Recommendations from a study tour to San Francisco, Portland and Vancouver, February 1st – 14th 2014

OVERCOMING BARRIERS TO AFFORDABLE FAMILY FRIENDLY HOUSING IN CENTRAL MELBOURNE
Commonwealth and State Governments should support a long term, tax-credit based, investment strategy for affordable housing, administered through Treasury Departments and the Australian Tax Office.

State Government should enable legislation to financially support affordable housing through value capture revenue and state owned land release as neighbourhoods gentrify and renew. This should be explicitly recognised in the Plan Melbourne metropolitan strategy.

State and Local Government should provide a planning framework that mandates minimum design standards necessary to ensure the quality of sustainable, affordable, family friendly housing. This framework should strengthen partnerships between community groups, not-for-profit organisations, private firms and government.
Why go to the west coast of North America to look at affordable housing solutions?

Housing affordability and diversity is decreasing in Melbourne, and despite much good research that has been published over the last 25 years identifying alternative approaches from Australia and overseas, current policies aimed at increasing housing choice show limited success.

The Getting to Yes research project is funded by the University of Melbourne’s Carlton Connect Initiative, the development industry, and local and state government, to advance collaborative solutions to housing affordability and diversity in central Melbourne. An industry survey conducted as part of this research in July 2013 suggested that many developers, social housing providers and local government officers have not had exposure to many affordable housing practices currently being utilised elsewhere.

This study tour was intended to learn from what North American developers, social housing providers, financing organizations, and local government officers are currently doing in similar planning jurisdictions to Melbourne, to create affordable family friendly housing near jobs and services.

Melbourne Participants:

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North American Participants:

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- **Helen Hale** Director, Residential and Community Services, Mayor’s Office of Housing and Community Development (MOHCD)
- **Maria Benjamin** Director, Homeownership and Market Rate Programs, MOHCD
- **Chandra Egan** Senior Community Development Specialist, MOHCD
- **Steve Wertheim** Lead Planner, SF Planning Department
- **Ellie Rossiter** Campaign Director, HOPE SF, San Francisco Foundation
- **Brad Wiblin** Senior Vice President (VP) of New Business Development Bridge Housing
- **Jim Yacenda** VP and Community Investment Officer Federal Home Loans Bank of San Francisco
- **Marietta Nunez** VP Community Lending Federal Home Loans Bank San Francisco
- **Molly O'Dell** Novogradac and Company LLB
- **David Baker** Principal, David Baker and Associates
- **Rick Holliday** Principal, Holliday Development
- **Ben Golvin** Equity Community Builders
- **Jack Gardner** President and CEO, John Stewart Company

**Portland:**
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- **Karl Dinkelspiel** Senior Project Manager, Portland Housing Bureau
- **Tom Armstrong** Supervising Planner, Bureau of Planning and Sustainability
- **Sarah Harpole** Senior Project Manager, Portland Development Commission
- **Paul Reich** Program Officer Meyer Memorial Trust
- **Sean Hubert** Senior Director, Housing and Employment, Central City Concern
- **Michelle Hayes** Director of Housing Development, REACH Housing
- **Robin Boyce** Executive Director, Housing Development Center
- **Susana Asam** Loan Officer, Network for Oregon Affordable Housing (NOAH)
- **Kathy Armstrong** Deputy Director, Proud Ground Community Land Trust
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- **Margaret Eberle** Senior Housing Planner, Metro Vancouver
- **Penny Gurstein** Director, School of Community and Regional Planning (SCARP) UBC
- **Rebecca Bateman** Program Manager, SCARP, UBC
- **Andy Yan** Adjunct at SCARP, and Senior Planner, Bing Thom Architects
- **Cameron Gray** Former Director of the Housing Centre, City of Vancouver
- **Tom Hutton** Professor and Associate Director of CHS
- **Phil Mondor** Vancouver City Planning Commission
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- **Paul Young** Director of Planning and Design, UBC Properties Trust
- **Chris Vollan** VP of Development, Rize Alliance Properties
- **Dale McClanaghan** Chair, Granville Island Trust. Principle, McCanagahan
- **Thom Armstrong** Co-operative Housing Federation of British Columbia

GETTING TO YES

Affordable Housing 2014
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San Francisco has strong city based regulatory frameworks which have fostered the development of an affordable housing industry that includes financiers, legal and accounting firms, developers, construction companies and several large scale not-for-profit housing organisations.

The approach of the City of Portland to the issue of community sustainability and renewal stresses the concept of ‘complete communities’, placing housing affordability and diversity with proximity to jobs and services at the centre of a wider strategy for improving the productivity of the city.

Vancouver has pursued a high-rise, high density inner city urban renewal strategy delivered by private commercial development companies, with strong regulatory framework of developer contributions to fund the inclusion of affordable and family friendly housing options.

Like the cities we visited, Melbourne has a thriving economy, a rapidly growing population, and housing affordability concerns. However, in comparison, Melbourne has weak regulatory mechanisms when it comes to affordable housing funding, supporting partnerships and quality control.
What is North America doing differently in affordable housing?

A Market Based Approach to Funding Affordable Housing

Value Capture Revenue Streams for Affordable Housing

Enduring Partnerships Built Around an Affordable Housing Sub-market
1. Low Income Housing Tax Credits (LIHTC)
2. Leveraging low interest loans and other grants
3. Equity investors in affordable housing

4. Urban renewal value capture and bonds financing
5. Density bonusing and inclusionary zoning
6. Land donations and Community Land Trusts

7. Leadership in sustaining industry partnerships
8. Community planning and engagement
9. Quality design: sustainability and compliance
LOW INCOME HOUSING TAX CREDIT (LIHTC)

WHAT IT DOES:

The LIHTC is a federally legislated, predictable, recurrent funding source that encourages an investor market in affordable housing projects in the US. It underpins an affordable housing market that also includes dedicated sections of the financial, legal, development and not-for-profit sectors. It is administered and monitored by state housing authorities and the federal Inland Revenue Service (IRS).

“A 3 bedroom apartment in Steamboat Point would rent on the open market at approximately $7,000 per month. However, at Steamboat the affordable rent range is $500 - $1,100 and a 3 bedroom tax credit funded apartment rents at a maximum of $1,696/month.”

Kirsty Wang, Bridge Housing

Further information:
9% and (4% + Bonds) LIHTC’s: www.fas.org/sgp/crs/misc/RS22389.pdf
Affordable Housing Program: www.fhlbsf.com/community/grant/ahp
Steamboat Point is a 100% affordable housing project developed by Bridge Housing. It was one of the first built under the LIHTC scheme. In 1992, South Beach was declining industrial land used for warehousing and a rehabilitation centre. Steamboat Point the first residential developments in this now sort after area.

HOW IT WORKS:

Not-for-profit or private DEVELOPER initiates project

APPLY FOR TAX CREDITS

STATE HOUSING AUTHORITY (100 point Qualified Allocation Plans)

Federal allocation Tax Credits by IRS ($US2.20 per capita per State)

9% TAX CREDIT Annual for 10 years

AWARD TAX CREDITS based on 70% of hard construction costs only

EQUITY INVESTOR purchases Tax Credits on open market

Construction of affordable housing development

BANK uses credit allocation to reduce interest on construction loan

RENTERAL INCOME profit after costs

After 10 years DEVELOPER buys out equity partner (assumes debt)

RENTAL INCOME Remaining 50 years

GETTING TO YES Affordable Housing 2014
LEVERAGING LOW INTEREST LOANS AND OTHER FUNDING

WHAT IT DOES:

Obtaining a LIHTC (either the 9% or 4% + bonds option) allows developers to leverage this revenue stream and obtain lower interest private loans for construction (known as pass through funding), and access a range of other government grant schemes. As the LIHTC is the largest and most stringently assessed form of funding, other funders use it as a benchmark for affordable housing proposals.

“The process of financing affordable housing is very complicated – we had one example of 33 different sources of financing for one affordable housing project, and 12-15 per project is fairly standard. So we assist affordable housing providers by adding and building capacity.”

Robin Boyce, Housing Development Centre, Portland

Further information:
LIHTC basics: portal.hud.gov
Using the funding: www.managingmymoney.com/CED/MULTI-UNIT-RENTAL-NEW.pdf
Patton Park is located in the up and coming Overlook neighbourhood of Portland, and is a 20-minute ride from downtown on public transport. Developed by social housing provider, REACH Housing, the land was purchased at a reduced cost from the public transport operator TRIMET as part of the city’s urban renewal program.

**HOW IT WORKS:**

- LIHTC leveraging (pass through funding)
- Payments from Tenants (and mixed use commercial)
- Repayment of Loan and Interest
- Repair and Maintenance Costs
- Building Operation Costs
- Tenancy Management
- Pre-development Loans (0% interest)
- Community Development Block Grants
- FHLB Affordable Housing Program Grants
- Tax Increment Funding (Value capture)
- Tax Abatement (Development Levy Waivers)
- Business Energy Tax Credit (BET-C)
- Weatherisation Funding
- Section 8 Grants (project/person based)
- Public Housing Authority
- Ongoing Income
- One Off Grants
- Reduce size of loan required
- Reduce interest rate on loan e.g. 4% to 1.6%
WHAT IT DOES:

Involving private sector equity partners, often large financial or corporate entities, alongside government funding agencies, and not-for-profit housing associations in the delivery and operation of affordable housing developments over 10 years raises design and quality standards and entails comprehensive compliance procedures to ensure a sustainable return on investment.

“Under the Community Reinvestment Act (CRA 1979), federally-insured financial institutions have obligations to serve all of the segments and areas of the community that do business and since 1990 the federal government has mandated that 10% the profits of the 12 federal home loan banks be used to support local affordable housing. These two federal initiatives have gone far in promoting and expanding the investment in and financing of LIHTC and other affordable housing development”

Jim Yacenda, Federal Home Loans Bank of San Francisco

Further information:
Community Reinvestment Act : www.federalreserve.gov/communitydev/cra_about.htm
Design Standards (example from New Mexico): www.housingnm.org/files/Developer/Rental/LIHTC/pub2014_mf_design_standards.docx
Shaver Green brings together economic, ecological, and social responsibility. It is a privately developed concrete and steel frame affordable key worker apartment building with innovative state-of-the-art features, such as radiant heat, for ongoing sustainability and energy efficiency.

**HOW IT WORKS:**

**Federal Obligations:**
Wages and Conditions, Tenant Income Targets, Continued Monitoring

**State and City Obligations:**
Design Standards, Urban Renewal, Auditing, Targeted Tenant Type

**Proposed Affordable Housing Development**

**Sustainable affordable housing partnership for 60 years:**
10 years with equity partner, 50 years with local housing authority (typically)

**Equity Investor Obligations:**
Positive Income Stream, Tax Credit Compliance

**Not For Profit Developer Obligations:**
Design Standards, Rental Income Mix
FINANCING THROUGH URBAN RENEWAL VALUE CAPTURE

WHAT IT DOES:

Value capture, the securing by the city of a proportion of the financial gain to properties as neighbourhoods gentrify, is allocated to specific programs including affordable housing, to ensure a mixed income distribution in neighbourhoods. The cities have different frameworks, but all aim to redistribute property value gains achieved through urban renewal.

“The municipality has split zoning, which means that is can strike CAC’ agreements, which are essentially density bonus agreements. Buildings can greatly increase their Floor Space Ratio, from 2 to 7 say, but 75% of the land value is ‘clawed back’ in the form of a social housing levy, which may be cash, or in-kind contributions such as construction of childcare facilities, community centres, etc.”

Dan Garrison, Senior Planner, City of Vancouver

Further information:
Capturing Value : Consult Australia and SKM, 2013
The Woodward’s Building is a $400-million development in Vancouver’s Downtown Eastside, encompassing one million square feet of residential, office, retail and educational space. It mixes 526 units of condominiums with 200 affordable rental apartments operated by non-profit social service agencies.

HOW IT WORKS:

San Francisco: Housing Trust Fund:  
Set up in 2012, receives around $20 million a year via a property transfer tax (on documentation) and a hotel tax. The Fund is administered by the Mayor’s Office of Housing and Community Development. www.propc2012.org/

Portland: Tax Increment Funding (TIF):  
TIF funding allocates a set percentage of the increased taxation received (the ‘increment’) over a set base amount as neighbourhoods gentrify and property prices rise. In Portland, 30% of the increment amount is allocated to affordable housing. www.portlandoregon.gov/phb/60811

Vancouver: Community Amenity Contribution (CAC):  
In addition to a set development levy, a CAC is negotiated between the City and developers whenever a re-zoning occurs. The City aims to recoup 50 to 70% of the value uplift as a cash or in-kind contribution.  
vancouver.ca/home-property-development/community-amenity-contributions
WHAT THEY DO:

A variety of other methods are employed to compliment the principal revenue streams for affordable housing (the LIHTC and Value Capture). Typically, these are forms of direct developer contributions (like inclusionary zoning) or developer benefits (density bonuses) and are most effective during positive investment phases in the building cycle.

“In relation to the argument that it (IZ) increases the price of housing for other buyers, the contribution does not come out of the sales price as developers will still receive the maximum price for units because the price is governed by market prices. However, it is important to be predictable with requirements so land values balance out over time.”

Chandra Egan, Senior Community Development Specialist, Mayor’s Office of Housing and Community Development, SF

Further information:
Density Bonusing: http://www.toolkit.bc.ca/tool/density-bonusing
Located in the Showplace Square district of San Francisco, 888 is a mixed-use development of retail space and 224 dwelling units, a mixture of 170 affordable and 54 market-rate ownership units. Affordable and market-rate units share all the amenities, including a café and retail that wraps to hide the garage, and an art-lined open green space with a path for pedestrians and cyclists.

HOW THEY WORK:

Density bonuses

PRIVATE HOUSING DEVELOPMENT

BONUS STOREYS ALLOWABLE OR EXTRA DENSITY PER FLOOR

INCLUSIONARY ZONING (IZ)

PRIVATE HOUSING DEVELOPMENT

AFFORDABLE UNITS

ON SITE

OR

AFFORDABLE UNITS

OFF SITE

OR

AFFORDABLE UNITS

OFF OR ON SITE

AFFORDABLE UNITS

ON OR OFF SITE

FEE IN LIEU

% AFFORDABLE UNITS

OFF SITE

OR

% AFFORDABLE UNITS

ON SITE

OR

% AFFORDABLE UNITS

OFF OR ON SITE

% AFFORDABLE UNITS

OFF OR ON SITE

888 Seventh Ave (2008) San Francisco

www.dbarchitect.com/project
LAND DONATIONS
AND COMMUNITY
LAND TRUSTS

WHAT IT DOES:

Many city agencies possess land or airspace assets that contribute little value currently but could see significant value released by strategic cooperation with affordable housing developments. Land or airspace donations, often through Community Land Trusts (CLT), can reduce development costs and provide a perpetual affordable housing portfolio.

“New construction is expensive, so we prefer to rehabilitate or renovate existing houses. We are able to purchases a house via HUD’s Neighbourhood Stabilization Program for $160 to 190 thousand that is structurally sound and in a viable neighbourhood; and renovate it for a further $50-80 thousand. A house like that we would sell for around $135 thousand”

Kathy Armstrong, Deputy Director, Proud Ground, Portland

Further information:
Proud Ground helps people buy their first home—affordably. It serves young people, older people, married, single, and families with stable incomes and steady jobs who can qualify for a mortgage of about $130,000, which is the average cost of a Proud Ground home - and is much less than a market-rate home.

HOW IT WORKS:

City donates vacant or under utilised land to CLT

New dwellings constructed

Properties are refurbished or repaired

Finance raised using land as leverage

Sold on market to eligible buyers

House only purchased not land

Conditional resale of house to new eligible buyer

Capital gain split between first occupant and CLT

Process repeats

Property assets now part of an affordable housing portfolio

CLT raises funds with partners for operations and uses capital gain and fees to fund new purchases and repairs

City buys foreclosed properties and donates
LEADERSHIP IN SUSTAINING INDUSTRY PARTNERSHIPS

WHAT IT DOES:

City administrations work with charities, developers and social housing providers to simplify the application processes involved to reach identified social housing goals. By demonstrating understanding of development economics, government agencies can encourage private developers, banks, construction firms to be champions for social and affordable housing – particularly during periods of slow market housing demand.

“Before there are any changes to the affordable housing provisions, there is consultation with stakeholders such as developers, social housing providers, housing advocates (there is an affordable home ownership advocacy group), and other government departments. The current Mayor is a fan of Big Tent conferences, which are day long intensive conversations with about 50 or so key stakeholders.”

Maria Benjamin, Director of Homeownership and Market Rate Programs, Mayor’s Office of Housing, SF

Further information:
Industry engagement: www.housingdevelopmentcenter.org/our-work/strengthening-industry
Large scale urban renewal partnerships: www.rebuildpotrero.com/
Located in the South of Market neighbourhood of San Francisco, 474 Natoma offers 60 units of affordable housing consisting of studio, one, two, and three bedroom apartments. Amenities include a rooftop deck, community garden beds, laundry facilities, and a community room.

**HOW IT WORKS:**

- Community Development Corporations
- Construction Firms
- For-Profit Developers

- Guidelines and Information
- Formal Assessment of Proposal
- Other Soft Loans and Grants
- Monitoring and Compliance
- Assistance for Operations
- City Housing Authorities

- Funding Application LITHC

- Funding Approval

- Affordable Housing Development

- Legal Firms
- Consultant Fee Based
- Consultant No Fee
- Charitable Foundations
- Banks Financial Institution
- Funding: Loans and Grants
- Management
- Property and Tenancy

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Affordable Housing 2014
WHAT IT DOES:

Provides transparent community planning processes that support affordable housing initiatives from the not-for-profit and for-profit sectors, including clearly defined height limits, density targets, design guidelines, apartment mix and social and transport infrastructure improvements linked to new development.

“This (the determining of CAC’s) was initially done in spot rezonings (rezoning without a masterplan), but recently there was some community outcry, particularly with three controversial projects in the West End. Now there is a concentration of development activity in some parts of the city, in conjunction with communally developed neighbourhood plans. There has been considerable energy on developing community plans with broad social acceptance in the Downtown East Side, Grandview Woodlands, West End and so on”

Cameron Gray, Former Director of the Housing Centre, City of Vancouver

Further information:
Olympic Village Affordable Housing Costings on Record:
After the 2010 Winter Olympics, the Olympic accommodation became residential housing. The development aligns with the City of Vancouver’s goals, addressing environmental, economic, and social issues. The Olympic Village is a mixed-use community, with approximately 1,100 residential units, area parks, and a growing number of retail and service outlets.
Social housing is built to higher environmental, design and social standards – in order to safeguard its long term rental income stream by being efficient to run (energy and water use), and designed to minimise maintenance. In return, social housing is often seen as ‘bridgehead’ for other community investment and a standard for private market housing developments in underutilized areas.

“Community Development Corporations do good work in education and in building quality developments. The quality comes out of compliance, design, and long term cost management. This is slowly normalising community attitudes (NIMBYism) as they keep hearing about good quality community housing.”

David Bachman, President and CEO, Cascade Management

Further information:
Gray’s Landing: www.housingdevelopmentcenter.org/our-work/buildings/grays-landing
Located in the South of Market neighbourhood of San Francisco, 474 Natoma offers 60 units of affordable housing consisting of studio, one, two, and three bedroom apartments. Amenities include, a rooftop deck, community garden beds, laundry facilities, and a community room.

HOW IT WORKS:

EQUITY INVESTOR/FINANCIER Conditions
Sustainable Income Stream:
- Strategies to contain Energy and Water Use (LEED ratings)
- Management and Maintenance Plans

CDC’s and For-profit Developers

Funding Sources:
Local, State, Federal Govt. + Equity Markets

Superior Built Quality Outcomes

GOVERNMENT Conditions
Sustainable Affordable Housing:
- Design Guidelines and Standards
- Long term contracts for designated Income levels
- Location in strategic areas (TOD/services)
- Commercial/Community mixed use

GETTING TO YES
Affordable Housing 2014
Where next for Melbourne?
Financing: The State Government and industry peak body groups such as the Property Council of Australia and the Community Housing Federation of Victoria, must continue to advocate for a stable and sustainable source of affordable housing funding schemes from both private and government sectors. Ideas include a US style Low Income Housing Tax Credit, which might unlock superannuation funds, and a variety of tax increment or development charging schemes used in both the US and Canada to ensure that ‘no housing market gets left behind’.

Land: Land cost and availability is a key determinant of project viability, so utilising local, state and federal government land and airspace resources can immediately boost the potential supply of affordable housing developments. Strategies include leasing out land at below market prices (which is cheaper than buying state government land at market prices), modelling the impacts of inclusionary zoning within Victoria, and developing Community Land Trusts that would provide affordable ownership housing through limited equity models.

Design: Through funding support schemes and the planning process, State and Local Government should support efficient, sustainable, and durable models of construction and design that can save capital and operational costs. The scaling up of prefabricated dwelling components, an emphasis on containing energy and water consumption, and the expansion of wood framed mid-rise apartment buildings, are promising areas where Victorian can lead the Australian housing industry.
Selected Glossary

Business Energy Tax Credit (BET-C):
The Business Energy Tax Credit is available to those who invest in energy conservation, recycling, and renewable energy resources in projects. The tax credit can cover all costs directly related to the project, including equipment cost, engineering and design fees, materials, supplies and installation costs. The Pass-through Option allows a project owner to transfer the Business Energy Tax Credit project eligibility to a pass-through partner in exchange for a lump-sum cash payment. (ref: www.oregon.gov/ENERGY/CONS/BUS/docs/betcbro.pdf)

Community Amenity Contribution (CAC):
Developments that are being rezoned can provide Community Amenity Contributions (CACs). CACs are in-kind or cash contributions provided by property developers when City Council grants development rights through rezoning. CAC policies vary across the city and are applied differently, depending on planning and land use change. (ref: vancouver.ca/home-property-development/community-amenity-contributions.aspx)

Community Development Corporations (CDC):
Community Development Corporations (CDCs) are non-profit, community-based organizations focused on revitalizing the areas in which they are located, typically low-income, underserved neighbourhoods that have experienced significant disinvestment. While they are most commonly celebrated for developing affordable housing, they are usually involved in a range of initiatives critical to community health such as economic development, sanitation, street-scaping, and neighbourhood planning projects. (ref: www.community-wealth.org/strategies/panel/cdc/index)

Community Development Block Grants (CDBG):
The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the CDBG program is one of the longest continuously run programs at the Department of Housing and Urban Development (HUD). The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. (ref: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs)

Community Land Trusts (CLT):
A community land trust is an organisation that provides ongoing affordable housing and other community benefits, usually set up as a private non-profit community organisation. In the “classic” CLT model, the CLT achieves this as home owners buy the dwelling only (bricks and mortar) but not the underlying land, which is held by the CLT. When purchasers resell, they are required to use a resale formula providing reduced equity. (ref CLT Manual)

Community Reinvestment Act (CRA):
The Community Reinvestment Act is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate, including low- and moderate-income neighbourhoods, consistent with safe and sound operations. The CRA requires that each depository institution’s record in helping meet the credit needs of its entire community be evaluated by the appropriate Federal financial supervisory agency periodically. (ref: www.federalreserve.gov/communitydev/cra_about.htm)

Compliance:
States are responsible for monitoring the ongoing development costs, quality and operation of approved projects, as well as the enforcement threat of notifying the IRS of “noncompliance” if the project deviates from the applicable requirements. Owners must report on the compliance status of the LIHTC property at least annually to the State Allocation Agency in which it received its credit allocation. At least annually, State Allocation Agencies are required to monitor and inspect the LIHTC properties in which it has allocated credits. (ref: portal.hud.gov)
Density Bonus:
Usually a negotiated process between government and a developer to allow buildings to exceed the height and density of development otherwise permitted by zoning by-laws in exchange for community benefits, such as facilities and services, or matters, such as public art or transit improvements.

Hard and Soft Construction Costs:
Hard costs are direct costs incurred in relation to a specific construction project. Hard costs may be directly related to construction, including labour, materials, equipment, basic building services, shell features, interior enclosures, fit-out costs, mechanical services and electrical services. Soft costs refer to costs incurred in addition to the direct construction cost. They are generally incurred by the project owner, consultant and contractor. Soft costs are also called indirect costs; and include non-construction costs such as marketing, taxes, finance charges, insurance, interest payments and general administration costs. (ref: www.ehow.com)

Inclusionary Zoning:
Inclusionary zoning requires developers to make a percentage of housing units in new residential developments available to low- and moderate-income households. In return, developers receive non-monetary compensation—in the form of density bonuses, zoning variances, and/or expedited permits—that reduce construction costs. Some programs are mandatory, while others are voluntary or incentive-driven. Some jurisdictions require developers to construct affordable units within the development, while others allow affordable units to be constructed in another location. Some require developers to build the units, while other communities allow developers to contribute to an affordable housing fund. (ref: http://www.policylink.org)

Key Worker Housing:
Originally an English term, Key Worker housing provided for front line workers in essential public services where there are serious recruitment and retention problems. Usually funded through equity loans, shared ownership schemes or subsidised rent schemes. In the USA, the term ‘First Responder’ is used in place of ‘Key Worker’.

National Rental Assistance Scheme (NRAS):
The National Rental Affordability Scheme (NRAS) is a joint initiative between the Commonwealth, States and Territories. The NRAS aims to increase the supply of affordable rental dwellings by up to 50,000 nationally by June 2016 and to reduce the cost of rental housing for low and moderate income individuals and families across Australia. Under NRAS, owners of rental properties are provided an annual subsidy for up to 10 years in return for renting their property at a discount of at least 20 per cent on the normal rental. (ref: www.dhs.vic.gov.au, www.dss.gov.au)

Qualified Allocation Plan:
The Qualified Allocation Plan, or QAP, details the selection criteria and application requirements for housing tax credits and tax-exempt bonds. It lists all deadlines, application fees, restrictions, standards, and requirements. The plans are formulated by each local Housing Authority and are refined each year to reflect current policy priorities. (ref: www.nchfa.com)

Tax Abatement:
Property tax abatements are “freezes” of property taxes for a designated time. They are designed to assist designated categories of housing such as affordable housing, key worker housing, or first time home buyers, by abating taxes for a period of time. (ref: www.anhd.org/resources/Leveraging-Tax-Abatements.pdf)
The ‘Getting to Yes’ project team also acknowledge the generous contributions from:

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Office of the Victorian Government Architect

All images taken by the Getting to Yes research team.
Cover image: Co-op housing at Olympic Village, Vancouver, 2014

For further information see www.abp.unimelb.edu.au/research/getting-to-yes

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