



ADMINISTRATIVE REPORT

Report Date: April 19, 2016
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Meeting Date: May 17, 2016

TO: Vancouver City Council
FROM: General Manager of Community Services
SUBJECT: 2015 Housing and Homelessness Strategy Report Card - Part 1

RECOMMENDATION

THAT Council receive this report for information.

REPORT SUMMARY

Vancouver is a city that is an economic, cultural, and social hub that drives our regional, provincial, and national economies. As such, our population is increasing as people come here for work, to raise their families and make Vancouver their home. To be a healthy, resilient and sustainable city, we need an accessible, balanced, and functional housing market. The City's annual Housing and Homelessness Strategy Report Card provides City Council with an update on our progress towards meeting these needs. This report is the first of a two-part report back and it covers the following indicators (see Appendix A):

- Supportive housing
- Social housing
- Market rental housing
- Secondary rental housing (suites and laneway houses)

A second report will provide an update on homelessness, our SRO strategy and our rapid response housing strategy, and will be brought forward to Council at a later date.

2016 marks the halfway point of the City's ten year Housing and Homelessness Strategy 2012-2021. Solid progress has been made over the past five years to increase the supply of affordable housing through City tools and partnerships, particularly in enabling market rental and secondary rental housing. Since the Strategy's creation in

2011, the City has enabled over 12,000 rental units, helping to address some of the availability and affordability challenges and increasing our overall rental stock. Vancouver also now has the strongest tenant and rental protection policies in BC, and a new policy focused on encouraging family-friendly housing. By enabling new rental supply including basement suites and laneway housing, protecting our existing affordable stock through the Rate of Change as well as maintaining our social and co-op housing units, a third of our housing stock is affordable to low and moderate income households. By the end of 2015, the City contributed \$360 million towards affordable housing and has committed a further \$250 million in land towards an additional 3,500 affordable housing, subject to support from other levels of government. This commitment is the single biggest contribution in Vancouver's history.

With 2016 marking the halfway point in the Strategy, there is an opportunity for the City to take stock of progress made, but also to refresh our Strategy and approach, ensuring that the City is doing all we can to meet our current and future housing needs. The recent unprecedented rise in housing costs requires the City to take a further look at our tools and authorities around housing and determine if more can be done. In 2016 the City will refresh our Housing and Homelessness Strategy identifying our current effective approaches and further actions and efforts that will impact affordability in the City. We have shown through our existing tools what cities can do to enable supply, however we also see the critical need for other levels of government to support the levels of affordability that affect local people living in the city. In particular, in the coming five years it will be important to establish new federal and provincial partnerships that will prove vital in addressing Vancouver's housing crisis.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In July of 2011, Council adopted *Vancouver's Housing and Homelessness Strategy 2012-2021: A Home for Everyone*. The Strategy directed staff to develop and present an annual report card to Council to track our progress towards achieving the Strategy's goals.

CITY MANAGER'S/ GENERAL MANAGER'S COMMENTS

Vancouver faces an unprecedented housing affordability challenge and this requires a new and sustained effort on the part of the City. Ensuring that appropriate strategies are in place to maintain and create new affordable housing is essential in addressing the needs of current and future residents. The Housing and Homelessness Strategy and its embedded targets provide an important benchmark against which the City can measure its progress on Council's goals of ending street homelessness and providing more affordable housing choices for our citizens. The report card is a good opportunity to consider each metric with regards to the progress made over the last year, when the progress took place, and what actions the City recently took. The affordability challenge is becoming a broader issue across the region and our work with Metro Vancouver through the Regional Affordable Housing Strategy highlights the requirement for increased investment and a coordinated approach. More needs to be done. A refresh of the Housing and Homelessness Strategy, together with closer working relationships with our regional, provincial and federal partners, will support

our goals to maintain Vancouver as a diverse, sustainable and healthy city. The City Manager and the Chief Housing Officer support adoption of this report for information.

REPORT

Context

Housing Affordability Challenges

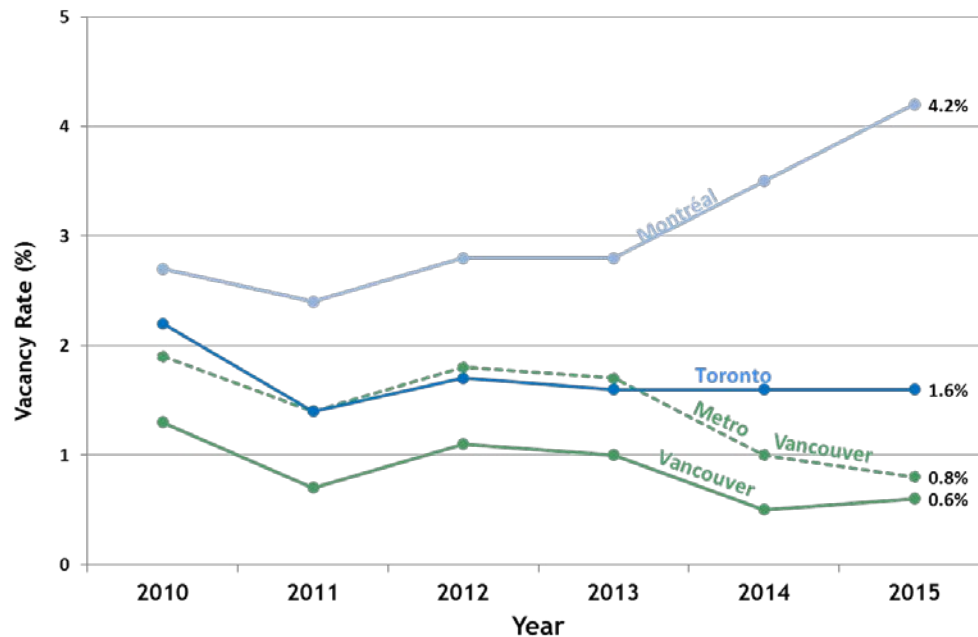
The migration toward cities like Vancouver is intensifying the challenge for people of all backgrounds and economic means to gain access to affordable housing. Increasingly, Vancouver's new and longer standing residents are expressing significant housing affordability stress, from low-income residents to moderate-income families. Housing affordability in Vancouver's urban context is about having the right type of housing, in the right place, for the right price. For Vancouver to be affordable, households must have enough income to access housing, the housing must be of sufficient quality, with the right number of bedrooms to meet their needs and be found within neighbourhood locations that have access to transit, schools, childcare, as well as cultural and community centres. Our challenge as a City is that the housing market on its own is no longer delivering affordable housing options to sufficient numbers of households in Vancouver. Our response must be for government intervention at all levels in the housing market where appropriate, and to do all that we can to make housing affordability a reality for more of our residents. This is evident in other major jurisdictions across the world facing similar pressures of increasing populations and constrained supply.

Low Vacancy

In 2015, Vancouver had the lowest vacancy rate in Canada at 0.6%. Whilst this improved slightly from 2015 as new rental supply becomes available in the city, it means that at any given time, there are only 6 out of 1,000 rental units that are available for rent. Metro Vancouver's Regional Growth Strategy projects an additional housing demand of 31,000 units for Vancouver by 2021, including nearly 11,000 rental units. Among the estimated rental demand, nearly 8,000 will be for low and moderate income households.¹ Figure 1 compares Vancouver with two other large Canadian cities, Toronto and Montreal. The on-going shortage of rental housing delivery, compared with the demand for rental, significantly impacts the Region as a whole and is demonstrated by Metro Vancouver's vacancy rate decreasing over the past six years; currently it is very low at 0.8%.

¹ Regional Growth Strategy (2011): Shaping Our Future – Table A.4: Housing Demand Estimates. Please note that these estimates are subject to change once Metro Vancouver Board adopts the revised Regional Affordable Housing Strategy which includes revised Housing Demand Estimates until 2026.

Figure 1: Vacancy Rates over the Last 6 Years (CHMC)

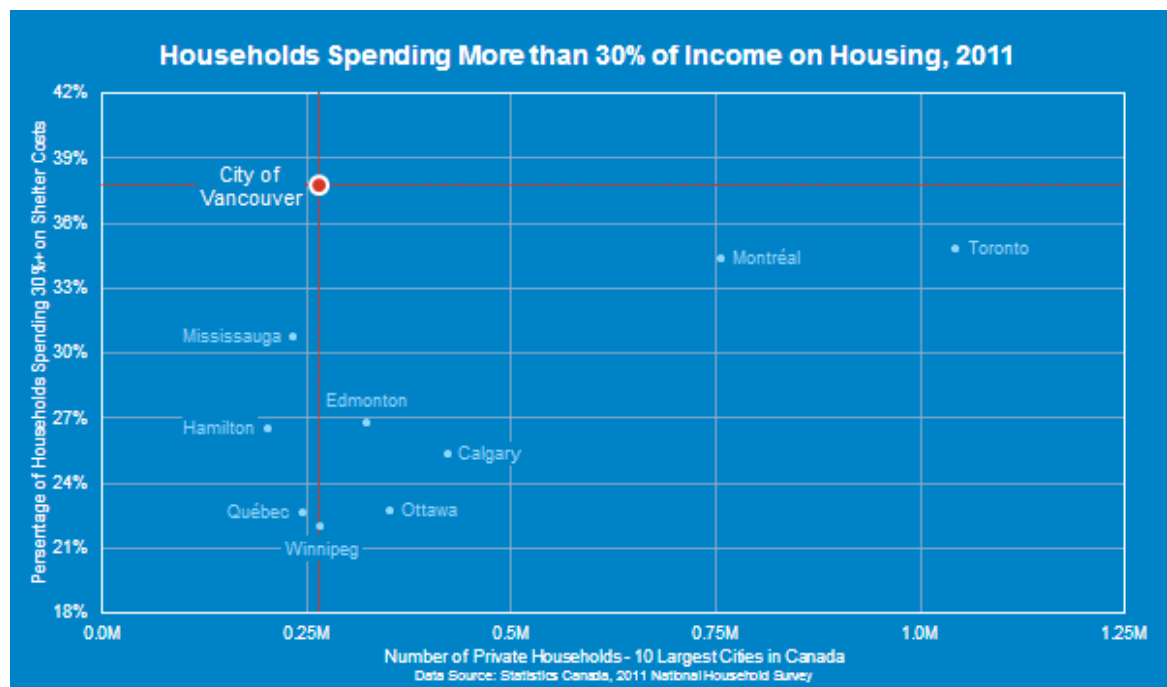


Housing Unaffordability

Vancouver has the highest housing prices and rents and the lowest median incomes among Canada's major cities. According to 2011 census data, the median before-tax income for renter households was \$41,433 and 34% of these households spend more than 30% on housing, as illustrated below in Figure 2.

A household is considered 'housing cost burdened' if it spends over 30-35% of monthly gross income on housing costs, and extremely cost burdened if it spends over 50% of income on housing costs. This is a good indicator of how much housing stress households are under in relation to their local housing market, and therefore helps significantly in setting and prioritizing the nature and timing of policy and government intervention. Households spending over 50% of gross income on housing are at a significant risk of homelessness. This is currently our best measures for determining housing need, and one that we use to develop new housing policy in community plans.

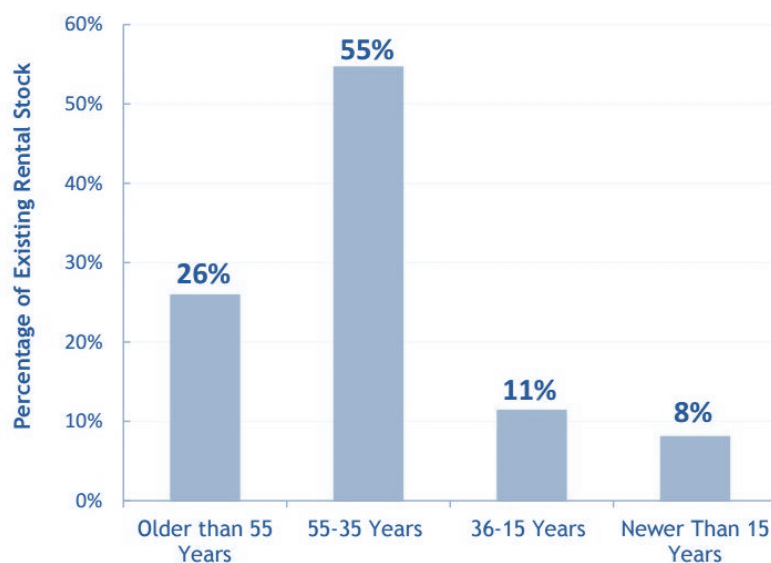
Figure 2: Households Spending More than 30% of Income on Housing, 2011



Aging Stock

Although the older rental stock is more affordable compared to newly-built rentals, the majority of the stock is now over 40 years old (Figure 3) and requires significant reinvestment. The City is currently undertaking a study to better understand the type, scale, cost, and feasibility of capital and energy-efficiency improvements needed to ensure the long-term sustainability of the City's low-rise rental stock.

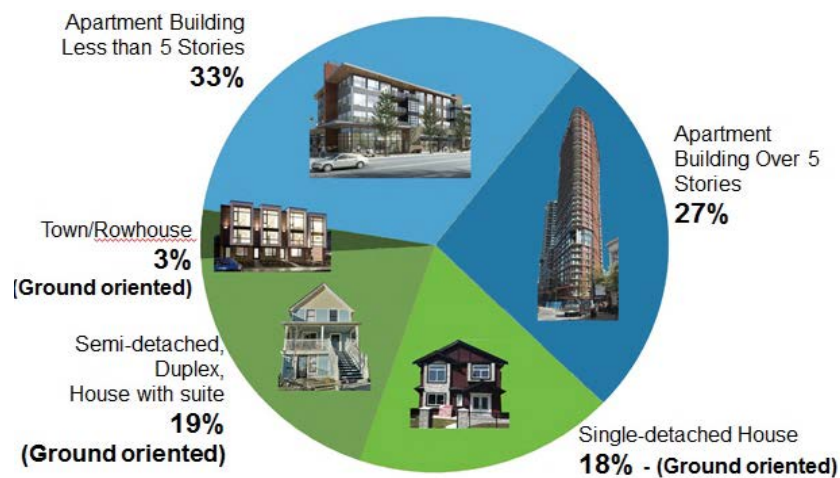
Figure 3: Age Breakdown of Rental Stock in Vancouver



Suitable Housing for Families

Vancouver is recognized internationally for our family-friendly policies and planning. Attracting and retaining families is an important part being a healthy, diverse and economically vibrant city. Increasing housing costs and smaller unit sizes challenge families seeking appropriately sized and affordable homes. Presently, less than 1% of the rental stock has 3 or more bedrooms. Further, there are limited ground-oriented housing options in Vancouver. Figure 4 shows that only 3% of the City's housing stock is townhouses and/or rowhouses. These housing forms provide a stepping stone for young families looking for larger living options in neighbourhoods close to schools and parks.

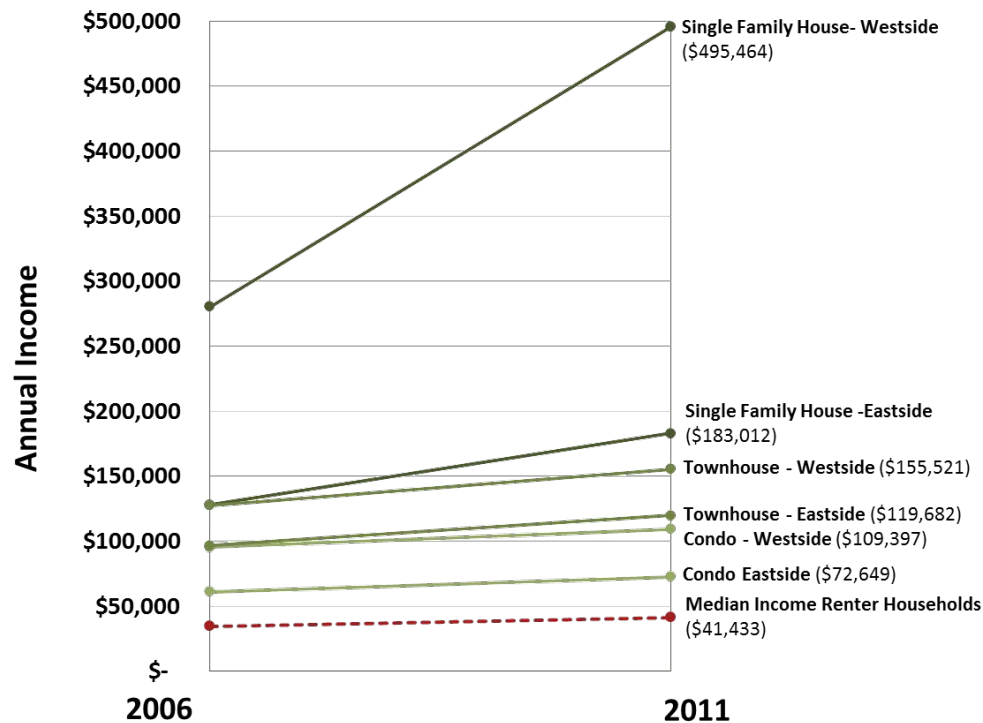
Figure 4 : Housing Stock Breakdown by Building Type (Census)



The Leap to Ownership

Rising rents and house prices impact many households, ranging from young people recently entering the workforce, to families and seniors. Figure 5 below illustrates a growing gap between renter incomes and the incomes needed to buy various types of housing in Vancouver. Given these escalating costs, secure rental housing remains an important option for those who cannot afford home ownership. However, many of Vancouver's families still aspire to the Canadian dream of owning a home. The City is currently exploring affordable home ownership as a way to address this gap.

Figure 5: Median Income versus Incomes Affordable to Real Estate Prices (2006-2011)



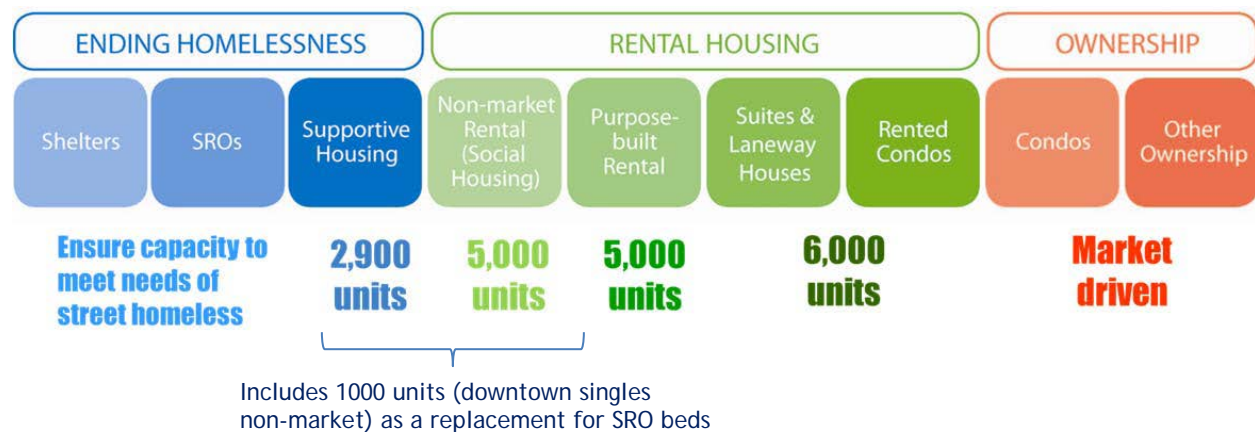
Source: REBGV Monthly Statistical Reports (October of 2006-2011) - Benchmark sales prices; and Census Canada 2006 and 2011.

All of these challenges together are creating pressure in the housing market and increasingly Vancouverites are faced with difficult choices about whether they can afford to stay in the City. The following section discusses the actions the City is undertaking to meet these housing challenges.

Strategic Analysis

People of all ages and incomes are continuing to move to Vancouver, seeking economic opportunities and access to urban social and cultural life. Approved in 2011, the City's Housing and Homeless Strategy (2012-2021) identifies the City's growing housing needs, how they would be addressed over a ten year horizon, and includes specific ten year targets across the housing continuum. These targets were based on the anticipated demand for new affordable housing. They were intended to be aggressive but also achievable, by utilizing all of the City tools, and through coordinated efforts between the City and partners (senior government, private sector, and non-profits).

Figure 6: City of Vancouver Housing and Homelessness Strategy Targets: 2012 to 2021



2016 marks the halfway point of our ten year strategy. The 2015 Report Card (Appendix A) measures progress towards the five years targets (2012-2016) as well as highlights our 2015 achievements. Next year's 2016 Report Card (presented to Council in the first half of 2017) will include a complete summary of how the City has performed against the five year targets.

Progress Towards Targets

Table 1 below shows the progress made towards the housing targets since 2012. Secured market rental and secondary rental including basement suites and laneway houses have already exceeded the five year targets by a notable amount (a detailed breakdown of each indicator can be found in Appendix A). Key progress includes achieving:

- 81% of the 5-year target for supportive housing
- 67% of the 5-year target for social housing
- 205% of the 5-year target for secured market rental housing
- 118% of the 5-year target for secondary market rental - suites and laneway houses

Table 1: Five Year Housing Targets (2016)

Housing targets	Supportive Housing	Social Housing	Secured Market Rental	Suites and Laneway Housing
Percentage of five year target (2016) in development	81%	67%	205%	118%
Current number of units	1,844	1,683	5,119	3,547
Five year target for number of units (2016)	2,275	2,500	2,500	3,000

For 2016, similar level of approvals is expected for new secured market rental, laneway permits and secondary suite permits. The City has also enabled more than 1,800 new supportive housing units, largely due to a substantial partnership with the Province. However, we cannot make further progress until we can secure Federal or

Provincial commitments to fund the necessary on-site support services and operating costs in supportive housing projects. We anticipate that additional approvals of new social housing units in 2016 will get us close to our annual target of 500 units, which will help put us back on track to achieving our five and ten year goals. Due to the on-going pressure for low income residents created by a low rental vacancy rate, and a lack of housing affordable to those on social assistance, the City is working hard on maintaining and upgrading existing stock and creating new affordable options through its SRO and rapid housing strategies which will be discussed in Part 2 of the Housing Report Card.

Five Year Accomplishments: Key Actions Taken

Over the past five years, the City has worked with partners to create new affordable homes across the housing continuum as well as to increase supports to renters.

1. Innovative Actions to Create New Affordable Housing Supply:

Permanent Supportive Housing for Low Income Households

Supportive housing are self-contained units (include kitchen and bathroom), which rent at the shelter component of income assistance (currently \$375 for a single person), and include support for tenants in key activities of daily life. Under the MOU between BC Housing and the City, and with the assistance of partners in the non-profit housing sector plus significant equity contributions from the StreetoHome Foundation, 1,500 units of low income and homeless supportive housing have been enabled since 2010, of which over 1,400 units are built and tenanted. Other innovative partnerships have been vital in the creation of supportive housing units.

- The Strathcona VPL/ YWCA project couples the expansion of a City Library with the provision of 21 units of supportive housing for low-income single mothers and their dependent children. Anticipated opening is in October 2016.
- Taylor Manor is a 56 unit mental health focused housing project enabled through unique partnership between the City, the Province and various community partners. It is operated by Kettle Friendship Society and operating costs are funded by anonymous donors.

New Housing Choices for Low to Moderate Income Households

The City continues to deliver affordable rental housing across the City through partnerships and various City policies and tools such as Community Plans and as a public benefit delivered through Community Amenity Contributions, as well as through the provision of additional density.

New Social Housing

In recent years social housing has been achieved through inclusionary housing policies, Community Amenity Contributions negotiated through the rezoning process, and Development Cost Levies (DCLs). Some noteworthy projects include:

- 1107 Seymour St: Approved in May 2013, this 81 unit of social housing with 24,000 square feet of social service space is currently under construction with anticipated completion in 2017. This project is being built by a private sector partner and ownership of the units will be transferred to the City upon completion.
- 933 E Hastings: this project is currently under construction and will provide over 70 social housing units owned by the City at completion.
- 1077 Richards St: this project has 162 units of social housing, among which 87 are considered replacement units, are currently under construction with anticipated completion in 2016.
- The Firehall No 5 project includes the redevelopment of the firehall with 31 units of social housing for single mothers at risk and their children. This project is another partnership with the YWCA.

Through an innovative partnership with the Vancouver Community Land Trust, 358 additional affordable housing units will be developed on four City owned sites. This partnership will deliver a broad range of affordable housing for low to moderate income families, seniors and singles across the four sites. The project includes investment from a range of partners including Sanford Housing Society, Tikva Housing Society, Fraserview Housing Co-Op, BC Housing, Vancity, and \$24.7M in land investment from the City.

City Grants

In addition to contributing land and securing affordable housing through rezoning and inclusionary housing policies, the City also provides grants to non-profit developers to construct affordable housing. These grants help leverage further funding from other partners which in turn increases affordability of a project. As part of the 2015-2018 Capital Plan, \$10 million has been allocated to grants. Council also approved a change to the City's grant structure that enables more family housing by increasing the grant contribution for two and three bed units, as well as recognizing the additional subsidy needed for supportive housing projects

Secured Market Rental and Secondary Market Rental

The delivery of market rental housing has been strong, with increasing numbers of units approved from year to year. In 2015, the City enabled 1,198 units of secured market rental housing through the Rental 100 program, Interim Rezoning Policy, and Community Plans.

In 2015, Council approved amendments to the DCL Bylaw that encouraged more 3-bedroom family-oriented rentals and provided more flexibility to address market differentials in different parts of the City (i.e. east versus west side market values). Prior to approval of the Secured Market Rental Housing Policy in 2012, there had not been significant construction of new purpose built rental

projects for a few decades. Currently, over 1,200 units of purpose built market rental housing have been built and occupied, with another 1,900 units under construction in the City. These units represent an unprecedented upswing in the construction of rental housing over the last three decades. In terms of housing starts, nearly 20% (2011-2015) of starts in Vancouver are rental, compared to 8% in the preceding five years (2006-2010).

In single family zones, over 1,000 permits were issued for secondary suites (540) and laneways houses (531) in 2015. Since January 1, 2012, over 3,500 permits for suites and laneways were issued. These units contribute to the supply of rental housing, while adding important housing diversity across all neighbourhoods. Since the laneway program launched in 2009, over 2,300 laneway permits have been issued. Some recent policy changes include expanding number of zoning districts allowable for laneway housing to include all RS Zones and streamlining the permitting process by allowing an outright review process for one storey laneway houses.

Since the Strategy was adopted in 2011, the City has enabled over 12,000 units of affordable housing. Overall, a third has been completed and another third is under construction, see Table 2 below. These units contribute to the affordability of the overall housing stock. Table 3 below shows that over a third of the City's housing stock is affordable to low and moderate income households.

Table 2: Secured Market Rental, Social, and Supportive Housing by Status: 2012-2015

	Recently Completed	Under Construction	Approved	Total
Secured Market Rental	1,239	1,925	1,955	5,119
Social Housing	176	870	637	1,683
Supportive Housing	1,634	101	109	1,844
Subtotal	3,049	2,896	2,701	8,646
Percentage	35%	33%	31%	-
Suites & Laneway Permits Issued*	-	-	-	3,547
Total Affordable Housing				12,193

*Note: Secondary suites and laneway permits are tracked according to permit issued only.

Table 3: Affordable Housing Stock in Vancouver

	Proportion of Stock
Non-Market Housing	9%
Private Market SROs	2%
Secured Market Rental Units	18%
Suites and Laneways	10%
Rented Condos	9%
Other Secondary Market Rentals	4%
Owner Occupied Housing	49%
Total Occupied Housing in CoV - 2016 Estimate	100%

Community Plans

Since the Strategy was adopted, three community plans have been approved by Council. These plans not only identify the City's aspirations for affordable housing in these neighbourhoods, but have a collective target of 7,000 units of social housing and 6,000 units of secured market rental. Some recent projects include:

- 1155 Thurlow – 45 units of social housing, 168 units of secured market rental
- 1668 Davie – 158 units of secured market rental
- 138 E. Hastings – 18 units of social housing

Vancouver Affordable Housing Agency (*the Housing Agency*)

Council created the Vancouver Affordable Housing Agency in June 2014 to create new affordable housing in Vancouver through innovative partnerships with private developers, charitable and/or non-profit organizations, and senior levels of government. These units are targeted to be on average ~ 80% of market rents and are designed for moderate income individuals and families.

Since its creation, the Agency has appointed a Board of Directors, recruited staff from key City departments, and incorporated as a legal entity. The capital and operating budgets for the Agency were approved in the 2015 Budget, and 12 sites were allocated for development by Council in the 2015-2018 Capital Plan.

In March 2015, the Agency issued a Request for Qualifications to identify partners with expertise in real estate and construction management to work in partnership with the Housing Agency to develop affordable housing. From this RFQ process, VAHA issued four site specific Requests for Proposals to the shortlisted development partners which will result in 400 affordable rental units. In 2015, another RFQ was issued for pre-fabricated modular housing as an innovative housing form. In addition to this work, VAHA has initiated preliminary building designs to deliver approximately 250 affordable rental units on option sites resulting in a total of over 650 units in the planning and design phase

2. Initiatives to Increase Protection for Renters

Tenant Relocation and Protection Policy

In November 2015, Council approved enhancements to the Tenant Protection and Relocation Policy, making it the strongest renter protection policy in the province. Changes such as increased compensation and improved relocation options, respond directly to concerns voiced by renter groups regarding the impact caused by redevelopment. These enhancements came into effect in February 2016.

Renter's Advisory Committee (RAC)

Established in December 2014, the Committee advises Council on strategic priorities for renters and responds to the impacts of provincial and federal legislation affecting tenants. On November 17, 2015, the Committee presented their report "*Rental Recommendations – Reforming the BC Residential Tenancy System*" to Council. Proposed changes include clarifying landlord and tenant rights and responsibilities, modernizing RTB monitoring and dispute systems, strengthening protections and affordability for low-income renters; and advancing security and stability of tenure for renters.

Rental Property Standards Database (RPS)

Launched in 2013, this tool has been central to improving compliance with health and safety by-laws (vancouver.ca/saferental). The searchable database not only serves as a resource for residents looking for housing, it has motivated owners and landlords to maintain their properties. Since the RPS was initiated, the number of overall violations has dropped 80% from 7,210 violations in 2012 to 1,491 violations in April 2016.

Vancouver Rent Bank (VRB)

The Vancouver Rent Bank provides interest-free loans to families and individuals living in Vancouver who are at risk of eviction or essential utility disconnection due to temporary financial crisis². Launched in October 2012, the VRB is a multi-partner initiative involving the City of Vancouver, the Network of Inner City Community Services Society, Streethome Foundation, the Vancouver Foundation, UBC, and the Vancity Community Foundation. At the end of 2015, after three years and four months of operation, the VRB has approved 398 loans with a total value of \$351,482, which assisted over 687 people including 130 children (Table 4). On May 12, 2015 Council approved grant funding to continue the operation of the VRB through to June 2017.

² Network of Inner City Community Services Society website

Table 4: Vancouver Rent Bank Loans Granted per Year

	2013	2014	2015	TOTAL
# of Loans	137	127	134	398
# of People	228	185	274	687
# of Children	39	52	39	130

Moving Forward: Actions for the Next Five Years

Significant number of affordable units has been achieved since the Housing and Homeless Strategy was adopted. However, Vancouver continues to face housing affordability challenges. Externally, the City is focusing on securing senior government partnerships and providing input into the new National Housing Strategy. In addition to continuing our current efforts, the following key actions for the coming five years will enable us to achieve the ten-year targets and go further in meeting the changing needs of Vancouverites.

1. Housing Refresh (Summer/Fall 2016)

Although the City is making excellent progress on meeting targets, housing needs and economic context have evolved since the Housing and Homelessness Strategy was first adopted in 2011. Affordability challenges have become more prevalent and despite the efforts of the City, it has become even harder to find and maintain affordable housing in Vancouver. The City will be conducting a Housing Refresh to reflect the importance of addressing these challenges. This will involve:

- engaging the public to better understand current housing challenges;
- analyzing the impact of current housing initiatives and programs on people's lives;
- updating goals and targets; and
- identifying further opportunities to partner with senior governments.

2. Creating new Social and Supportive Housing

City Land Contributions for Affordable Housing

In February 2016, the City committed \$250 million in City-owned land for the development of affordable housing in partnership with the Provincial and Federal governments. This represents the single biggest commitment in Vancouver's history. While significant, the City's contribution alone cannot create the level of affordability that is required to ensure our most vulnerable residents are sustainably housed. By securing funding from senior levels of government, the City could build 3,500 new units of affordable housing over the next five years for families, refugees, Indigenous and urban aboriginal populations, and seniors.

Additional Land Acquisitions for Affordable Housing

The 2015-2018 Capital Plan contemplates \$62 million for housing site purchase. The City will continue to identify viable housing sites and work with non-profit and senior government partners in the creation of new social housing.

Enhance the City's Inclusionary Housing Policy (20% Policy)

Inclusionary housing policies are an important tool in securing affordable housing. There is a need to further clarify and improve the affordable housing requirement in the *City's Affordable Housing in New Neighbourhoods* policy.

3. Increasing Affordable Housing Choices

Vancouver Affordable Housing Agency

To meet their target of creating 2,500 units of affordable housing by 2021, the Agency aims to have 500 units under construction by the end of 2017, and an additional 500 units by the end of 2018. The Agency's focus is to deliver housing for families and moderate income households by creating deeper levels of affordability if senior government commits additional capital and/or operating investments. This year the Agency will be issuing the next phase of site-specific Request for Proposals for affordable housing.

Affordable Home Ownership

Affordable home ownership is intended to provide an additional housing option along the housing continuum. On April 20, 2016, Council approved in principle the goals of an Affordable Home Ownership pilot project. Over the next year staff will be:

- seeking Vancouver Charter amendments from the Province to authorize an affordable home ownership program;
- undertaking consultation with the public on program affordability objectives and eligibility criteria for potential buyers;
- undertaking consultation with the development industry on the administrative and legal processes for creating affordable home ownership units;
- undertaking consultation with the Canada Mortgage and Housing Corporation and mortgage lenders on the proposed pilot program; and
- developing a framework to manage the AHO pilot program and a process for contracting a third party administrator for future management of AHO units created under this policy.

Community Plans

There are a number of planning programs underway, including Grandview-Woodland, Joyce Station Precinct, Northeast False Creek and Cambie Corridor Phase 3. When completed, these plans will identify further actions and policies around affordable housing options across the continuum, as well as providing greater diversity of housing forms, tenures and types to meet the needs of current and future residents.

4. Preserving Existing Housing Stock

Preserving existing rental stock is important in maintaining affordability in Vancouver's housing stock.

Rate of Change Review:

The existing rental stock provides some of the most affordable housing in the City. However the majority of the stock is aging (over 80% over 35 years old) and requires reinvestment. The Rate of Change review will identify ways to encourage reinvestment in the aging purpose built rental buildings in neighbourhoods across the City, develop strategies for reinvestment, and consider options for rental replacement and expansion in strategic locations. The objective of the review is to balance the need for landlords/owners to renew and maintain their buildings, while preserving affordability and managing pace of change.

Lease Renewal on City Lands

Non-market housing projects on City lands play an important role in providing affordable housing to low income residents. Approximately 40% of the City's non-market stock is located on City land, of which 109 projects have senior government operating agreements expiring before 2030. The 2016 Federal Budget includes \$30 million over two years towards existing operating agreements. Following consideration by Council later in 2016 and subject to approval, staff will be implementing a decision framework for evaluating requests for modifications or extensions of current ground leases to non-profit operators on City lands. The goal of the framework is to preserve affordability, stability and ensure long term project viability.

5. Housing for a Family-Friendly Future

The Mayor's Task Force on Housing Affordability highlighted the need for more family housing. Currently less than one percent of the City's existing purpose built market rental housing stock includes 3-bedroom units. The key actions identified for the coming 5 years include:

- increasing family oriented units in rezoning applications;
- encouraging more 3-bedroom units in rental projects;
- modernizing the City's family-friendly apartment design guidelines to improve livability and affordability; and
- exploring innovative housing types (i.e. co-housing).

Implications/Related Issues/ Risk

Financial

The City uses a variety of enabling tools to leverage affordable housing in partnership with senior governments and private and/or non-profit housing partners:

Contributions through Development - As part of market residential and/or mixed use development, there may be opportunities to secure “turn-key” non-market housing to the City through voluntary community amenity contributions and/or inclusionary zoning policies. Non-profit housing partners can be procured to operate and maintain the housing projects at prescribed affordability over the lease term (usually 60 years).

City Land Contributions - The City leverages long term land leases to housing partners at below market rent for 60 years or longer for the purpose of creating new affordable housing. Partners may be involved solely in operating non-market housing or may undertake the comprehensive development and long term operational responsibility, depending on the nature of the partnership with the City.

Capital Grants - The City allocates per door grants to non-profit partners to enhance viability and affordability of their non-market housing projects, as well as to encourage delivery of family units.

Development Cost Levies (DCL's) Waivers/Exemptions - Social housing projects are exempt from DCLs. Secured market rental projects may qualify for DCL waiver if the development meets the various criteria under the applicable DCL by-law.

Property Tax Exemptions - Supportive housing, if designated by the Province as a Class 3 property, is subject to special valuation rules that reduce the assessed value to a nominal amount and are effectively exempt from property taxes.

Table 5 below summarizes the City's capital contributions toward delivery of social & supportive housing to achieve the targets set out in the Housing and Homelessness Strategy, 2012-2015.

Table 5: City Contributions by Housing Type for Projects Enabled 2012-2015

City Contribution (\$M)					Partner Contribution (Note 3)	Total Investment	City Contribution as % of Total Investment
In-kind CACs/ Inclusionary Zoning	Land (Note 4)	Capital Grant	DCL Exemption (Note 2)	Total			
Social Housing: 1,683 units							
\$223M	\$31M	\$13M	\$8M	\$276M	\$181M	\$456M	60%
Supportive Housing: 1,844 units							
-	\$53M	\$6M	\$12M	\$71M	\$466M	\$538M	15%
Total Social & Supportive Housing: 3,527 units							
\$223M	\$84M	\$19M	\$20M	\$347M	\$647M	\$994M	35%

Notes to table:

1. This table includes funding contributions related to the units reported in the 2015 Report Card. Funds are from current and past capital budgets.
2. DCL exemptions include projects that have gone through the DE stage (when DCLs are exempted). Other projects that have been approved by Council but have not proceeded to the DE stage will be accounted for in the next report.
3. Actual partner contributions for some social and supportive housing projects are not available. \$270K per unit was assumed for these projects based on the portfolio-wide average cost per unit.
4. The City's additional commitment of \$250 million in land (announced in February 2016) is above and beyond the City's Land Contribution of \$84M in the table above.

Social & Supportive Housing – City has contributed ~\$347million to leverage ~\$647 million of partner funding to deliver 3,527 units of social and supportive housing at a total cost of ~\$994 million. This represents a City contribution of 35% of the total investment or ~\$98,000 per unit.

Secured Market Rental – As of December 31, 2015, the City has waived ~\$14.4 million of DCLs to enable delivery of 5,119 secured market rental units. (The value of DCL waiver reported in this report is limited to projects that have gone through the DE stage.) Other projects that have been approved by Council but have not proceeded to the DE stage will be accounted for in future reports.

CONCLUSION

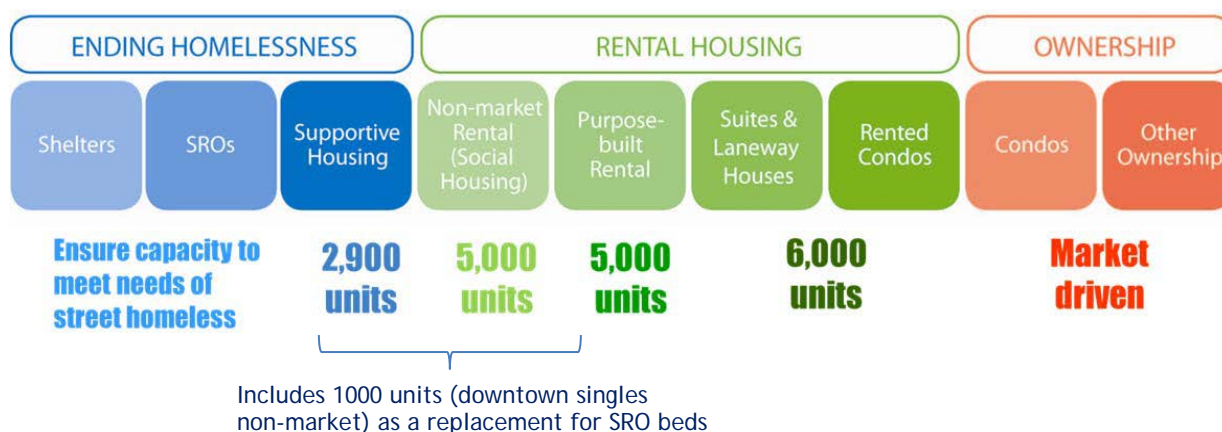
This report provides City Council with an update on the progress that the City is making towards achieving the goals identified in the Housing and Homelessness Strategy 2012-2021. Additional details, including a full break down of each indicator, are found in Appendix A.

Since the adoption of the Housing and Homelessness Strategy, nearly \$1 billion has been invested in affordable housing of which the City has contributed 35% (\$347M) as well as \$14.4 million in DCL waivers for secured market rental. An additional \$250 million in City land has also been committed towards the development of more affordable housing. Overall, 12,000 new rental units of housing have been enabled through various City tools such as policy changes, investments, and land contributions. Through enabling new rental supply and through protecting existing supply, a third of our housing stock (over 100,000 units) is currently targeted at those on low to moderate incomes. In 2016, we will be working on the Housing Refresh, engaging the public and other experts on how the City can deliver even more affordability through increasing access to a greater variety of affordable housing across all communities in Vancouver, as well as engaging senior government partners in expanding policy and funding relationships to deliver on both shared current and future housing goals. Although the City has made solid progress towards the targets set out in our Housing & Homelessness Strategy, much more work needs to be done to address Vancouver's housing crisis, recognizing that to achieve deeper levels of affordability senior government support is required.

* * * * *



2015 Housing & Homelessness Strategy Report Card

Housing and Homelessness Strategy Targets (2012-2021)



Structure of Report Card

The table below shows the structure of the Report Card and the five year targets. This report covers supportive housing, social housing, secured market rental and secondary market rental. Part 2 will cover the other indicators. Each indicator is discussed in terms of numbers (progress towards targets), locations (where we are achieving our goals) and actions taken (how we are achieving our goals).

Indicators	Five Year Targets (2016)	Performance Measures
1. Street & Sheltered Homeless	Shelter capacity to meet needs of street homeless	 Numbers  Locations  Actions Taken
2. Supportive housing	2,275 units	
3. Social housing	2,500 units	
4. Downtown singles non-market housing	500 units	
5. Secured market rental	2,500 units	
6. Secondary market rental	3,000 units	

Summary of Progress - 2015 Housing Report Card - Part 1

The table below shows the Summary of Progress for the 2015 Report Card against the five year targets. Each indicator is discussed in terms of numbers (progress towards targets), locations (where we are achieving our goals) and actions taken (how we are achieving our goals).

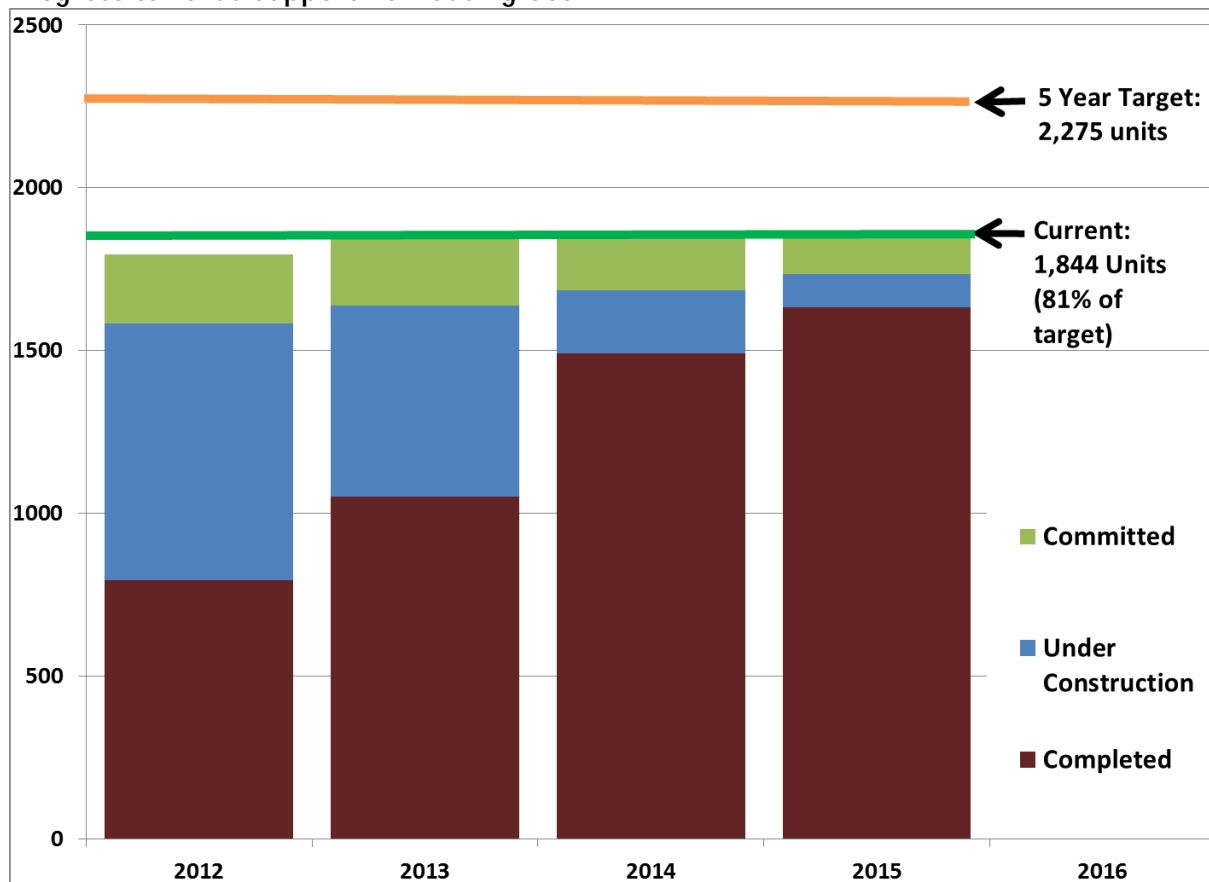
Housing Targets	Supportive Housing	Social Housing	Secured Market Rental	Suites and Laneway Housing
Percentage of 5-year Target (2016) in development	81%	67%	205%	118%
Current number of units	1,844	1,683	5,119	3,547
5-year target for number of units (2016)	2,275	2,500	2,500	3,000

Notes: In the chart above, the "current numbers units" and those described as "in development" include recent approvals/commitments, units under construction, and recently completed units.

Indicator 1: Supportive Housing

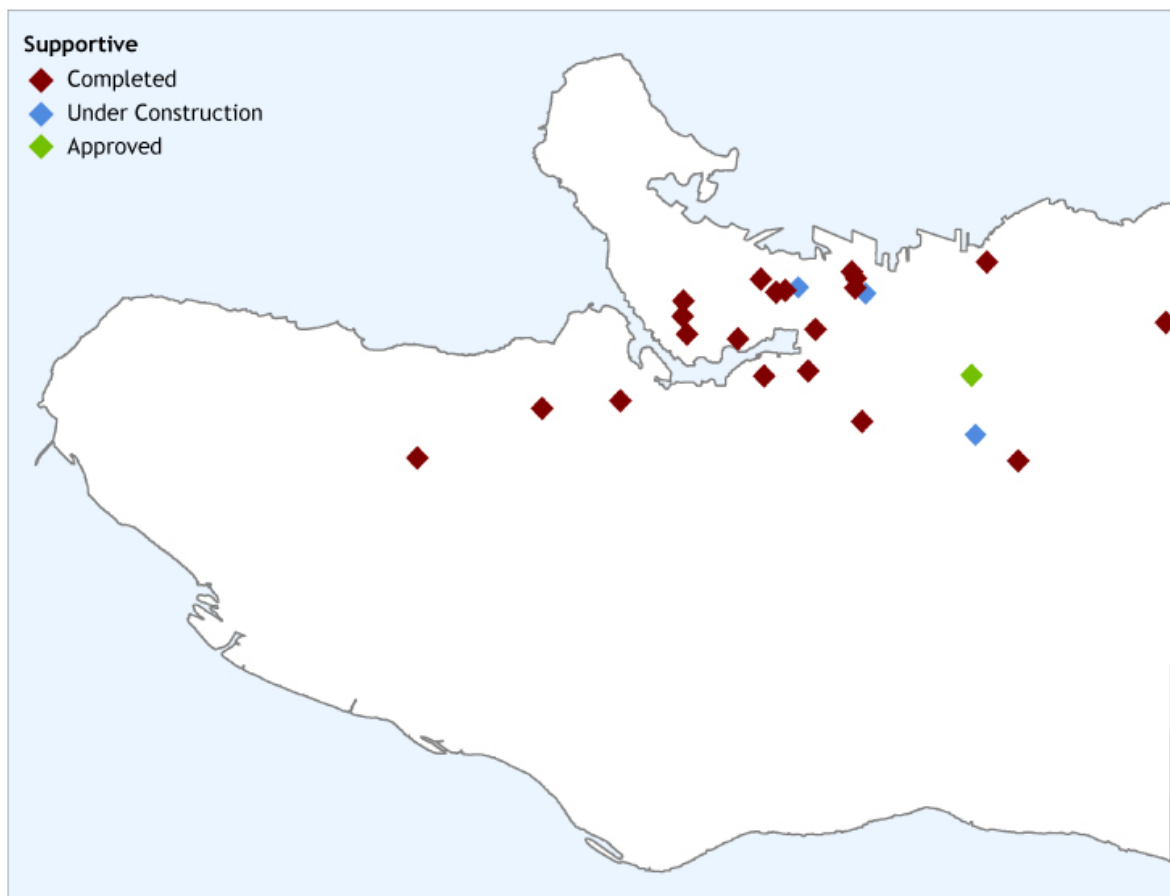
Numbers: The five year target for supportive housing is 2,275 units. As of December 31st 2015, the City has enabled 1,844 units, which is 81% of the target.

Progress towards Supportive Housing Goal:



In 2015, 147 units of supportive housing were opened in Vancouver at 220 Princess St. Currently, there are 101 units under construction at: 41 E. Hastings, 2610 Victoria Dr., and 720-730 E. Hastings. It is expected that 49 of the 101 units will open in 2016. In order to meet our five year goal of enabling 2,275 units, securing partnerships is critical (i.e. operating funding from senior government).

Locations of New Supportive Housing:



New supportive housing projects are found in different neighbourhoods across the City, with a higher concentration in the Downtown core where there is most need. This distribution aligns with the Housing and Homelessness Strategy objective to increase supportive housing across all neighbourhoods. These units were achieved through various partnerships, including the BC Housing and City MOU sites. In 2015, the Budzey at 220 Princess finished construction and provides 147 units for women and women-led families.

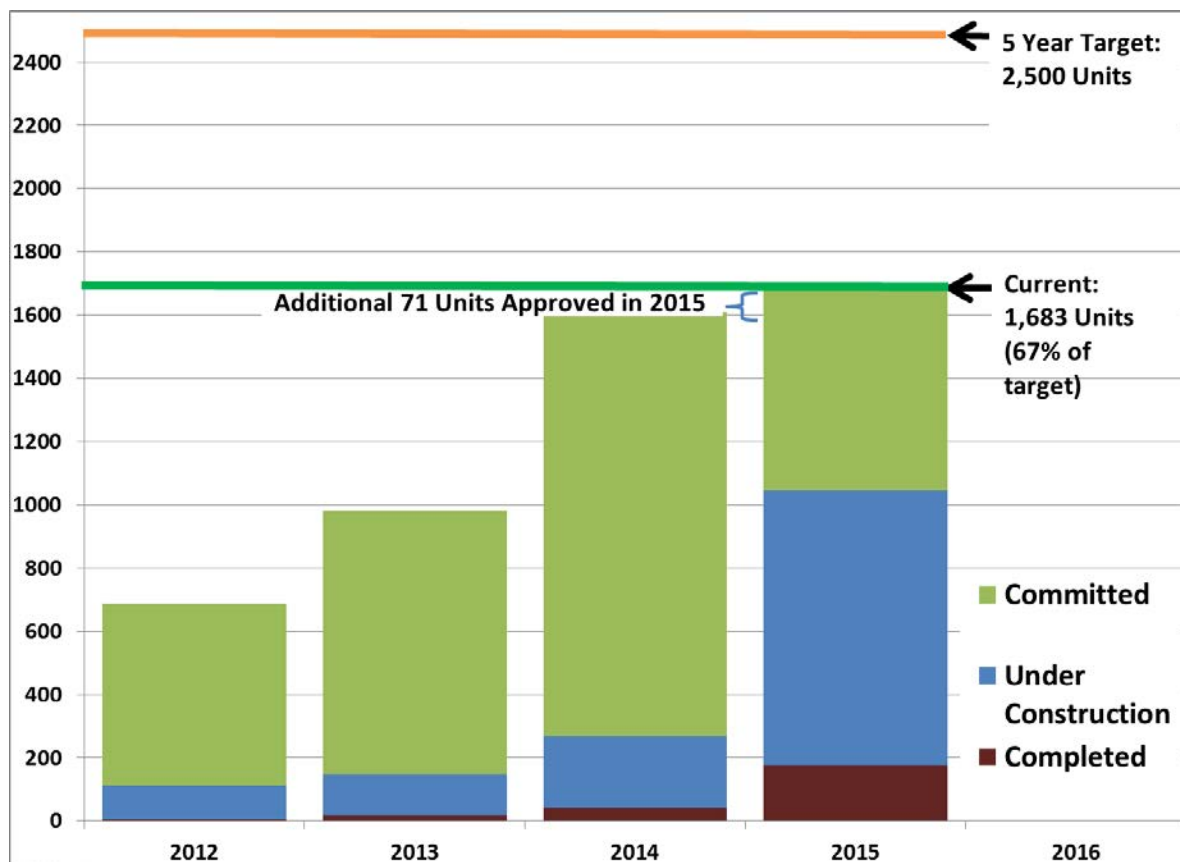
Actions Taken: The creation of supportive housing involves collaboration with a range of partners. During the development process of these projects, the City plays a key role by providing leadership and support to our partners.

Performance Measure	Progress Towards Five Year Goal
Numbers	Achieved 81% of the five year target (1,844 units)
Locations	New supply is generally located in or near downtown where need is highest
Actions Taken	147 units opened in 2015, 52 started construction in 2015.

Indicator 2: Social Housing

Numbers: The five year target for social housing is 2,500 units. As of December 31st 2015, the City has enabled 1,683 units, which is 67% of the target.

Progress towards Social Housing Goal:

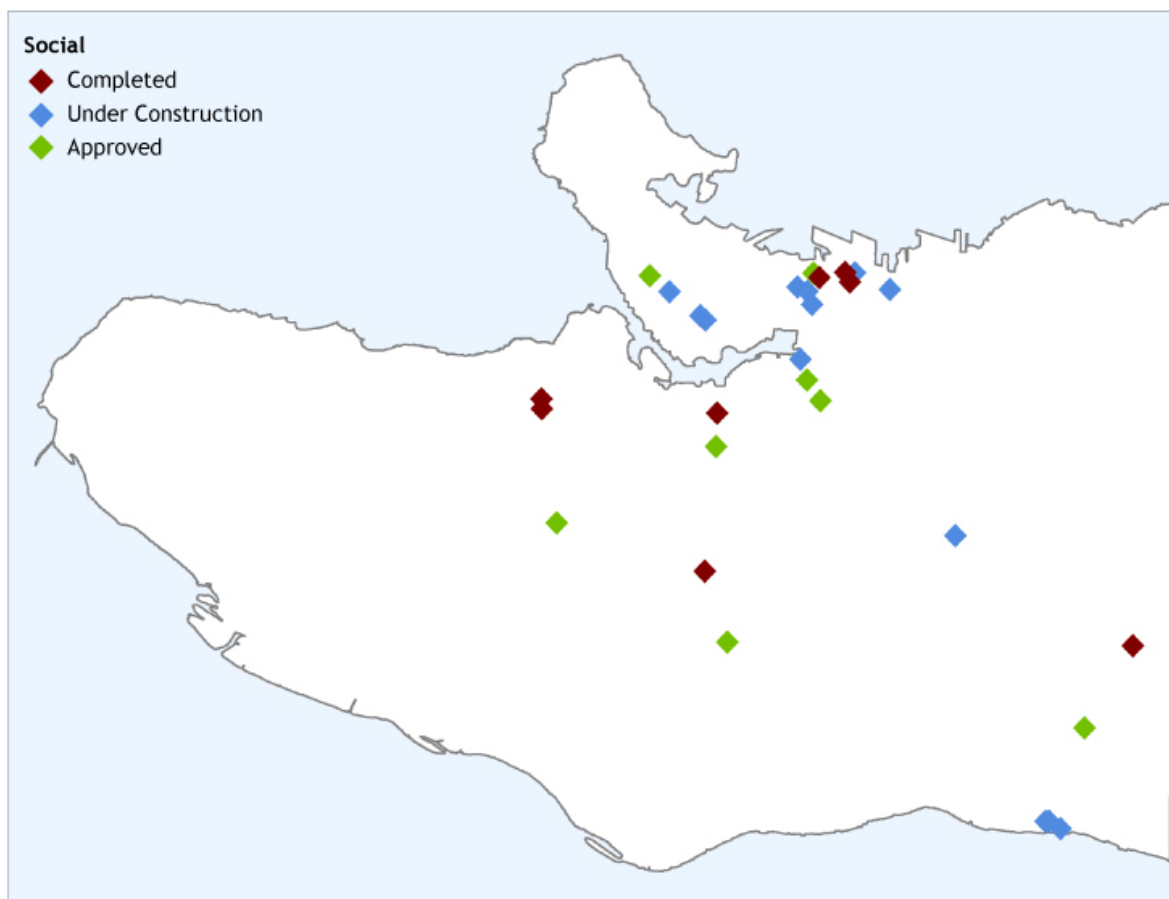


In 2015, the City approved an additional 71 units of social housing in 2015 at 311 E 6th Ave, 1177 Jervis, and 1847 Main St. In addition, 133 units of social housing opened at 557 East Cordova, 211 Gore, 138 E Hastings, 626 Alexander and 4899 Heather St.

Of the 870 units currently under construction, 97 units are anticipated to be completed in 2016:

- 1077 Richards (75 units) - 2016
- 601 Main St/188 Keefer (22 units) - 2016

Locations of New Social Housing: New social housing is being developed in various areas across the city.



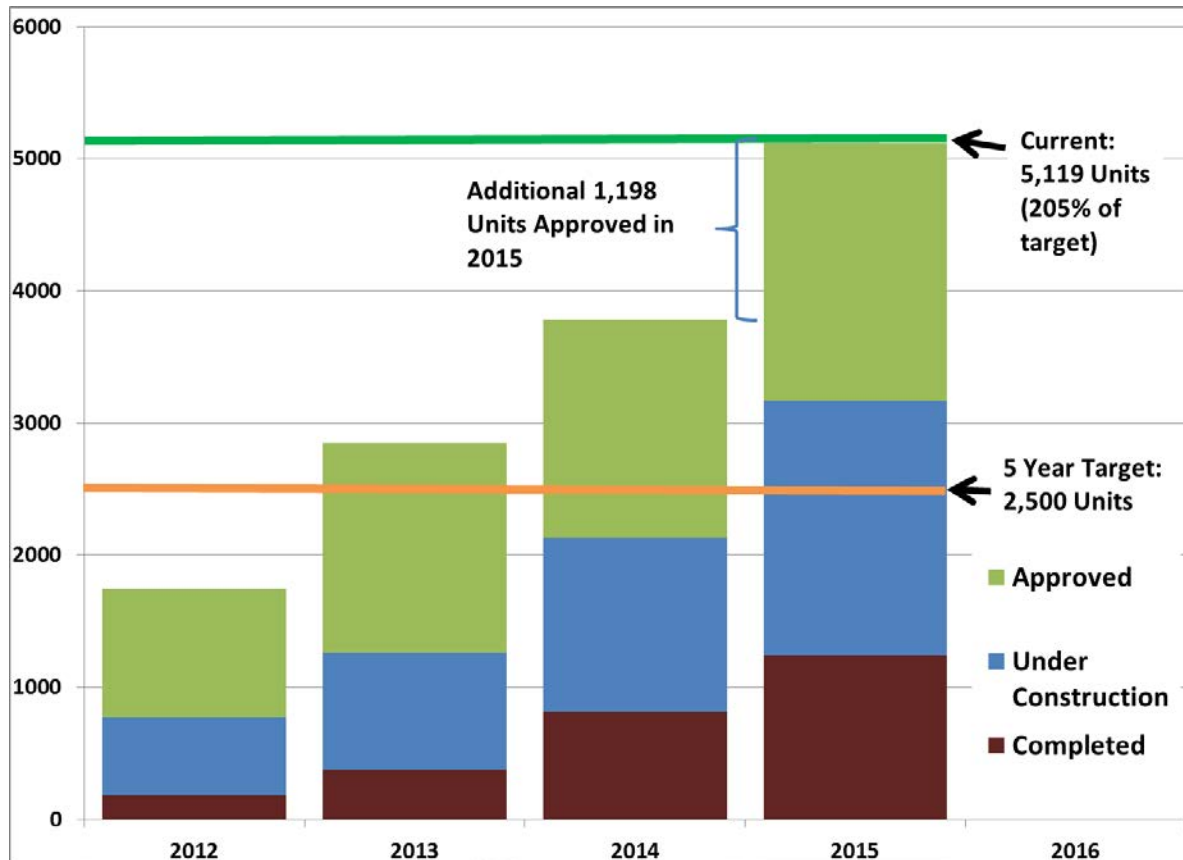
Actions Taken: The City continues to use various methods to secure and achieve new social housing units. For example, the 27 turn-key units at 1177 Jervis were secured through the West End Plan. Further, two projects approved in 2015 are geared towards artists, 14 units at 311 E 6th Ave are for artists with disabilities and the 30 units at 1847 Main Street are for low-income artists.

Performance Measure	Progress Towards Five Year Goal (2016)
Numbers	1,683 units in development (67% of the five year target)
Locations	New supply is found in a variety of areas across the city
Actions Taken	Innovative partnerships enable new social housing units.

Indicator 3: Secured Market Rental Housing

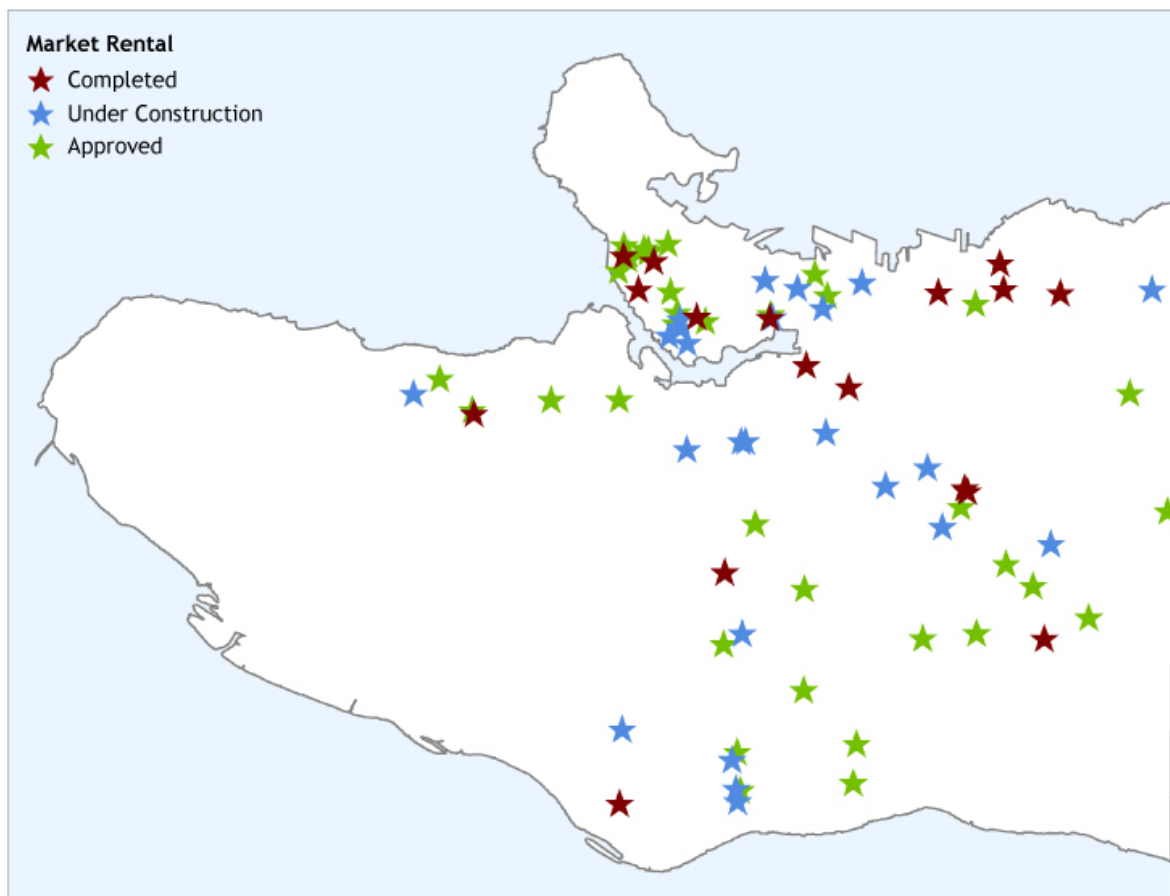
Numbers: The five year target for secured market rental housing is 2,500 units. As of December 31st 2015, recently completed projects, projects under construction, and committed projects totalled 5,119 units. This means the City has achieved over 200% of the five year target.

Progress towards Secured Market Rental Housing Goal:



In 2015, 424 secured market rental housing units were opened, 1,012 units started construction and an additional 1,198 units were approved.

Locations of New Secured Market Rental Housing:



New market rental units are being developed across the city, with a higher proportion in the East side and Downtown.

Actions Taken: In addition to processing applications for a high volume of new secured market rental projects in 2015, the City continued taking steps to improve support for renters in Vancouver. These actions include:

1. **Vancouver Development Cost Levy By-law and the Area Specific Development Cost Levy By-law (DCL By-laws):** In May 2015, amendments to the DCL By-laws were adopted by Council. The amendments are intended to improve the City's rental incentive policies and to encourage greater diversity in types of market rental units created, particularly 3-bedroom units which are more suitable for families and children. The amendments served to enhance opportunity for the creation of family units through modification of the By-laws to include 3-bedroom units and to provide greater flexibility to address market differentials across different areas of the City.
2. **Tenant Protection and Relocation Policy:** Adopted by Council on December 10, 2015, the enhanced Tenant Protection and Relocation Policy provide renters with

the strongest protection in BC. The changes are intended to mitigate the impacts of displacement resulting from redevelopment activity, while recognizing the need to maintain the health of the overall rental stock through some renewal. The policy targets “primary” rental stock where the purpose of the building is long-term rental housing, including purpose-built market rental housing, non-market or social housing, buildings with rental units above commercial spaces and large multiple conversion dwellings with 6 or more units. The by-law came into effect February 2016.

3. Vancouver Rent Bank (VRB): At the end of its third year of operation, VRB had approved 398 loans and impacted over 687 people, which included 130 children. Launched in October 2012, the VRB prevents evictions by increasing housing stability through the provision of interest-free loans to individuals and families in temporary financial crisis. The VRB is a multi-partner initiative involving the City of Vancouver, Streethome Foundation, Vancouver Foundation, UBC and the Vancity Community Foundation, and is administered by the Network of Inner Community Services Society (NICSS). In May 2015, Council approved additional grant to NICSS for VRB operation costs until the end of 2017.

Performance Measure	Progress Towards Five Year Goal (2016)
Numbers	5,119 units in development, achieved 205% of the five year target
Locations	Higher concentration of projects in East Side and Downtown.
Actions Taken	Enhancements to the Tenant Protection and Relocation Policy Grant extension to operate Vancouver Rent Bank.

Bedroom Distribution

Progress is being made in the delivery of family housing, but additional incentives are necessary to not only increase the number of 3 bedroom units, but to also ensure suitability and affordability. The following table shows the bedroom distribution amongst enabled projects with approved development permits and available bedroom information.

This data shows that most non-market projects are targeted for singles (87% are studios and bedrooms). Compared to the 2014 Report Card, there has been an increase in family units (2 and 3-bedrooms) from 7% to 12%.

Similarly, the market rental bedroom distribution also shows a 2% increase in the proportion of family units when compared to the 2014 Report Card.

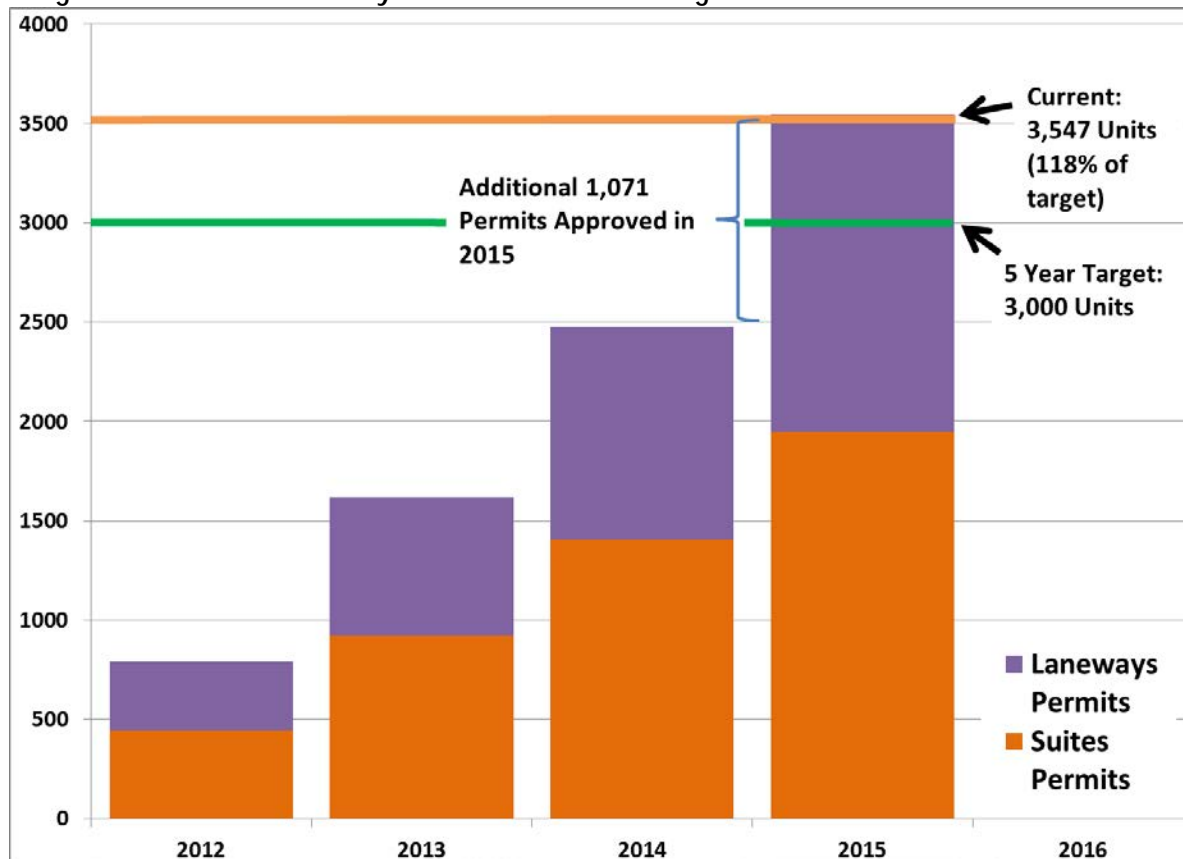
Bedroom Distribution among Enabled Projects with Approved Development Permits: (2012-2015)

	Studio	1-bed	2-bed	3-bed	TOTAL
Social and Supportive Housing	74%	13%	7%	5%	2,268 units
Market Rental	35%	44%	20%	1%	2,966 units

Indicator 4: Secondary Market Rental Housing: Suites & Laneways

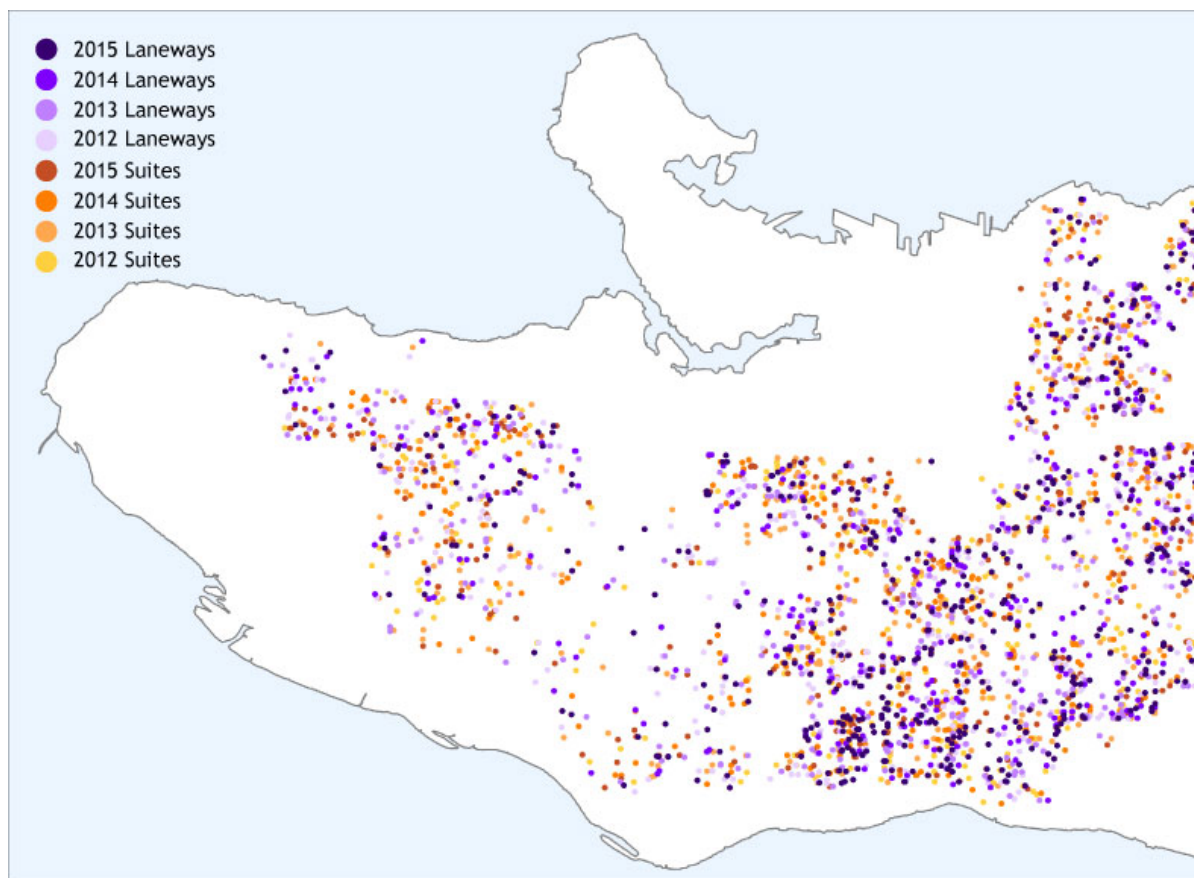
Numbers: The five year target for secondary market rental housing is 3,000 units. As of December 31st 2015, 3,547 permits had been issued for suites and laneway houses between Jan 1, 2012 and Dec 31, 2015. This means the City has achieved 118% of its five year target.

Progress towards Secondary Market Rental Housing Goal:



In 2015, the City approved 540 permits for secondary suites (425 permits for suites in new houses and 115 permits for suites in existing houses) and 531 permits for laneway houses.

Locations of Suite and Laneway House Permits



Permits for suites and laneway houses are found throughout the city's single family neighbourhoods and across the city.

Actions Taken: In 2015, the City continued to process a substantial volume of permits for secondary market rental in the form of suites and laneway houses. Since the amendments adopted in July 2013, the proportion of one story units approved under new regulations increased from 6% to 11% of laneway houses.

Performance Measure	Progress Towards Five Year Goal
Numbers	3,547 units in development (118% of five year target)
Locations	Permits for suites and laneways are found throughout the city, outside the downtown.
Actions Taken	Approved 1,071 permits for secondary market rental units in 2015.

Overall: 12,688 Rental Housing Units in Development

