the City</i> |

LEGAL IMPLICATIONS

| CRITERIA | SCALE | | |
|---|-----------------------------------|-------------------------------------|----------------------------------|
| Legal responsibility of the City for the organization's actions and/or the results of these actions | <i>Least legal responsibility</i> | <i>Partial legal responsibility</i> | <i>Most legal responsibility</i> |

FINANCIAL IMPLICATIONS

| CRITERIA | SCALE | | |
|--|-----------------------------------|--------------------------------|---------------------------------------|
| Number of ongoing resources (financial and staff capacity) that are required from the City to achieve the goals and ongoing operations of the organization | <i>Minimal resources required</i> | <i>Some resources required</i> | <i>Significant resources required</i> |

IMPLEMENTATION AND START-UP

| CRITERIA | SCALE | | |
|--|--|--|---|
| Ease of implementation of the organization | <i>Simple organizational set-up and implementation</i> | <i>Somewhat challenging organizational set-up and implementation</i> | <i>Difficult and lengthy implementation process</i> |
| Extent to which the Organization would be recreating or duplicating existing structures and programs | <i>Dependent on existing non-profits with capacity in the sector</i> | | |

CASE STUDY: TOFINO HOUSING CORPORATION

In 2005, the Tofino Housing Corporation (THC) was incorporated as a not-for-profit housing corporation owned by the District of Tofino. The THC's purpose is to, "carry on the business of providing attainable and affordable housing for employees and residents within the District of Tofino and surrounding geographical areas." To build on this purpose, the THC has four areas of focus: housing development; communications and advocacy; pursuing and securing funding; and organizational development. The THC operates at arm's length but has elected officials on its Board of Governance. In 2018, the THC Board decided to partner with Catalyst Community Developments Society and implement a business model in which the THC would act as a land steward/housing facilitator and Catalyst as the third-party, non-profit housing developer.

| THC | |
|------------------|---|
| Portfolio | <ul style="list-style-type: none"> 86 units are currently under development. THC's goal is to build 150 below-market and 30 price-restricted resident-restricted homes units by 2030. 14 affordable rental units. 4 affordable one-bedroom units for Seniors. |
| Tools | <ul style="list-style-type: none"> Partnership with the Catalyst Community Developments Society to develop 86 rental housing units over the next 3-4 years (this will be the corporation's first build phase). <ul style="list-style-type: none"> THC acts as the land steward/facilitator. Business model depends on District-owned land donated to the THC for housing. |

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| Financial Mechanisms | <ul style="list-style-type: none"> • Receives annual project revenues from the District through an agreement for MRDT (municipal and regional District tax) funds. This amount varies annually but is in the range of \$250,000 to \$275,000 per year. • Additional capital funding has come from the sale of two one-bedroom apartments owned by the District, acquired as amenity contributions during the rezoning process, and from government grants and loans. • District-owned land donations. • Funding through partnerships and grants (BC Housing, CMHC). • Estimated funding distribution at the end of 2022: <ul style="list-style-type: none"> ○ 64% through grants ○ 24% Lands ○ 7% District MRDT transfers ○ 3% District Reserve Transfers. |
| Governance Structure | <ul style="list-style-type: none"> • Tofino Council appoints the Board of Directors on an annual basis and can choose to alter the structure of its subsidiary at any time. • Board composed of: <ul style="list-style-type: none"> ○ Four District staff and elected officials. ○ Three independent Board members. |
| Staff Resourcing | <ul style="list-style-type: none"> • Part-time Executive Director. • Partnered with Catalyst Community Developments Society. (Development Consultant and Property Management). |

STRENGTHS AND CHALLENGES

| STRENGTHS AND CHALLENGES | |
|---------------------------------|---|
| Strengths | <ul style="list-style-type: none"> • Funding is secured through an agreement with MRDT. • District-owned land donations make up a large part of organizational and capital funding. • Achieves high-level of staffing capacity through partnership with Catalyst Community Developments. • Utilizes a 3rd party developer and operator to facilitate and manage housing delivery. • Utilizes District owned land to facilitate the development of affordable housing. |
| Challenges | <ul style="list-style-type: none"> • Reliance on 3rd party consultants to manage the day-to-day delivery of housing (operations and development). |

RELEVANCE TO REVELSTOKE

The THC model demonstrates how it leverages partnerships for the development and operation of its housing portfolio. Through a partnership with Catalyst, the THC achieves a high level of expertise, while

balancing and supplementing its staff capacity as needed. Third-party partnerships can help enhance appropriate staff capacity levels for current initiatives and can include ongoing operations capacity building.

A corporation model like the THC also creates autonomy for the housing entity, whose day-to-day operations as a housing provider do not require the involvement of the local government. However, there is still an opportunity for political involvement at the governance and oversight level. The THC Board of Directors is an example of a centralized decision-making body consisting of elected officials and independent representatives from the Tofino area. Revelstoke can ensure direct representation of interests and shared decision-making powers through such a board composition.

Like Revelstoke, Tofino is a designated resort municipality. This designation enables the THC to utilize the Online Accommodation Platform (OAP) portion of the Municipal and Regional District Tax to support administrative and operating costs of the THC. The City of Revelstoke has adopted the [Affordable Housing Reserve and Online Accommodation Platform Fund Policy](#). This policy could be revised so the OAP portion is used to provide ongoing funding to the housing entity, similarly to how it is applied in the THC model.

NON-MARKET HOUSING SECTOR CONSIDERATIONS

A key concern for the non-market housing sector with this proposed model is the duplication of resources and the potential strain on community capacity, both in terms of financial and human resources. Revelstoke is a small, isolated community, and this can potentially lead to housing organizations becoming dependent on limited professionals and trades. There are additional concerns regarding the length of time it will take to set up this model, which could jeopardize opportunities to apply for significant funding programs (e.g., BC Housing Community Housing Fund).

MODEL 3: DEVELOPER AND OPERATOR

OVERVIEW

In this proposed model, the City is taking on the role of the **developer** and **operator** through a municipal housing authority or corporation model, as it aims to build up an operations portfolio, internal capacity, and manage units in perpetuity. For the municipality to take on the role of developer and operator, this requires a tremendous upfront investment to cover operations funding, operations staff, development funding, and development staff. The corporation or authority will require a “critical mass” of units before it can begin to generate revenue, building new units in partnership with senior funders, and then operating those homes following the terms of any operating agreements.

As a developer and operator, the authority or corporation would maintain control of their assets, including ownership of the land and responsibility for maintaining the properties, tenanting the units, and financial and administrative management of the full portfolio. The authority or corporation would still rely on partnerships with senior levels of government to maintain affordable rent structures, but a large portfolio could begin to generate returns that can be re-invested as equity into additional affordable housing or ongoing operations costs.

FEASIBILITY CONSIDERATIONS

GOVERNANCE & ORGANIZATIONAL STRUCTURE

| CRITERIA | SCALE | | |
|---|------------------------------------|--|---|
| Degree of control to which the City can regulate the activities | <i>No Control</i> | <i>Limited Control</i> | <i>Full Control</i> |
| City approvals required for day-day operations or decision making | <i>City approvals not required</i> | <i>City approvals are sometimes required</i> | <i>City approvals are always required</i> |
| Ownership of the entity | <i>Not owned by the City</i> | <i>Shared ownership model</i> | <i>Owned by the City</i> |
| Ownership of the asset | <i>Not owned by the City</i> | <i>Partially owned by the City</i> | <i>Owned by the City</i> |

LEGAL IMPLICATIONS

| CRITERIA | SCALE | | |
|---|-----------------------------------|-------------------------------------|----------------------------------|
| Legal responsibility of the City for the organization's actions and/or the results of these actions | <i>Least legal responsibility</i> | <i>Partial legal responsibility</i> | <i>Most legal responsibility</i> |

FINANCIAL IMPLICATIONS

| CRITERIA | SCALE | | |
|--|-----------------------------------|--------------------------------|---------------------------------------|
| Number of ongoing resources (financial and staff capacity) that are required from the City to achieve the goals and ongoing operations of the organization | <i>Minimal resources required</i> | <i>Some resources required</i> | <i>Significant resources required</i> |

IMPLEMENTATION AND START-UP

| CRITERIA | SCALE | | |
|--|--|--|--|
| Ease of implementation of the organization | <i>Simple organizational set-up and implementation</i> | <i>Somewhat challenging organizational set-up and implementation</i> | <i>Difficult and length implementation process</i> |
| Extent to which the Organization would be recreating or duplicating existing structures and programs | <i>Dependent on existing non-profits with capacity in the sector</i> | | |

CASE STUDY: BURNABY HOUSING AUTHORITY

ORGANIZATIONAL OVERVIEW

The City of Burnaby formally created its municipal housing corporation, the Burnaby Housing Authority (BHA), in the fall of 2023. The BHA is incorporated under the *Business Corporations Act* and is wholly owned by the City. The BHA has four major functions: the acquisition, development, operation, and administration of non-market housing. Along with initial seed funding, the City can also provide expedited permits, guided approval processes, City-owned sites for below market value, and pre-zoned City-owned sites.

| BHA | |
|-----------------------------|--|
| Portfolio | <ul style="list-style-type: none"> No units – the corporation was recently established in the fall of 2023. |
| Tools | <ul style="list-style-type: none"> Land and Unit Acquisition: <ul style="list-style-type: none"> Acquire lands and units, including City-owned lands and units, for the purpose of development. BHA will have the capacity to acquire, hold and dispose of freehold land, air space parcels and strata titled properties for residential uses, as well as non-residential real estate assets that are ancillary to residential uses. Housing Development: <ul style="list-style-type: none"> BHA will be responsible for the design and construction of new housing developments (e.g., securing land, pre-development and construction funding and financing, obtaining municipal approvals, hiring, and overseeing consultants and contractors, etc.). BHA may also enter into partnerships agreements with private, public, and non-profit sector entities. Housing Operations: <ul style="list-style-type: none"> BHA may provide property management services (e.g., tenant management, building maintenances, capital repairs, etc.) for rental housing it develops, acquires, or manages on behalf of the City. Housing Administration: <ul style="list-style-type: none"> Oversight of non-market housing operated by the BHA or third parties to ensure compliance with housing agreements or other funding and operating partner agreements. |
| Financial Mechanisms | <ul style="list-style-type: none"> \$475K one-time start-up budget. \$2 million annual operating budget from the City until 2028. Council has directed staff to budget planned financing of \$100 million from 2024-2028 from its reserve for the housing authority’s affordable housing projects. |
| Governance Structure | <ul style="list-style-type: none"> 10-person board, consisting of: <ul style="list-style-type: none"> Three council members |

| | |
|-------------------------|---|
| | <ul style="list-style-type: none"> ○ One senior exempt Burnaby staff member ○ Four private or non-profit housing experts ○ One finance expert ○ One legal expert. |
| Staff Resourcing | <ul style="list-style-type: none"> ● Four staff, including: <ul style="list-style-type: none"> ○ Chief Executive Officer (CEO) ○ Chief Financial Officer (CFO) ○ Development Director ○ Administrative Coordinator. |

STRENGTHS AND CHALLENGES

| STRENGTHS AND CHALLENGES | |
|--------------------------|---|
| Strengths | <ul style="list-style-type: none"> ● BHA acts as a centralized hub to develop and manage secure, purpose-built, non-market housing units. ● Well-resourced staffing structure. ● Clearly defined functions, reducing the chance of scope creep. ● Access to \$100 million in planned financing to be funded from the Community Benefit Bonus Affordable Housing reserve. |
| Challenges | <ul style="list-style-type: none"> ● Requires significant and on-going funding investment from the City of Burnaby for start-up operations. ● Potential conflicts of interest due to the Board composition that includes City councillors and staff. ● Operating funding is only guarantee for two years from the City – it could take longer to generate sufficient funds to fully cover its operating costs. ● BHA is not fully autonomous as it is funded and governed by the City – may be challenging to act quickly on development opportunities. ● Non-profits in the affordable housing sector in Burnaby may perceive the BHA as competition. |

RELEVANCE TO REVELSTOKE

The City of Burnaby intends to facilitate the development of non-market housing by funding, developing, and operating non-market housing units through the implementation of the BHA. Although the BHA is serving a much larger population than that of Revelstoke's, the organization's tools and structure could be replicable. Funding from the Affordable Housing Reserve and Online Accommodation Platform Fund Policy could be used to fund initial start-up costs and an annual operation contribution until the entity can sustain its own operations. If the City is interested in retaining its land and assets, the corporation and/or authority model would enable this.

NON-MARKET HOUSING SECTOR CONSIDERATIONS

This model raises concern regarding societies' existing operations and how the proposed model would fit in or align. For example, existing operating agreements with BC Housing may need to be reviewed and

revised if a new entity is taking over. Significant interim planning, requiring financial and human resources would be necessary to smoothly transition operations to a new entity. It was also expressed that a housing authority/corporation (unless it is structured as a non-profit corporation) may not have the same access to funding sources that non-profits are eligible for, including research, operations and program support grants.

MODEL 4: REGIONAL APPROACH

OVERVIEW

There is an opportunity to implement a Columbia Shuswap Regional District (CSR D) Housing Entity (either a society or corporation/authority structure) aimed at increasing the stock of non-market housing across the seven Electoral Areas in the CSR D. Multiple Regional Districts in BC have added housing to their suite of services, increasing taxation through a Regional Housing Service Bylaw to provide housing support and capital. A regional housing entity model would not be a “Revelstoke-specific” or “Revelstoke-owned” solution. Although a Regional Housing Service Bylaw is a strong and reliable funding mechanism, the resulting funds would have to be equitably distributed among those contributing. Therefore, engagement with the CSR D would be required to further explore this option model.

FEASIBILITY CONSIDERATIONS

A regional entity could be set up as a society or corporation/authority structure – therefore the feasibility considerations have not been included. Engagement with the CSR D is required to determine if a regional approach is feasible.

CASE STUDY: COWICHAN HOUSING ASSOCIATION

The Cowichan Housing Association (CHA) is a not-for-profit association (incorporated in 2015 under the Societies Act) working to increase affordable housing options and prevent homelessness in the Cowichan Valley Regional District (CVRD). The association grew out of the Social Planning Cowichan (SPC) committee. Since established, the organization has evolved into an important community hub focused on providing information, services and advocacy for affordable housing, housing loss prevention, and for individuals who are precariously housed, unhoused, and those experiencing homelessness. The organization has three Strategic Priorities: housing loss prevention and navigation; research planning and coordination; and project development, funding, advocacy and capacity building.

In this Regional model example, the CVRD, by way of a Regional Housing Service Bylaw, is acting as a funder, providing funding to support the development of non-market affordable housing. The Cowichan Valley Regional District Regional Housing Service was approved by public referendum. CVRD Bylaw 4201 was adopted by the CVRD to provide an annual financial contribution (\$750K) to CHA to assist with providing programs and services related to affordable housing and homelessness prevention.

| CHA | |
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| Portfolio | <ul style="list-style-type: none"> Program based model – the CHA is not currently developing or operating any units but has contributed funding to other organizations/societies to support development. |
| Tools | <ul style="list-style-type: none"> Bylaw adopted by the CVRD to provide annual contribution to the CHA Regional Housing Service (RHS). Two Primary Goals: |

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| | <ul style="list-style-type: none"> ○ Increase capacity for local communities to develop affordable housing projects; and ○ Increase local funds for affordable housing to leverage funding from other sources. ● Two Funding Programs: <ul style="list-style-type: none"> ○ Project Development Fund (PDF) <ul style="list-style-type: none"> ▪ Helps with due diligence and development “soft costs.” ○ Rental Housing Capital Contribution Fund (RHCCF) <ul style="list-style-type: none"> ▪ Provides capital funding for “hard costs” (construction). |
| Financial Mechanisms | <ul style="list-style-type: none"> ● CVRD Bylaw 4201 was adopted through a public referendum to provide an annual financial contribution (\$750K) to CHA to assist with providing programs and services related to affordable housing and homelessness prevention. ● Other revenue streams include BC Housing, Canadian Mental Health Association (CMHA) Cowichan Branch, GoFundMe, Red Cross, and the United Way. |
| Governance Structure | <ul style="list-style-type: none"> ● Governed by a Board of Directors (majority are community members with an interest in homelessness prevention, affordable housing and social equity) ● Includes City of Duncan Council Liaison (non-voting member) |
| Staff Resourcing | <ul style="list-style-type: none"> ● Six staff: <ul style="list-style-type: none"> ○ Executive Director ○ Case Manager/Housing Resource Coordinator ○ Data Management Coordinator ○ Community Development Coordinator ○ Admin/Financial Manager ○ Cowichan Coalition Coordinator |

STRENGTHS AND CHALLENGES

| STRENGTHS AND CHALLENGES | |
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| Strengths | <ul style="list-style-type: none"> ● The CHA is funded through a Regional Service Bylaw – funding is secure and predictable. ● As an external housing entity, the organization has more flexible borrowing capabilities and can enter into a wide range of partnerships and agreements. ● The organization is well staffed. ● The Predevelopment Funding Program helps projects get off the ground and become eligible and more competitive for larger funding opportunities (e.g., BC Housing PDF, Community Housing Fund, CMHC Seed, etc.). |

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| Challenges | <ul style="list-style-type: none"> • No new units have become available – public may not understand the organization’s program model and question its efficacy. • The association does not have a portfolio of its own and as a result, has not developed or built up any operations capacity. • Expansive mandate with responsibilities extending beyond housing development. |
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RELEVANCE TO REVELSTOKE

Revelstoke is surrounded by Electoral B (Revelstoke-Columbia) of the Columbia Shuswap Regional District (CSRD). Given that other municipalities and Electoral Areas within the District are also facing housing affordability challenges, there is an opportunity to implement a CSRD Regional Housing Entity aimed at increasing the stock of non-market housing across the seven Electoral Areas in the CSRD. Across the Province, multiple Regional Districts have added housing to their suite of services, increasing taxation to provide housing support and capital – such as the CHA in Cowichan Valley Regional District and the Capital Regional Housing District (CRHD) in the Capital Regional District.

NON-PROFIT HOUSING SECTOR CONSIDERATIONS

As this model is not location specific or a “made in Revelstoke” solution, the non-profit sector expressed that a regional approach has the potential to be integrated and considered alongside the recommended funder model. Given the challenges of developing in isolated regions, this model presents the opportunity to expand, partner, and support various organizations across the CSRD. Discussions with the CSRD about the implementation of a Regional Housing Service Bylaw will be necessary to further explore this approach.

NEXT STEPS

Following receipt and publication of the City of Revelstoke Housing Entity Feasibility Study (Phase Two) and with the approval from staff, the project team will provide an overview of this report and the recommended option model to Council at an upcoming Committee of the Whole meeting.

CONTACT

Questions about this report can be directed to:

Jenna Hildebrand
 Project Planner
 M’akola Development Services
jhildebrand@makoladev.com

Sandy Mackay
 Housing Research and Policy Lead
 M’akola Development Services
smackay@makoladev.com

| BANFF HOUSING CORPORATION | |
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| Overview | <ul style="list-style-type: none"> Created in 1993, the Banff Housing Corporation (BHC) is an arm’s length, non-profit organization of the Town of Banff. The Town is the sole shareholder, and the Town of Banff Council represents the shareholder. The BHC mission is to help maintain a healthy and balanced community by offering rental units as well as price restricted and equity share home ownership. |
| Portfolio | <ul style="list-style-type: none"> As of January 2019, the BHC portfolio includes 317 units consisting of both homeownership and rentals units. BHC has built 304 units and acquired 13 units. Of the 317 units, 134 are rental apartments and 183 are home equity share properties. |
| Tools | <ul style="list-style-type: none"> BCH provides value-priced home opportunities for residents of Banff by developing lands within the Town of Banff boundary and offering them via sub-leases. Ownership models: <ul style="list-style-type: none"> Equity Share: BHC owns a percentage of the home (anywhere from 13.2% to 35.32%) and the homeowner pays and owns the rest. Over time if the house price increases, the dollar value of the BCH’s share and the homeowner’s share increase at the same rate. Price Restricted: The BHC owns a percentage of the home, and the homeowner pays for and owns the rest. The future resale price of these properties is tied to a price restriction of two percent per annum, compounded annually. The price restriction is tied to the amount the purchaser paid for the unit when the property was originally sold. |
| Financial Mechanisms | <ul style="list-style-type: none"> Income comes from fee revenue (BCH charges annual admin fees), grant revenue, interest revenue, and rental property revenue. Majority of annual income comes from rental property revenue. BCH does not receive subsidies from municipal taxes for the administration of new and existing developments. |
| Governance Structure | <ul style="list-style-type: none"> The Town appoints a Board of Directors that governs the administration of the BHC. The Board includes: <ul style="list-style-type: none"> one Councillor from the TOB four public members one senior administrator from the TOB |
| Staff Resourcing | <ul style="list-style-type: none"> 3 FTE manage the rental and home equity portfolios and maintenance of current rental buildings Town of Banff subcontracts senior admin services to oversee the BCH portfolio |

| CANMORE HOUSING CORPORATION | |
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| Overview | <ul style="list-style-type: none"> Established in 2000, Canmore Community Housing (CCH) is a non-profit corporation wholly owned by the Town of Canmore and governed as an arm's length organization. There are two shareholders of CCH, the Town of Canmore, represented by the Town Council and the chief administrative officer (CAO), who holds their share in trust for the Town of Canmore. |
| Portfolio | <ul style="list-style-type: none"> 120 rental units 155 homeownership units |
| Tools | <ul style="list-style-type: none"> Vital Homes Program: <ul style="list-style-type: none"> Enables CCH to provide homes at below market prices to eligible community members. Resale and rental price formulas are used to ensure investment and the prices are retained for future residents. Accessory Dwellings Grant Program: <ul style="list-style-type: none"> Helps offset the costs of constructing a new accessory dwelling or legalizing an existing accessory dwelling (contributes \$20,000 or 75% of total costs) – bound by 10-year term. Matching Down Deposit Program: <ul style="list-style-type: none"> Assists current Vital Homes owners or those on the waitlist to acquire a market or CCH property under a homeownership tenure with the Town of Canmore, CCH matches an approved applicants deposit up to \$25,000 by way of a second mortgage. |
| Financial Mechanisms | <ul style="list-style-type: none"> Operational costs are offset through funds collect by the Town of Canmore. Funds are derived from tax contributions – the Vital Homes mill rate (current residential mill rate is 0.05 of the total rate of 4.84). <ul style="list-style-type: none"> E.g. Annual tax assessment for \$1 mil home would be approx. \$4,844, \$52 is earmarked for Vital Homes. Vital Homes mill rate generates approx. \$700,000 revenue annually -- \$450,000 goes towards CCH operational funds and the remaining funds are held in a reserve for future Vital Homes initiatives. Debt servicing and operational costs of rental units are covered through rental revenues. Costs to develop ownership units are recovered through the purchase price of the units. |
| Governance Structure | <ul style="list-style-type: none"> The shareholder (Town of Canmore) appoints a Board of Directors who governs the administration of CCH Board is comprised of seven public members, two Council member representatives from the Town of Canmore, and one senior administrative personnel liaison from the Town of Canmore (non-voting) |

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| Staff Resourcing | <ul style="list-style-type: none"> • Four administrative staff: <ul style="list-style-type: none"> ○ Managing Director ○ Manager of Housing Programs ○ Rental Administrator ○ Executive Assistant |
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| CAPITAL REGION HOUSING CORPORATION | |
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| Overview | <ul style="list-style-type: none"> • CRHC is a wholly-owned subsidiary of the Capital Regional District (CRD). The CHRC’s mandate is to develop and manage affordable housing to meet the needs of people living within the capital region. It is the largest social housing provider in the Capital Region. |
| Portfolio | <ul style="list-style-type: none"> • As of 2021, the CHRC owns and operates 1,893 units with a further 109 under construction and 661 in pre-construction and development <ul style="list-style-type: none"> ○ Properties in 7 municipalities ○ 50 complexes ○ \$561m insured value |
| Tools | <ul style="list-style-type: none"> • Regional Housing First Program (RHFP): <ul style="list-style-type: none"> ○ Equal partnership agreement between the CRD, the Government of BC through BC Housing, and CMHC. The \$120 million program will create up to 2,000 units of affordable housing as part of the initiative, and up to 400 units renting at the current provincial income assistance rate to address the needs of people experiencing homelessness on southern Vancouver Island and the Gulf Islands |
| Financial Mechanisms | <ul style="list-style-type: none"> • Funding breakdown (as of 2021/22): <ul style="list-style-type: none"> ○ 81% tenant rent ○ 14% subsidies (CMHC & BC Housing) ○ 5% transfer from reserves |
| Governance Structure | <ul style="list-style-type: none"> • Governed by 24-member appointed Board of Directors, board is comprised of one or more elected official from each of the local governments within the CRD boundaries. |
| Staff Resourcing | <ul style="list-style-type: none"> • 44+ staff work for the CHRC, including: <ul style="list-style-type: none"> ○ Tenant Relations team ○ New Building Rentals team ○ Property Management Team ○ Senior Manager’s Office ○ Building Maintenance Attendants |

METRO VANCOUVER HOUSING SOCIETY

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| Overview | <ul style="list-style-type: none"> Wholly owned by the Metro Vancouver Regional District (MVRD), Metro Vancouver Housing (MVH), a non-profit organization, was established in 1974 to provide safe and affordable rental housing across the Metro Vancouver Region. Its sites are diverse, mixed-income communities that include families, seniors, and people with disabilities. |
| Portfolio | <ul style="list-style-type: none"> 3,400 units over 49 sites in 11 municipalities (over 9,400 tenants) All housing provides some level of affordability – either below market-rents or Rent-Geared-to-Income 35 sites owned fee simple, 14 sites on municipal leased land, 1 site owned fee simple by MVRD |
| Tools | <ul style="list-style-type: none"> MVRD partners with a wide range of public, private, and non-profit housing stakeholders to build, manage, and preserve affordable rental housing across the region Builds and operates new affordable rental housing on municipally-owned land Developed Metro Vancouver Housing 10-Year Plan – provides vision and framework to guide how MVH will provide, preserve, and expand housing in the region MVH will invest \$190 million in affordable housing over the next 10 years (\$90 mil for renewing and enhancing existing, and \$100 mil to develop new affordable housing) |
| Financial Mechanisms | <ul style="list-style-type: none"> Majority of housing portfolio was developed in late 1970s and 1980s through Federal funding programs and later through Federal/Provincial or Provincial programs. Mixed-income model now supports operations and helps MVH to be mostly self sustaining. Tenant rents are used to pay for operating costs, including ongoing maintenance and upkeep, building managers and staff, income testing, and tenant engagement programs. The remaining surplus is transferred into a Housing Reserve Fund which is reinvested back into housing. External funding is pursued on a project-by-project basis |
| Governance Structure | <ul style="list-style-type: none"> MVH board appointments mirror the appointments made to the MVRD board – 2023 board will consist of 41 Directors representing 21 municipalities, one Electoral Area and one treaty First Nations. |
| Staff Resourcing | <ul style="list-style-type: none"> MVH operations are overseen by the Regional Planning & Housing Services department, who is responsible for providing safe and affordable housing units across the Metro Vancouver Region. |

VAIL HOUSING SOCIETY

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| Overview | <ul style="list-style-type: none"> • Vail Local Housing Authority (VLHA) is a statutory authority¹ (responsible for housing) created under Colorado Revised Statutes. It was created to focus its efforts on maintaining and expanding the supply of resident housing opportunities in the community. VLHA is responsible for VLHA budget approval, advocacy, coordinating with Town staff on housing initiatives, and providing recommendations to Town Council for strategic long-term planning. • The VLHA places a special emphasis on affordable housing initiatives and works to ensure there is deed restricted housing for at least 30% of Vail’s workforce. |
| Portfolio | <ul style="list-style-type: none"> • Since 1996, the town has helped more than 180 local employees purchase homes within Vail’s boundaries. • There are currently 1,000+ deed-restricted rental and for-sale employee housing units within the Town of Vail. • Aiming to acquire 1,000 additional resident housing unit restrictions by 2027 |
| Tools | <ul style="list-style-type: none"> • Vail InDEED Program: <ul style="list-style-type: none"> ○ Created to provide a cash incentivize in exchange for a deed restriction on a Vail residential property. ○ Deed restrictions require homes and apartments to always house at least one person who works an average of 30 hrs/week in Eagle County (where Vail is located). <ul style="list-style-type: none"> ▪ This does not specifically address affordability issues (someone may purchase a property to rent but there is no enforcement mechanism to ensure affordability). ○ Vail is beginning to purchase properties it believes are a good fit for resident-workers. Once the transaction closes, the property is deed restricted and sold at a lower, deed-restricted price (Vail has spent an average of \$68,000/unit) – this leverages existing housing stock immediately. |
| Financial Mechanisms | <ul style="list-style-type: none"> • Deed restricted program is funded through Council – voters in Vail approved a 0.5% sales tax to create a permanent revenue stream for the program and for other housing initiatives (raised approx. \$5.4 mil in the first year the tax was implemented). |
| Governance Structure | <ul style="list-style-type: none"> • Board members with housing-related expertise are appointed to act on behalf of the Vail Town Council. |
| Staff Resourcing | <ul style="list-style-type: none"> • The Housing Department is the staff liaison to the Vail Local Housing Authority and advances the direction provided by the Vail Housing Subcommittee and the Vail Town Council. |

¹ Statutory authority refers to the powers and duties assigned to a government official or agency through a law passed by Congress or a state legislature.

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| | <ul style="list-style-type: none"> • Housing Department has three members: <ul style="list-style-type: none"> ○ Housing Director ○ Senior Housing Coordinator ○ Housing Coordinator |
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| VANCOUVER AFFORDABLE HOUSING AGENCY | |
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| Overview | <ul style="list-style-type: none"> • Vancouver Affordable Housing Agency (VAHA) builds on City-owned land and liaises with investment, development, and community partners to create below-market housing options. Using innovative building techniques and unique partnerships, VAHA is focused on building high quality rental housing for individuals and families on low to moderate incomes across Vancouver |
| Portfolio | <ul style="list-style-type: none"> • Currently involved in 29 projects across Vancouver: <ul style="list-style-type: none"> ○ Three at rezoning stages, ○ Five at permitting stages, ○ Four under construction, ○ 17 completed. |
| Tools | <ul style="list-style-type: none"> • Identifies City owned land and facilitates connections between investment partners, development partners, and community partners for future affordable housing developments. |
| Financial Mechanisms | <ul style="list-style-type: none"> • City of Vancouver provides municipal land to leverage partnerships, • In August 2019, CMHC announced \$184 million in loans and funding for Vancouver Affordable Housing Agency (VAHA), to leverage VAHA’s \$96 million contribution to build up to 1,100 new units on City-owned sites. |
| Governance Structure | <ul style="list-style-type: none"> • Governed by an oversight committee: <ul style="list-style-type: none"> ○ City Manager, City of Vancouver (COV) ○ General Manager of Arts, Culture & Community Services, COV ○ General Manager of Finance, Risk & Supply Chain, COV ○ General Manager of Planning, Urban Design & Sustainability, COV ○ Director and CEO, VAHA |
| Staff Resourcing | <ul style="list-style-type: none"> • Staff of seven: • Director & CEO • Director of Non-Market Housing Development • Four Development Managers • Project Manager |

WHISTLER HOUSING AUTHORITY

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| Overview | <ul style="list-style-type: none"> In 1997, the Whistler Housing Authority (WHA) was created as an arms-length, non-profit local housing authority with the Resort Municipality of Whistler (RMOW) as its sole shareholder. The WHA was created using an initial contribution of \$6 million from the Employee Works and Service Charge under the condition that it be completely self-funding within two years and that no taxpayer money would be used to fund its ongoing operation. |
| Portfolio | <ul style="list-style-type: none"> The WHA has developed both affordable rental and homeownership units based on community demand, with a roughly 50/50 split of rental and homeownership housing stock. The WHA has built and acquired over 2,270 units of affordable rental and ownership housing for the community's workforce and families. |
| Tools | <ul style="list-style-type: none"> Through the Employee Housing Service Charge Bylaw, enabled under the Resort Municipality Act, the resort municipality collects affordable housing units or cash-in-lieu from developers of commercial or industrial uses for municipal works and services. |
| Financial Mechanisms | <ul style="list-style-type: none"> WHA was created with an initial contribution of \$6 million from the Employee Works and Services Charge. It is funded through the Employee Housing Service Charge Bylaw, which is enabled under the Resource Municipality Act. WHA collects affordable housing units or cash in lieu from commercial or industrial developers. This subsidizes capital investment requirements for development and rental revenue fully subsidizes the operation of rental units and administrative expenses. As of 2009, the WHA began collecting a Housing List Registration Fee and annual Housing List Participation Fee to help offset administration costs. Requires no taxpayer funding and is completely self-sustaining in operations. |
| Governance Structure | <ul style="list-style-type: none"> Governed by a Board of Directors which includes three members from the RMOW Council and one senior staff member – allows the RMOW to maintain strategic direction of the WHA. The Board also includes three community members and two non-voting housing representatives from the residents and senior's housing community. |
| Staff Resourcing | <ul style="list-style-type: none"> Six staff members manage the WHA developments and operations. |