

Rendering of transit-oriented development at Commercial-Broadway Station, Vancouver. Credit: Perkins and Will

TRANSIT ORIENTED DEVELOPMENT (TOD):

Lessons from Metro Vancouver's Transit-Oriented Affordable Housing Study

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ABSTRACT

The Metro Vancouver Region has continuously experienced shortages in affordable housing provision. These shortages are well pronounced in the region's transit-oriented locations. The region commenced the Transit-oriented Affordable Housing study in 2017 to bring more clarity on the challenges to affordable housing provision and to devise ways of integrating housing and transportation projects especially in the Frequent Transit Development Areas identified across the region. The findings and recommendations from the study provide important lessons for Winnipeg's Rapid Transit corridors and for TOD station area plans.

1.0 / BACKGROUND AND CONTEXT

Not all rental housing is affordable; however, in the Metro Vancouver context, most affordable housing has tended to be rental in tenure given the high cost of home ownership. Affordable rental housing in general, has been in short supply in the Metro Vancouver region since 1990 (Lee, 2019).

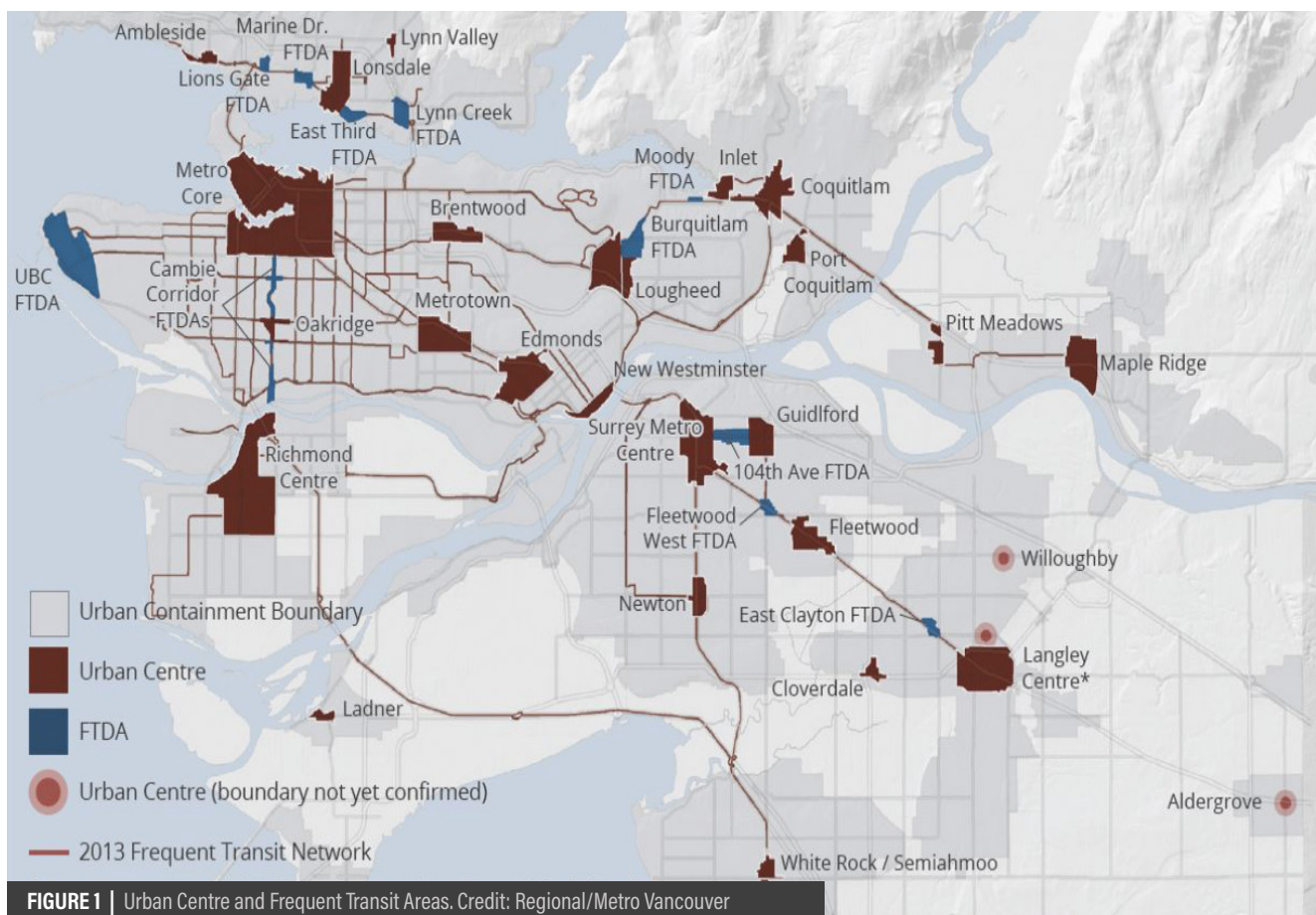
Despite recording high housing starts of 27,914 in 2017 in the Metro Vancouver region, only 18 percent of those were for new rental housing even though the rental proportion of the population is about one-third (Lee, 2019). Limited land supply and the increased demand for lands in transit-oriented areas has created a stern competition for transit-oriented affordable housing (Guthrie and Fan, 2016). The region's vacancy rate has consistently been around one percent which is an indication of the rental housing shortage. The present rental supply gap is expected to widen in the absence of progressive interventions.

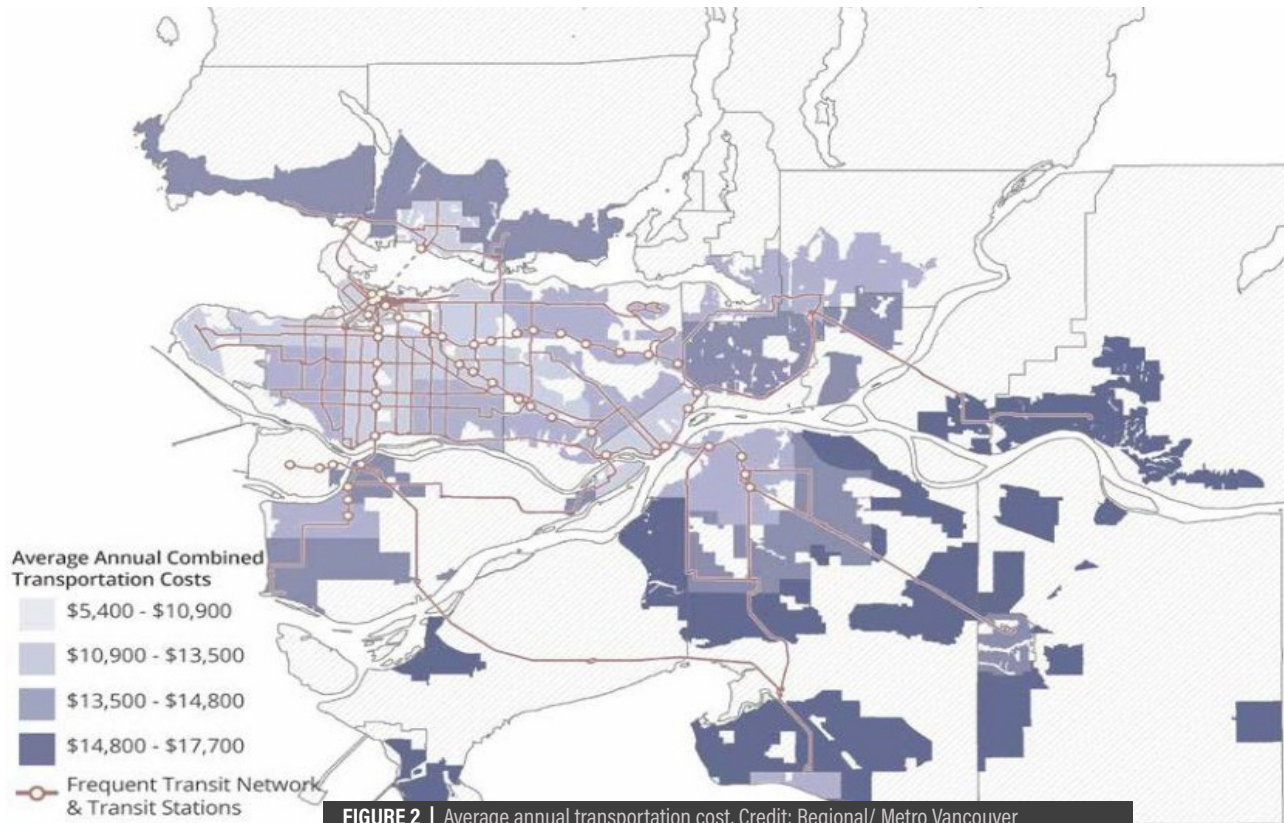
In 2017, the Metro Vancouver region, together with other partner organizations began a study to uncover the opportunities and

challenges of providing affordable housing in its transit-oriented locations. The study was done in two phases.

Phase one was completed in 2017 and comprised of four activities which were focused on; a review of current practices in North America that inspire affordable housing supply along transit routes; an investigation into the relationship between housing tenure type, income level and transit ridership; an inventory of lands publicly owned and lands owned by non-profits in transit-oriented locations; and reducing the financial affordability gap associated with rental housing provision.

Phase two of the study was completed in 2019 and focused on tools that can support the supply of new affordable rental housing in transit-oriented locations across the region. This aligns with the region's plan to centre future residential developments in Frequent-Transit Development Areas (FTDA) and urban centres (BC Non-Profit Housing Association, 2017). This is shown in Figure 1. It is unclear from the reports whether housing projects were undertaken during the phase 1 and phase 2 of the study.





Prior to the transit-oriented affordable housing study, the federal and provincial governments committed several funds to the Metro Vancouver region to support housing and public transit projects through diverse initiatives. The private sector also made contributions in the form of equity capital and low-interest predevelopment funds for non-profit organizations involved in low-income housing redevelopments. Despite these contributions, there was little coordination to ensure that rental housing built close to transit stations was affordable, or that new affordable housing was built close to transit stations.

These issues are important because access to transit is related to lower cost of living. For example, a Winnipeg-based study found that while 19% of an average household's income is spent on transportation, a household with access to transit service spends only 9% of their income on transportation (City of Winnipeg, 2011, a).

Defining key concepts

Affordable housing

Affordable housing is generally considered to be when a household's housing cost is less than 30% of the household's pre-tax income (Statistics Canada, 2018).

Vacancy rate

Vacancy rate provides a measure of the ease or difficulty of accessing rental housing (Canada Mortgage and Housing Corporation, 2020). Across several Canadian cities, a vacancy rate of 3% is an indication of market equilibrium; while below 3% indicates a shortage in supply and above 3% indicates supply surplus.

Inclusionary affordable housing

Inclusionary affordable housing defines the inclusion of specified number of affordable housing units in residential market developments.

The Metro Vancouver transit-oriented affordable housing study won the Gold Roof Award for Housing Research Excellence from CMHC. It is the first research that provides an analysis of the spatial relationship between affordable rental housing and transit within a regional context.

Phase 1 of the Study

Adaptation of housing programmes

In awarding funding for affordable housing projects, BC Housing used a point-based system which considers the proximity of the proposed project to existing transit stations. Projects close to the stations received more points which increase their chances of getting funding. (This system was later endorsed by CMHC, who now uses it for its own Rental Construction Financing Initiative). Additional points were awarded to projects within 1 km of a public transit stop.

Public land

Land costs can account for between 15% to 40% of development cost in Metro Vancouver (BC Non-Profit Housing Association, 2017). In dealing with this challenge, some municipalities in the region offered public land to support affordable housing provision in transit-oriented locations. While this was not practised across all municipalities, it sets a good precedent for the remaining municipalities within the region.

Transit-oriented apartment parking reductions

Reducing parking requirements for purpose-built rental apartments in transit-oriented locations promoted density in these locations. The City of New Westminster is the first in the region to have parking reductions for affordable housing incorporated in its policy. Its policy reduced parking requirements for affordable housing projects which are within 400 metres of frequent transit routes.

Phase 2 of the Study

Phase two of the transit-oriented affordable housing study emphasised the integration of future transit and affordable housing. The phase two report also made recommendations for considering areas outside rapid transit stations. The report noted that these locations have relatively lower cost of land, allow medium density development and enable wood frame construction, which is cheaper than concrete and therefore provides a fiscal incentive for developers.

The report also makes recommendations for early planning to include land for affordable housing at the very beginning of planning and designing the rapid transit corridor.

The use of inclusionary affordable housing was highlighted as a strength that municipalities can explore to bridge the housing gap.

Phase 3 of the Study

Plans are currently underway for phase 3 of the study. This phase would focus on combining the findings from phase 1 and phase 2 to build capacity for the provision of affordable housing in transit-oriented locations in the region.

THE WINNIPEG CONTEXT

Transportation and land use

In low-density sub-urban development areas, there is a focus on road infrastructure and car culture is rife. In some newer neighbourhoods, transit services are lower than they are in older ones (MacLean, 2017). There is generally lower ridership and limited expansion of transit service to newer neighbourhoods, in large part because of the low-density suburban development pattern. In the medium to high-density neighbourhoods such as Osborne Village, Corydon, the West End and parts of Old St. Boniface, transit and rapid transit are well integrated into the



FIGURE 3 | A 162-unit affordable housing tower within 450 metres of a transit station in downtown Vancouver. Credit: Kenneth Chan/Daily Hive

existing neighbourhood fabric. These neighbourhoods also experience higher ridership and more frequent transit service.

Winnipeg transit currently operates a network of 108 regular transit routes across the city. These include 31 express routes, 70 conventional routes, 3 downtown shuttles and 4 demand-response routes. There are additional 33 school routes serviced by Winnipeg transit (City of Winnipeg, n.d).

The City of Winnipeg's rapid transit model is Bus Rapid Transit (BRT) and has proposed six rapid transit corridors to be part of the city's transit system by 2031 (City of Winnipeg, 2011, b). The Southwest Rapid Transit corridor (SWRT) is one of the six proposed rapid transit corridors, with phase 1 already implemented and phase 2 opening April 2020. The SWRT provides rapid transit services from southwest Winnipeg, including the University of Manitoba, to downtown. Five major redevelopment sites were identified within one kilometre along the southwest rapid transit corridor (City of Winnipeg, 2011, b). These sites have high value due to their proximity to the transit corridor; and they present the opportunity of promoting density and mixed-uses such as residential, recreation and commercial.

It is important to note that the Complete Communities, Our Winnipeg, Transit Master Plan and Rapid Transit Master plan documents are currently under review by the Winnipeg Public Service. All four documents are bringing new ways of integrating transportation and land use as well as parking as it relates to developments along transit routes.

Affordable housing

21% of Winnipeg households live in unaffordable housing compared to 19% in Manitoba (Rappaport, 2019). The percentage in 2011 was 21.3%, indicating a 0.3% reduction in unaffordable housing. 39.5% of Winnipeg households living in unaffordable housing were renters. The supply of affordable rental housing in Winnipeg has not been able to match demand. This is reflected in the vacancy rates for the two categories. While the vacancy rate for the cheapest quartile of apartments is 0.9%, that of the most expensive quartile is 3.9% (Brandon, 2014). However, per the City of Winnipeg's own 2011 research noted above, there is an opportunity to better link housing and transit as an additional tool to reduce cost of living for many city residents. Winnipeg has potential for brownfield major redevelopment sites, greenfield development, and public streets (corridors) for transit-oriented affordable housing at station areas along rapid transit routes.

Transit-oriented development

The implementation of phase one of the Southwest Rapid Transit Corridor has resulted in several new developments. A 1,000-unit development in the Fort Rouge Yards, mixed-use towers currently being built close to the Harkness and Osborne rapid transit stations, and developments in Bishop Grandin Crossing, are examples of projects built through a coordinated land use and transportation planning (Winnipeg Transit, 2014). Winnipeg's zoning by-law reduces the parking minimum for properties zoned "TOD" by 50% of the normal prescribed amount.



FIGURE 4 | Southwest Rapid Transit Corridor, Winnipeg. Credit: Winnipeg Transit



FIGURE 5 | Developments at Harkness station on the SWRT corridor in Winnipeg. Credit: Andrew Ross

Winnipeg developed a TOD handbook that illustrates different TOD typologies and different scales of densities and land use mix that support the use of the transit system. And, as mentioned, major City of Winnipeg planning and transit policy documents are currently being re-drafted, fully integrating land use and transit.



FIGURE 6 | Winnipeg's TOD Handbook. Credit: City of Winnipeg

Comparing Metro Vancouver and Winnipeg

Metro Vancouver benefits from diversified initiatives to support housing and transit projects. Due to high density and a more fully mixed land use pattern, the demand for transit and housing is higher in Metro Vancouver than in Winnipeg. These factors, as well as major housing affordability issues and political will to address them, have led to Metro Vancouver toward a more

sophisticated set of programmes in place to support affordable housing near transit than is the case in Winnipeg.

BC Housing's point-based system enables the department to improve funding opportunities for affordable housing close to transit stations. Manitoba Housing uses its Secondary Suites programme to increase the supply of affordable housing. However, the selection criteria do not emphasize proximity to transit.

Both Metro Vancouver and Winnipeg have adopted parking reductions in TOD areas. This tool goes a long way to incentivizing development through less land requirements for parking; and cost to build and maintain parking stalls. It also allows for the achievement of higher densities at TOD locations and increases ridership (City of Hamilton, 2010).

Development pressure in the Metro Vancouver region has resulted in increased prices of land, which are reflected in the cost of new development. It is a common practice in the Metro Vancouver region for municipalities to offer public land for affordable housing development, as a way to offset this challenge. Winnipeg's development pressure is not as high and so is yet to engage in such practices for affordable housing developments.

Winnipeg and municipalities in Metro Vancouver both have regulatory authority to implement inclusionary zoning in their zoning by-laws to require the inclusion of affordable non-market housing in market rental housing developments by private developers.

3.0 / LESSONS LEARNED

The experiences of Metro Vancouver in affordable housing, and more recently transit-oriented affordable housing, provides valuable lessons for the City of Winnipeg.

To encourage more affordable housing development in transit-oriented locations, Manitoba Housing can change its system of funding new housing projects. This change may include criteria that take into consideration the proximity of proposed affordable housing developments to transit locations. Like BC Housing's points-based system, Manitoba Housing can adopt a system

of funding new developments that are close to transit routes. That way, new affordable housing developments in Winnipeg would have a greater chance of being located close to rapid transit stations.

Integrated planning between transportation and housing and is necessary for the progressive development of transit-oriented affordable housing both now and in the future. Integrating transportation and housing allow the allocation of land around rapid transit stations to include land for housing developments. That way, land for affordable housing would be available after the construction of the rapid transit infrastructure, or for existing infrastructure. The City of Winnipeg, as part of the review of its Complete Communities Direction Strategy, is proposing the integration of transit and affordable housing in key areas of the city. The realisation of these policy measures depends on the approval of Winnipeg City Council.

Also, increasing affordable housing provision can be enhanced by allowing complementary uses on existing public sector lands which are close to rapid transit stations and feeder routes in Winnipeg. Vacant golf courses, as well as underused public and communal lands close to rapid transit routes, are all potential sites that can be repurposed for affordable housing developments.

The City of Winnipeg can review its zoning by-law to include inclusionary zoning requirements in its TOD district and/or other districts. This would put the city in a position to increase the affordable housing stock at rapid transit stations and in other locations near transit.

A local area plan is needed to coordinate growth around rapid transit stations. The early development and implementation of local area plans would provide direction for development in these districts.

Expediting the approval and permitting processes as well as issuing fee waivers for the development of affordable housing in transit-oriented locations gives an added motivation for developers. This is one of the strategies Metro Vancouver proposed in their study and could be beneficial for Winnipeg in the long term towards increasing affordable housing provision.

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