



# Community Developers Toolkit

## New Commons Development

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## Introduction

Creating and preserving affordable housing and other community-owned assets in Canada is more critical than ever given the rapid escalation of real estate costs and the relative stagnation of wages in major urban markets. This makes the need for the non-profit sector to increase its real estate development capacity even more critical. New Commons Development and a number of its collaborators are working to promote and facilitate this capacity building in the sector, while building and preserving affordable housing and community real estate that stays where it belongs – in the hands of the community.

New Commons Development teamed up with its colleagues in the non-profit development sector to create this toolkit targeted at assisting community developers to work effectively with municipalities in assessing affordable housing needs in their community and understanding program and policy opportunities.

The Community Developers Toolkit walks community developers through the process of completing a needs assessment and then establishing the appropriate development economics to make the project work. These tools will work to empower community developers to partner with their municipalities and enable the building and preserving of community assets across Canada.

Please send any questions, comments or feedback about this toolkit to [info@newcommons.ca](mailto:info@newcommons.ca).



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## Step One – Needs Assessment

### Understand Community Needs

The first step in community real estate development is to understand what the community's needs are in order to ensure that the project sets out to address those needs. A needs assessment will outline any relevant trends or conditions in the community that can highlight resulting challenges, needs and opportunities.

The [Canadian Rental Housing Index](#) provides a simple, user-friendly online tool that graphically displays rental housing health in a given municipality, region and province. Data includes total number of households, average and median incomes, average percentages of income spent on rent and utilities and the percentage of household spending on rent and utilities. This data provides a good snapshot of the rental housing market and potential community needs for affordable rental housing. The Rental Housing Data and Rental Index features allow users to see more detailed data tables as well as comparisons across different locations.

The screenshot shows the homepage of the Canadian Rental Housing Index. The header includes the logo for 'CANADIAN RENTAL HOUSING INDEX' with a maple leaf icon, and 'INDICE DU LOGEMENT LOCATIF CANADIEN'. Navigation links for 'About', 'Partners', 'Additional Information', and 'Contact Us' are present, along with language toggles for 'EN' and 'FR'. A sidebar on the left contains menu items: 'Home' (highlighted), 'Community Profile', 'Rental Housing Data', and 'Rental Index'. Below the sidebar, a 'Need help?' section offers 'FAQ' and 'User Guide' buttons. The main content area features a 'Welcome to the Canadian Rental Housing Index' heading, a descriptive paragraph, and three interactive cards: 'Community Profile' (with a bar chart icon), 'Rental Housing Data' (with a map icon), and 'Rental Index' (with a map icon).

BC Housing and BCNPHA have also created a useful [template for assessing housing need and demand](#). Other key considerations when conducting a needs assessment include population and demographic data and trends, employment trends and opportunities, geographic and topographical constraints, infrastructure and transit requirements, capacity and utilities services and cultural resources and assets. It is important to engage and include the community in meaningful ways to truly establish what its core needs and goals are. The [CMHC factsheet on Generating Community Support](#) is a useful tool to guide community engagement.

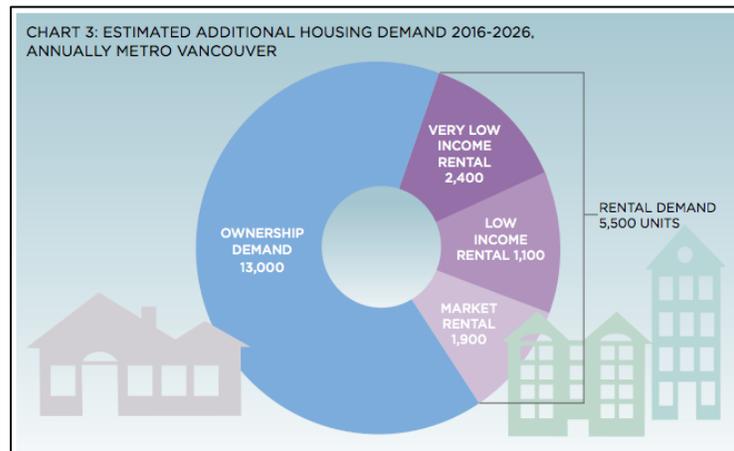
## Determine Affordability Requirements

Related to conducting a community needs assessment is understanding the local affordability requirements. Many municipalities have targets for the area's housing needs based on median income level. The charts below from [Metro Vancouver's 2016 Regional Affordable Housing Strategy](#) are examples of how to understand the housing income categories, rents that are required for each category and target units required to fill the housing stock gaps.

**TABLE 1: HOUSEHOLD INCOME CATEGORIES METRO VANCOUVER**

Household Income Categories	Share of regional median household income RMHI (\$63,000)	Annual household income range	Affordable monthly housing payment
Very low income households	<50% RMHI	<\$30,000/yr	Less than \$750/mo
Low income households	50%-80% RMHI	\$30,000-\$50,000/yr	\$750-1,250/month
Moderate income households	80% -120% RMHI	\$50,000-\$75,000/yr	\$1,250-1,875/month
Above moderate income households	120% - 150% RHMI	\$75,000-\$100,000	\$1,875 - \$2,500/month
High income households	150% RHMI plus	\$100,000 plus	\$2,500/month plus

Source: Metro Vancouver Housing Demand Estimates 2016-2026, Dec 2015.  
Income based on 2011 National Household Survey.



**TABLE 2C: ESTIMATE OF GAP BETWEEN SUPPLY AND DEMAND BY HOUSEHOLD INCOME CATEGORY**

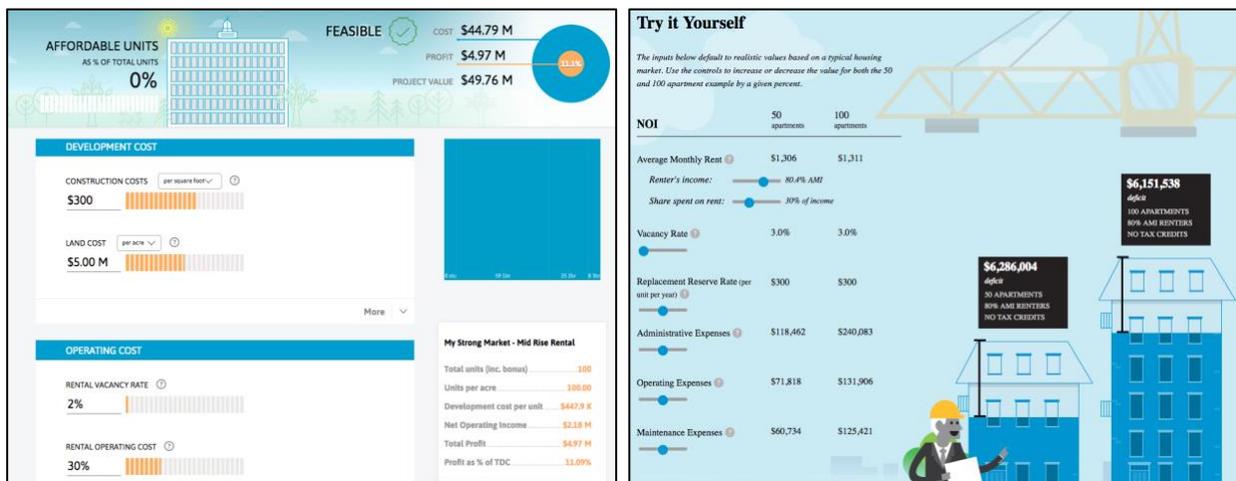
Household Income Categories	Estimated Rental Demand	Estimated Rental Supply	Gap (Supply-Demand) Categories	Completions as a share of estimated rental demand
Low income rental	7,200	3,300	-3,900	46%
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	8,600	5,700	-2,900	66%
Market rental (>80% RMHI) (\$50,000+/yr)	6,100	11,300	5,200	185%
<b>Total rental units</b>	<b>21,900</b>	<b>20,300</b>	<b>-1,600</b>	<b>93%</b>

## Step Two – Development Economics

### Build the Proforma

Building a realistic project proforma is an essential step to understanding the economic feasibility of a development project. A proforma is a financial spreadsheet that developers use to budget for project costs and revenues, and ultimately to assess whether a project is financially viable. At a high level, there are several helpful tools online to help developers work out initial project calculations.

The [Ontario Affordable Housing Calculator](#) created by Evergreen and the [Cost of Affordable Housing Calculator](#) created by Urban Institute allow the user to enter several key factors in a development project – including number of units, parking ratio, affordability requirements, density bonuses, construction and operating costs and financing needs – to determine initial economic feasibility before building a full proforma. The Evergreen tool also generates reports that include unit schedules and cost analyses.



These calculators are helpful tools for thinking through high level project economics, but do not replace building out a full proforma. A full pro forma considers all aspects of a project including project timing, building and site design, and financing terms, among other key factors. It also considers the project's sources and uses of funds. Project uses of funds are the costs incurred to build and operate the project. They typically include land acquisition costs, construction costs, soft costs and contingency allocations. Sources of funds are the funds necessary to pay for the costs of building and operating the affordable housing project. They can include the land lease, equity contributions, long-term mortgages, lease up income and commercial unit sale. Equity contributions can come from a variety of sources including provincial programs like those of [BC Housing](#) or from private equity pools like the [New Market Funds Affordable Rental Housing Fund](#).

### Identify the Site

Identifying the right site for a development project is central to its ability to positively impact the community. Affordable housing should be transit- and services- oriented and should allow for functional and thoughtful design. The [CMHC Building/Site Selection and Design factsheet](#)

provides a helpful overview of important considerations in selecting a site and suggests key activities to perform during the selection process such as analyzing the neighbourhood and identifying risks.

### Plan the Project

Once the development economics are in place, it is important to create a realistic project plan. The [CMHC Local Planning Process and Approvals factsheet](#) provides an overview of the pre-development phases of a project, including zoning, planning approval, public consultations and building permit phases. The [CMHC Project Costing and The Construction Process factsheet](#) provides a high-level overview of what steps to expect during the pre-construction and construction phases, including project design, site development, municipal approvals, construction procurement, construction, rent-up and warranty period.

### Hire the Team

In creating the team that is best equipped to manage a community development project, it is important to consider existing internal capacity and skills. BCNPHA has created an [extensive guide to building your internal development team](#).

Once the internal team is set, there are several useful resources for hiring development and construction professionals, including the following:

- The Canadian Construction Documents Committee provides several templates for hiring construction professionals. The [Guide to Calling Bids and Awarding Contracts](#) is an important first step in selecting a construction team and ensuring that all options are considered.
- The Royal Architectural Institute of Canada has a helpful guide on [How to Choose an Architect](#).
- The Canadian Institute of Quantity Surveyors has a helpful guide on [How to Hire a Quantity Surveyor](#).
- The Canadian Home Builders' Association (CHBA) has a [searchable CHBA Member Director](#) to find trade contractors, suppliers, design services and more.

## Step Three – Engaging Municipalities & Other Agencies

### Identify Applicable Policies & Tools

There are several policies and tools at all levels of government that can help to support a community housing development project.

#### Municipal

In most provinces and territories, municipalities are able to promote the development of affordable housing using tools such as expediting the approval process, waiving development charges, providing density bonuses, adopting alternative development standards and offering surplus municipal land for development. Frequently these tools are enabled under provincial statutes, but the local community has yet not implemented the bylaw changes necessary to enact these innovative rules.

- Toronto’s [Open Door Affordable Housing Program](#) seeks to accelerate affordable housing construction by fast tracking approvals, accessing surplus public land and providing City financial contributions.
- The [Vancouver Affordable Housing Agency](#) promotes community partnerships to activate City-owned land for affordable housing development.
- Local governments also have the authority to [exempt eligible properties from property taxation](#), including property owned or held by charitable and non-profit organizations.

The provincial ministries responsible for municipalities and planning can be an important local resource to help these communities move these opportunities into law. The provincial associations of municipalities also can be an important resource as well as local chapters of the Urban Land Institute and other progressive planning entities.

- Here are the sites for the BC and Ontario municipal associations, respectively:
  - [Union of BC Municipalities](#)
  - [Association of Municipalities Ontario](#)

#### Provincial

- BC Housing provides several [Funding Opportunities for Housing Partners](#) to facilitate new construction and renovation of affordable housing across the province, with specific funding opportunities targeted social housing, Indigenous housing, women’s housing and supportive housing.
- CMHC provides a comprehensive list of [Affordable Housing Programs Across Canada](#), organized by province.

#### Federal

- [CMHC Seed Funding](#): Non-repayable contribution up to \$50,000 and additional fully repayable, interest free loan up to \$200,000 for affordable housing projects with at least five units. Funding can be used to cover soft costs including feasibility, business plan, project drawings and professional fees.

- **National Housing Co-Investment Fund**: New construction and repair/renewal streams. Low-cost loans and financial contributions to build new housing and repair or renew existing affordable housing. Loans have 10-year terms, up to 50-year amortization for new construction and 40-year amortization for repair/renewal and up to 95% loan to cost for residential space. At least 30% of units must be rented at less than 80% of the median market rental rate for at least 20 years.

## Other Helpful Resources

In addition to the tools mentioned above, there are several other helpful guides and toolkits for practitioners in the community development sector:

Resource	Summary	Link
<b>CMHC Report: Municipal Planning for Affordable Housing (2007)</b>	A review of planning and financial mechanisms used to influence affordable housing construction	<a href="https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=35&amp;itm=170&amp;lang=en&amp;sid=AGg88nLtDhKjzgP4v9Prf8fyfA0mFHPLTs0FYOyLBcrCOPIKwnlA06wVIHsSOWt7&amp;fr=1516220610129">https://www03.cmhc-schl.gc.ca/catalog/productDetail.cfm?cat=35&amp;itm=170&amp;lang=en&amp;sid=AGg88nLtDhKjzgP4v9Prf8fyfA0mFHPLTs0FYOyLBcrCOPIKwnlA06wVIHsSOWt7&amp;fr=1516220610129</a>
<b>ChangeLab: Preserving, Protecting and Expanding Affordable Housing (2015)</b>	Provides public health practitioners, along with their allies in public agencies, community organizations, and the private development community, with the tools and strategies needed to preserve and promote safe and affordable housing for low- and moderate-income renters.	<a href="https://kresge.org/sites/default/files/Preserving-affordable-housing-policy-tools-April-2015.pdf">https://kresge.org/sites/default/files/Preserving-affordable-housing-policy-tools-April-2015.pdf</a>
<b>Ontario: Municipal Tools for Affordable Housing (2011)</b>	The Ministry of Municipal Affairs and Housing has developed this handbook to provide information on the planning and financial tools available to municipalities to encourage and support the development of affordable housing in their communities.	<a href="http://www.mah.gov.on.ca/AssetFactory.aspx%3Fdid%3D9270">http://www.mah.gov.on.ca/AssetFactory.aspx%3Fdid%3D9270</a>
<b>Metro Vancouver: Housing Placement Toolkit (2017)</b>	This toolkit is a compilation of techniques, promising practices and information for housing placement in Housing First programs. The techniques and practices are drawn primarily from the experiences of Housing First workers in the Metro Vancouver region but also include some ideas and learnings from across the country and from international programs.	<a href="http://www.metrovancouver.org/services/regional-planning/homelessness/HomelessnessPublications/HousingPlacementToolkit.pdf">http://www.metrovancouver.org/services/regional-planning/homelessness/HomelessnessPublications/HousingPlacementToolkit.pdf</a>
<b>Happy City: Happy Homes - A toolkit for building sociability through multi-family housing (2017)</b>	This toolkit offers actions and illustrations to promote sociability and social wellbeing in multi-family housing design. Actions are grounded in evidence from environmental psychology, sociology, urban studies and/or public health.	<a href="https://thehappycity.com/resources/happy-homes/">https://thehappycity.com/resources/happy-homes/</a>
<b>Joint Ventures with For-Profit Developers: A guide for Community Development Corporations (US, 2006)</b>	This Guide is structured to assist CDCs in becoming educated consumers as they think about, plan and become partners in joint ventures with for-profit developers.	<a href="http://www.burlingtonassociates.com/files/9213/4463/0628/7-file_joint_ventures_guide-New_Coverb-w.pdf">http://www.burlingtonassociates.com/files/9213/4463/0628/7-file_joint_ventures_guide-New_Coverb-w.pdf</a>

<p><b>Alternative Financing Models - Hybrids of Homeownership (2007)</b></p>	<p>This document describes a variety of homeownership models that vary from the traditional notion of ownership. The models are described according to financial and legal structures, including levels-of-use rights, equity rights and affordability.</p>	<p><a href="https://www.enterprisecommunity.org/resources/alternative-financing-models-hybrids-homeownership-13615">https://www.enterprisecommunity.org/resources/alternative-financing-models-hybrids-homeownership-13615</a></p>
<p><b>Best Practices in Property and Asset Management: A Study of Affordable Housing in New York City (2011)</b></p>	<p>This report describes several different models for managing properties -- from self-management, to third-party management, to hybrid structures blending the two.</p>	<p><a href="https://www.enterprisecommunity.org/resources/best-practices-property-and-asset-management-study-affordable-housing-new-york-city-14001">https://www.enterprisecommunity.org/resources/best-practices-property-and-asset-management-study-affordable-housing-new-york-city-14001</a></p>
<p><b>Breaking Ground - A beginner's guide for non-profit development (2004)</b></p>	<p>This guide is for community-based non-profit organizations interested in learning more about becoming affordable housing developers, establishing public-private partnerships and helping to meet the housing needs of low- and moderate-income families. Its purpose is to provide basic information that prospective non-profit developers need to know about planning, financing and developing affordable housing.</p>	<p><a href="https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/tool-breaking-ground.pdf">https://community-wealth.org/sites/clone.community-wealth.org/files/downloads/tool-breaking-ground.pdf</a></p>
<p><b>Multifamily Retrofit Toolkit (2013)</b></p>	<p>This toolkit distills Enterprise's experience retrofitting multifamily affordable housing into the critical steps necessary for success. It is a roadmap for multifamily housing owners, investors, and developers which outlines a comprehensive, cost-effective approach to retrofit.</p>	<p><a href="https://www.enterprisecommunity.org/resources/enterprise-community-partners-multifamily-retrofit-toolkit-14203">https://www.enterprisecommunity.org/resources/enterprise-community-partners-multifamily-retrofit-toolkit-14203</a></p>
<p><b>ULI: Ten Principles for Developing Affordable Housing (2007)</b></p>	<p>This toolkit seeks to help those who wish to develop housing for low- and moderate-income households understand what it takes to make affordable housing projects happen. It also seeks to help policy makers and community leaders understand the principles behind the production of affordable housing.</p>	<p><a href="http://uli.org/wp-content/uploads/2012/07/TP_AffordableHousing.ashx_.pdf">http://uli.org/wp-content/uploads/2012/07/TP_AffordableHousing.ashx_.pdf</a></p>
<p><b>Best Practices in Property and Asset Management: A Study of Affordable Housing in New York City (2011)</b></p>	<p>This report describes several different models for managing properties -- from self-management, to third-party management, to hybrid structures blending the two.</p>	<p><a href="https://www.enterprisecommunity.org/resources/best-practices-property-and-asset-management-study-affordable-housing-new-york-city-14001">https://www.enterprisecommunity.org/resources/best-practices-property-and-asset-management-study-affordable-housing-new-york-city-14001</a></p>

<p><b>The Canadian Institute of Planners and the American Planning Association</b></p>	<p>These association websites have many resources for how to use good planning to support innovation in planning and developing safe, decent and affordable housing</p>	<p><a href="https://www.cip-icu.ca/Resources/Resource-Library/Housing">https://www.cip-icu.ca/Resources/Resource-Library/Housing</a></p> <p><a href="https://www.planning.org/policy/issues/">https://www.planning.org/policy/issues/</a></p>
<p><b>Developing Affordable Housing: A Practical Guide for Non-profit Organizations</b></p>	<p>Though targeted to a US audience, this book provides the best comprehensive guide for non-profit managers and boards to affordable housing development and finance.</p>	<p><a href="https://www.wiley.com/en-us/Developing+Affordable+Housing%3A+A+Practical+Guide+for+Nonprofit+Organizations%2C+3rd+Edition-p-9780471743460">https://www.wiley.com/en-us/Developing+Affordable+Housing%3A+A+Practical+Guide+for+Nonprofit+Organizations%2C+3rd+Edition-p-9780471743460</a></p>