

B.C.- Alberta Research Alliance on the Social Economy (BALTA)

BALTA Project Proposal

Preamble

As in other regions of B.C. and Alberta, the real estate market in the Kootenay region of BC has been “hot.” Tourism and recreation investment in Invermere, Golden, Revelstoke and Rossland, and home purchases by semi retired, retired and seasonal occupancy purchasers from outside this regional economy and from higher real estate markets in Alberta, the Lower Mainland and other areas of Canada, the US and beyond have increased market values considerably. This increase in market value is increasingly perceived to be a barrier to labour force replacement and expansion, and as a main factor in market-driven evictions from low rent or low value shelter to allow redevelopment or resale to higher value market opportunities.

Required Information

A. Title of project:

Affordable Housing Assessment and Strategic Planning, Kootenay Region

B. Description of project and project objectives, outputs and proposed outcomes:

This goal of Phase 1 of this project is to develop a better understanding of the magnitude of this market increase in the region, both for the owner/occupant market as well as for the rental and income supported markets. The key concern is the impact of this increase on the welfare of the local population, especially seniors and labour market entry age groups. The study area will include the West Kootenay Municipalities and Regional Districts. It will not include First Nations communities.

The Goal of Phase 2 of this project is to work with communities and other relevant partners in a pilot project format to develop a strategy and action plan that can address a range of accessible shelter options based on current and anticipated needs in the community. The objective is to develop a model for partnership development, planning and actions that can be used by other communities in the BALTA region.

C. Purpose and significance of the study, including congruence of the proposed research with the over-all strategic research objectives identified for the SERC and BALTA. Why should this project be approved, given BALTA’s limited resources?

The speculative real estate market in this rural region is increasingly creating a gap between the cost of shelter, a basic need for all residents, and the ability of a resident working in the regional economy to pay for that shelter out of the locally derived wage. This issue is aggravated by the fact that there will be a significant turnover in labour force and business in the short term. For example, Tech Cominco, a major regional

employer in Trail, will be faced with approximately 500 retirements in the next 5 to 6 years, and those workers will have to be replaced. Even in that example, with above average wages, anecdotal information suggests some potential employees are not moving to this area because the cost of housing requires a dual income, and the opportunities for full or adequate (in terms of skills/abilities) employment for partners is limited in this relatively small labour market.

A second component is the lower income component of the community including seniors, folks working in the service sector, and the marginally employable. That sector of the community that does not already have accommodations is finding it increasingly difficult to find adequate and affordable rental accommodation, and little is being added to the market. In fact, rental to strata conversions, trailer park to vacation trailer strata and second unit "suite" conversion to home office or "guest" accommodations appear to be increasingly part of the market pattern.

The consequence, along with an increasing demographically driven labour shortage is that local businesses are having difficulty attracting and maintaining staff. "Now hiring" posters decorate storefront windows, and we are now starting to see "Closed on Mondays due to labour shortage" signs in some service businesses such as a bakery, and take out food establishment.

Affordable and accessible housing will not solve labour market issues, but it is a necessary ingredient in a labour market solution, and if a labour market solution is not found for rural areas, there will be significant economic and quality of life consequences. A significant component of the housing solution is anticipated to be developing housing options for seniors to free up underutilized stock, and developing new options for young adult and single person households.

In Phase 2, the pilot project(s) the following short term objective of SERC 1 will be directly addressed:

1. The role of community based organizations in the provision of affordable housing.

Depending on the outcomes of pilot projects, the following objectives may also be addressed:

2. The use of housing co-operative assets, both to create more affordable housing and to leverage other CED projects;
3. The role of co-operatives in providing social care (e.g. elder care);

There may also be components of pilots that involve faith based organizations (objective 4) and non profit capital markets (objective 5).

D. Lead researcher, organization name and contact information:

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F. Will the project involve student researchers in a paid or unpaid capacity? If yes, will they need to be recruited or have they already been identified? Briefly describe the roles and responsibilities of students involved in the research project, the skills/experience they will acquire, and how this will complement their academic training.

Students will be involved in a paid capacity. The main roles will be in data assembly and analysis, assistance in survey administration, data entry and analysis, support for community and partnership events and meetings, and some elements of report writing. Key skill areas they will gain experience in and/or further develop include survey development and administration, data search and assembly, data analysis, writing and communication skills, and developing a working knowledge of community development processes.

We will be looking for senior undergraduate or graduate students. Preference would be to use the connections and research MOU developed with Thompson Rivers University.

G. Plan of work and timetable:

Work Plan:

**Phase1 Research Question: What groups are well served or less well served by the current and emerging housing stock/market in the Kootenay regions?
(Underway, Joint project between BC Real Estate Foundation and RIC, Selkirk College)**

This question can be reviewed through both empirical and anecdotal information. The attempt to provide data to answer it will touch on commercial and retail development as well as residential, because population growth leads to demand for services. This overview will be based primarily on secondary data. Phase 1 will be implemented as a joint project between Selkirk College Regional Innovation Chair, and the BC Real Estate Foundation using internal resources.

i. Background

- Demographic characteristics and trends based on a review of 2006 census data, and BC Stats population mobility and projections. Detail will include specific age sectors to identify potential entry level and seniors.
- Employment/Income characteristics and trends based on Revenue Canada Tax Filer information, and BC Stats labour force data and projections.
- Description of the existing housing stock, unit type, location, and property area (serves density discussion) including assisted rental and not for profit and senior's supportive housing based on Census Canada data and an overview of BC Assessment data by Municipality and Regional District.
- Rental rates and availability based on CMHC rental survey data.
- Residential property market values by location based on BC Real Estate Board data and BC Assessment data.

ii. Development Trends/Projections

- Rate of development over time to reflect trends based on BC Stats building permit information.
- Projected development of units based on development permit applications and projections of construction based on municipalities, regional districts and Ministry of Transportation data. (This will require a survey of municipalities, MoT)
- Market segment targets of development based on converting proposed development applications to a typology of development forms/values, or use one that is consistent with past work that has been done on affordability.

iii. Market Trends/Preferences

- Who is buying and selling, renting (by age, household size, price of property, location, residency behaviour based on Real Estate Board, Welcome Wagon data. What are their motivations, housing preferences, actual choices, longer term plans

- Who is selling and what are their motivations, housing preferences, actual choices, longer term plans. This is a primary research piece that could be implemented through the Real Estate Board, or as a research project through RIC. This initial stage would involve interviews with brokers/agents.

iv. Housing Gaps/Needs Analysis

Analysis and conclusions based on above data and information. The objective will be to have the analysis address both market and market assisted needs, as well as rental and ownership issues/needs.

- Who are the age groups described by housing consumption, needs and challenges?
- What are their needs/preferences?
- What market, non-market gaps can be identified?

Phase 2: Case Study(s) – Addressing the affordable/accessible shelter problem

From Phase 1, community contexts for affordability will be reviewed, and case study example(s) will be selected for further study and action research/planning. Case studies will be conducted in partnership with local initiatives, and will focus on different contexts such as resort community, rural amenity area, or a community dealing with growth related to migration. With needs identified, the challenge is to identify market responses, non-market responses, and public/municipal policy or other responses to gaps which would address needs.

Research Question: What strategies and related strategic alliances or partnerships are necessary to address affordable housing issues on an ongoing basis at the community level?

i. Case Selection

One (or more) community will be selected for support in the second Phase of this project. Selection will be based on commitment to proceed with an affordable housing strategy within a housing market area, supported with some community partners, and by municipal government(s)

ii. Case Study Background

A background report will be developed for the study area. This will involve both organizing/aggregating information from Phase 1 to the study area boundaries, and adding additional detail as required. A community survey will be an added component to this background report. The survey will provide additional detail in regards to housing costs, preferences and challenges in the study area. Detailed review of BC Assessment data, development and implementation of a “sellers” survey and a community survey would be part of this additional background.

In addition, a discussion paper on the range of options available at the local level, and possible additional options that might be available with new partnerships (e.g., crown or municipal land, school district land/facilities, Interior Health Authority lands/facilities, alternate financing through CBT, credit unions, CMHC, BC Housing Authority)

iii. Community Animation

With community partners, design and implement a public engagement program to raise awareness of the challenges and options based on the results of (ii) above, and to develop community understanding, interest in and support for options that best address affordability challenges.

iv. Strategy and Alliance/Partnership Development

Based on the results of (iii), work with partners to formalize strategies, organizational and resource commitments, and investments in the form of an Affordable Housing Strategy and Implementation Plan. The intent is that the Plan would be both a public document, and where appropriate, a policy document for participating partners.

v. Develop a Strategic Model

From the experience gained in Phase 2, develop a general template, or model of alliances and partnerships and related roles and constraints or conditions that are necessary to develop and implement an affordable housing strategy. The template is intended to be a tool that can be used by other communities to develop parallel strategies.

Timetable:

Phase 1:

Phase 1 is underway. Those parts of i), ii) that are based on secondary data have been completed. Assembling the demographic and Census data is completed. Special tax filer and migration data runs have been requested from Statistics Canada. Those results should be available by the end of February.

Analysis of assessment data and gathering municipal “development in progress or anticipated” will take longer. The end of the calendar year is a reasonable target. March 31, 2008 is a target date for the final Phase 1 report.

Phase2:

Timing for Phase 2 will have to be negotiated with pilot project partners. A reasonable time frame to consider for initiation to completion of a pilot project is 12 months from initiation. If pilot areas can be identified early in 2008, completion date is targeted for March 31 2009.

H. Describe plans for communicating research results *within* the academic community. Indicate audience and specific output(s) i.e., refereed journal articles or other appropriate channels.

There are a number of community development research centres and chairs in BC located at UBC, SFU, UNBC, Royal Roads, and the lead researcher is Adjunct Professor at the School of Business and Economics at Thompson Rivers University. Results will be disseminated directly to those organizations. In Alberta, the Alberta Rural Development Network will be used to disseminate results.

Results will also be disseminated through the BALTA network.

A conference paper proposal will be submitted to the Canadian Rural Revitalization Foundation and the Applied Research division of the Canadian Association of Community Colleges annual conferences.

I. Describe plans for communicating research results *outside* the academic community to practitioners, policy makers, and other people for whom the research results could be significant. Indicate audience and specific output(s).

Regionally:

As part of the Regional Innovation Chair function, we have established a regional advisory committee and contact list of municipal and regional government representatives, NGO's, and interested community members. Project results would be distributed directly.

Results will be posted on the RIC website, and Real Estate Foundation website and a regional press release with link information would be circulated to the regional media.

Professionally:

Presentation of results to practitioner events and forums including the Planning Institute of BC regional and provincial conferences and events. Other forums such as CED NET, CRRN, and UBCM will also be pursued.

The Communities in Transition program (BC Real Estate Foundation) will be a partner in this project. Final publications (Phase 1 and Phase 2) will be posted on their web site.

A journal article will be prepared and submitted for publication in a professional journal (Canadian Institute of Planners, and/or the Planning Institute of BC, American Planning Association) and one for an academic journal (The Social Policy Journal, Journal of Canadian Studies)

J. Describe your plans for monitoring and evaluating the impacts of your research project. Feel free to consult with BALTA's Project Coordinator or the Academic Coordinator on designing possible approaches. Note that monitoring and evaluation are extremely important both for ensuring the success of the project as well as satisfying the significant reporting requirements of SSHRC.

Three outputs will be generated – a regional housing overview and results from pilot project(s) and a template or community manual for development of an affordable housing strategy.

Monitoring and evaluation will include the following components:

- i) Completion of proposed outcomes
- ii) Evidence that outcomes have been utilized by participating communities through indicators including organizational change, change in policies or regulations, or new investments.
- iii) Evaluation through and end of project survey, of the project by partners and key community participants.

K. What are the research tools you propose to use in your project?

NOTE: If your research involves human subjects, you **MUST** provide copies of your proposed research tools (as well as your research plan) prior to commencing any research. Please see the document “*Project Development and Management Guidelines*” for information about ethical research requirements.

Methods will include the following components:

- i) Secondary data assembly and analysis. Key sources will include Real Estate Board, BC Assessment, Census Canada, BC Stats, municipalities and regional districts, BC Ministry of Transportation, CMHC, BC Housing Authority.
- ii) Data gathered through a community based survey, and analysis of survey data
- iii) Facilitation of community and partnership meetings and events

L. Budget and Contributions

No budget is required for Phase 1. A detailed budget for Phase 2 will be developed in conjunction with Pilot Project partners. We anticipate that the bulk of project funding will come from project partners including the Real Estate Foundation, BC Housing Authority, and the Columbia Basin Trust. BALTA contribution will be targeted to student support.

Anticipated need is for one undergraduate student or equivalent for a minimum of 12 months. That time frame will cover the identification of pilot projects, development of specific project proposals, and completing the Phase 2 tasks.

Budget

Employment	Time Period	Weekly Hours	Rate/Hr.	Salary	Benefits (10.5%)	Total
Junior Researcher	April 1, to August 31, 2008	20	\$14.00	\$5,880.00	\$617.40	\$6,497.40
Junior researcher	September 1 to December 31, 2008	15	\$14.00	\$3,570.00	\$374.85	\$3,944.85
Junior researcher	January 1 to March 31, 2009	10	\$14.00	\$2,380.00	\$249.90	\$2,629.90
Total				\$11,830.00	\$1,242.15	\$13,072.15