



ADMINISTRATIVE REPORT

Report Date: March 8, 2017
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Meeting Date: March 28, 2017

TO: Vancouver City Council
FROM: General Manager of Community Services
SUBJECT: Vancouver Housing and Homelessness Strategy Reset – *Housing Vancouver* Emerging Directions

RECOMMENDATION

- A. THAT Council receive and approve in principle the *Housing Vancouver* Emerging Directions.
- B. THAT Council approve in principle a one-year Rezoning, Development & Building Permit pilot to prioritize affordable housing projects with an update on pilot progress and findings to be brought forward to Council in intervals of 6 months.
- C. THAT Council direct staff to begin a public engagement process to seek input into the *Housing Vancouver* Emerging Directions and report back in July 2017 with the final strategy, together with an associated implementation strategy and a financial strategy for Council consideration.

REPORT SUMMARY

Vancouver is in the midst of a serious housing crisis. Home values have soared in single family neighbourhoods and condo prices continue to increase, rental vacancy rates are near zero, homelessness is persistent and housing affordability problems have grown from being only experienced by the most vulnerable to an increasing number of households. This polarizing trend threatens the diversity of our communities and the city.

Halfway through the 2012-2021 Housing & Homelessness Strategy the housing challenges people in Vancouver are facing require that we reset our strategy. In undertaking the "Housing Reset", the City has carried out housing demand and supply

modelling and engaged in significant consultation with local partners and residents, other levels of governments, and international housing experts. This report describes the emerging directions from the Reset which will improve housing affordability over the next 10 years; these emerging directions provide a strong foundation for a new 10 year strategy - *Housing Vancouver*.

Next steps will be to launch a public engagement to seek community input on the emerging directions, and to complete further technical analysis. A final draft of the *Housing Vancouver* strategy will be brought back for Council review in July 2017.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

Homeless Action Plan (1995)
Supportive Housing Strategy (2007)
Housing & Homelessness Strategy (2012-2021)
Healthy City Strategy (2014)

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

2017 is a pivotal moment for Vancouver in facing its housing affordability crisis. Other liveable cities around the world are experiencing increasing housing market pressure due to global flows of money, people and jobs. As we understand more about how housing markets respond under such pressure, the City can plan action to maintain the social diversity and economic competitiveness Vancouver currently enjoys. This report and our emerging directions for *Housing Vancouver* is our next step in evolving our thinking on how best to address affordability. These include using existing tools, expanding partnerships in new ways, and stretching beyond the use of existing tools as the City did, most recently with the Empty Homes Tax.

REPORT

Background/Context

Now is the time for the City to update its Housing & Homelessness Strategy (2012-2021); a 'Reset' will find new ways to address housing affordability for residents.

The City adopted its current housing and homelessness strategy in 2011. Mid-way through this ten year strategy, secured market rental has already reached the 10-year target, but social housing is only at 37%, and will need more partnership support to reach the 10 year target.

Housing prices and rents have continued to escalate beyond the reach of local incomes. Young people and families across the city are making decisions about whether to live in housing that does not meet their needs or leave the city. The Housing Reset was begun to address this growing problem.

1. We have been hearing overwhelming calls from our community to address their day-to-day lived experience of housing problems.

Pressures on the current housing market have created issues for local residents related to short term rentals, “renovictions” and some have organized movements to express what they are experiencing most acutely. The City has heard from several groups such as Our Homes Can’t Wait, Generation Squeeze, Co-Housing Vancouver, and Vibrant City as well as abundant Homes Vancouver and other ‘YIMBY’ (‘Yes in My Back Yard’) organizations, who have begun to publically champion new rental housing as part of a growing movement.

News reports on housing unaffordability also continue to dominate the headlines in Vancouver. In the media, the affordability crisis has focused on homelessness and displacement for low income residents, renters across all incomes struggling to find affordable options in a near zero vacancy rate market, and young people and families priced out of homeownership. Real estate transactions, foreign homeownership, generational inequity, threats to Vancouver’s economy, and evidence of a ‘housing bubble’ have been in the limelight with local, provincial and federal governments.

2. Vancouver’s Housing & Homelessness Strategy (2012-2021) is at its halfway point

The City has exceeded some of our targets and not met others for affordable housing delivery. Secured market rental has exceeded expectations by achieving the 10-year goal within the first five years. Implementing the rental incentive policy and external market conditions has largely driven the success.

Secondary suites such as basement suites and laneway houses are also increasingly providing a valuable form of affordable housing for Vancouver residents. Over 4,400 new secondary suites and laneway homes have been approved since 2012.

On the other hand, the slow-down of non-market housing projects, especially supportive housing, has resulted in these targets not being met. Outside of the Supportive Housing Partnership with the Province of BC, very little new supportive housing has been approved/funded, and only 37% of the 10-year target for social housing has been achieved at this mid-way point.

3. The City has responded with new research, projects and programs, and it is time to roll them all up into a new strategy - *Housing Vancouver*.

Since the adoption of the Housing and Homelessness Strategy (2012-2021), the City has actively responded with housing policy and programs to address both immediate and long-term challenges. Some recent and significant achievements include:

- Recently approved community and station area plans (West End, Downtown Eastside, Marpole, Grandview-Woodland and Joyce-Collingwood) include new opportunities for supply, including inclusionary zoning policies for non-market and market rental housing (~9,000 social housing units and ~7,400 secured market rental units) (See Appendix D)

- Through major project sites Oakridge Centre, Little Mountain, Pearson Dogwood, Langara Gardens, Oakridge Transit Centre, and East Fraserlands, we anticipate ~1,700 social housing units and ~ 1,300 secured market rental housing (See Appendix D)
- Approved an Affordable Home Ownership Program (awaiting response to requested Vancouver Charter change request from Province)
- Implemented Canada's first Empty Homes Tax
- Developed a framework for lease negotiations for co-ops
- Offered 20 sites of City-owned land for senior government partnerships
- Undertook first 4 Vancouver Affordable Housing Agency (VAHA) sites and completed first modular housing project
- Established Vancouver's first 'Community Land Trust'
- Accelerated number of secured market rental units (1800+ units)
- Completed of Vancouver's First Co-Housing Project
- Increased Family Housing Policy requirements for rental and strata
- Approved new Tenant Relocation Policies that offer the strongest protection in BC
- Developed Rental Standards Database
- Expanded Laneway housing citywide

The City has convened many conversations and consultations to deepen our understanding of peoples' experiences and learn national and international best practices to address housing affordability

As part of the first phase of Housing Reset, the City wanted to engage, learn and think in new ways to better understand the dynamic nature of the housing market and the experience of the public and partners. A full summary of this engagement can be found in Appendix C. Work in the first phase of the Housing Reset included the following:

1. Creative Advisories have looked into many dimensions of the housing system

Five Creative Advisories made up of partners from a wide variety of organizations and sectors, met with staff over the last eight months to consider all the aspects to our current housing environment, and put forward their perspective on both the challenges and the opportunities. The topics covered were:

- Evidence-Based Responses to Homelessness
- Accelerating Non-profit/City Partnerships
- The Economy and Housing for Young Workers
- Strategic Investment in Rental Housing
- Affordable Housing Innovation and Design

2. Specific Workshops and Expert & Community Group Dialogues

Additionally, a number of specific groups were convened to represent other voices and topics.

- Mayor's Expert Advisory Committee
- SRO Task Force
- Missing Middle Workshop

- Development Advisory Group (DAG)
- Shaping Futures - Housing Policy in the 21st Century
- Local Resident Focus
- Urban Development Institute & City of Vancouver Liaison Policy Committee

3. re:address Week

re:address Week was a week of learning for the City of Vancouver and it provided the back-drop to critical and solutions-based discussions among housing experts from global cities that are experiencing housing crises like Vancouver. It was invaluable in shaping directions for our new strategy, and sparking new discussions with residents, academics, non-profits, and partners. It successfully engaged both the public and partners, with over 35 speakers representing Vancouver, Calgary, Winnipeg, Toronto, San Francisco, New York, Edinburgh, Amsterdam, Glasgow, Vienna, Melbourne, Sydney, and Tamaki Makaurau (Auckland); and over 1,000 people attended across 14 events, 8 of which were free for the public. There were over 40 million views of #readdresshousing and content from October 5-30, 2016 and the City saw a 30% increase in website traffic on our Housing & Homelessness pages.

re:address was supported by an interdisciplinary partnership with the University of British Columbia (Architecture, Business, Engineering, Law, and Urban Planning), and representation from SFU's Urban Studies program, that involved City of Vancouver and Faculty staff and students. An important legacy of re:address is the initiation of the Vancouver Housing Lab, a new program which will pair graduate students with the City to conduct cutting-edge research in the housing field.

4. Engaging National Stakeholders

In Fall 2016, City of Vancouver staff participated in a series of discussions hosted by the Federal Ministry of Finance, focusing on challenges and opportunities for expanding housing supply in Canada's cities experiencing serious housing affordability issues. Participants in these discussions included Federal and Provincial staff, as well as staff from the cities of Vancouver and Toronto. The City also made a comprehensive submission to the Federal Government on their National Housing Strategy, in early November, following the re:address conference.

5. What We Heard - Summary

We heard that the lack of housing supply being approved by municipalities is a major contributor to housing unaffordability, and that cities need to deliver more housing supply to stabilize home-ownership prices. There is a strong appetite in both the private and non-profit/co-op sectors to work with the City to find new solutions and approaches, to tackle the housing challenges ahead. Plus a widely held view that speeding up affordable housing development through approvals, permits and delivery would have a very positive impact.

With the rapid escalation of housing prices putting new pressures on a greater number of income ranges, we heard concerns about hyper-commodification in the housing market. We heard that cities across the world are facing the brunt of similar housing challenges and yet do not have all the tools, necessary authority or sufficient financial capacity to address them. We heard how important our housing systems are as a

fundamental contributor and driver of our economies. It seems that challenges in the housing market presents a big challenge for employers who want to recruit and maintain talent. It was widely recognized that a long-term sustainable investment in housing by all levels of government is needed, and should be focused on cities and communities most in need. It was noted that there are opportunities for government to increase investment into affordable rental housing by creating intermediary organizations who can more easily match funding from large global investors with Canadian delivery partners.

There was much discussion about how the concentration of wealth in the Boomer demographic and lack of inter-generational wealth distribution is adding to the concern over recent house price rises, and pushing home-ownership out of reach for many younger households. Building on the recent BC Provincial Foreign Buyers tax and Vancouver's Empty Homes Tax, there was also substantial discussion about how alternate progressive tax policy/approaches could be used by all levels of government to level the playing field. It seems important that cities must listen to and find affordable housing solutions for the 'missing middle', if they are to avoid losing young families, and compromising their economic competitiveness and social vibrancy.

This Housing Reset update to Council summarizes the results of the work to date and the recommended next steps

Over the last six months, the City has identified ways to both sharpen and increase its actions to better target housing affordability. This report shares these actions as well as next steps and partnerships that will refine and strengthen these actions. Some of these tools will elicit immediate steps the City can make to improve the speed of affordability delivery in both new and existing housing, while others set the course for longer term actions. The report will also outline how the City will engage the public to learn more about how these actions might impact the housing affordability crisis.

Strategic Analysis

What We've Learned

Vancouver's housing environment is changing in many ways, some of which are a concern to our community

1. Housing continues to be an investment for local and global capital in Vancouver

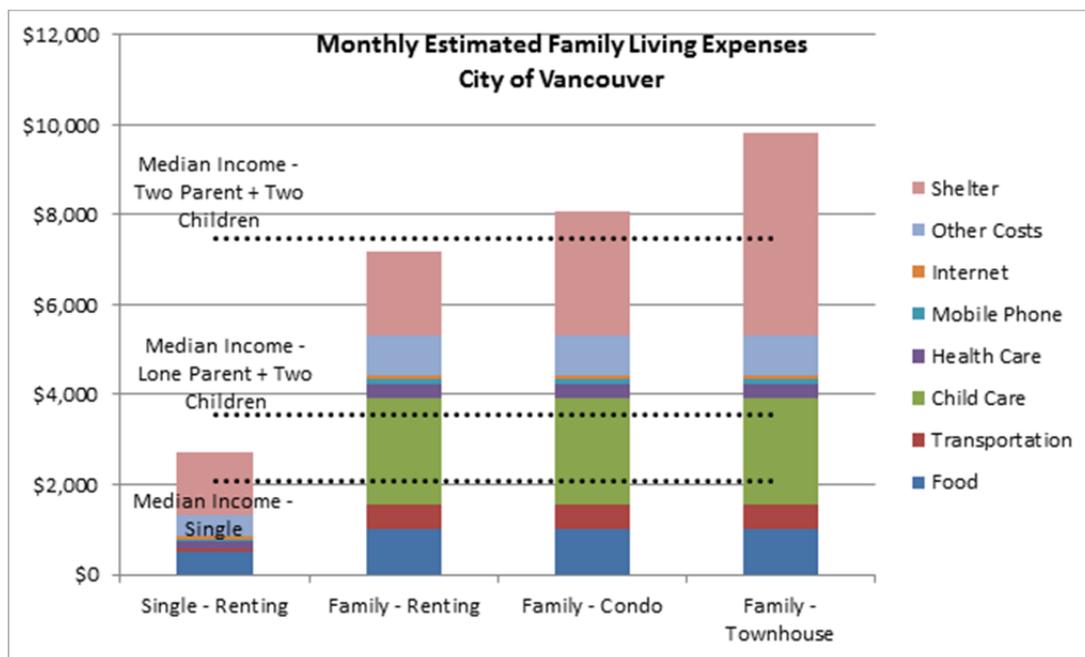
Through shared learning with other international cities and the City's work on the Empty Homes Tax, we know that housing in Vancouver continues to be considered a 'safe investment' for both Canadian and foreign buyers. The low Canadian dollar in the last few years has likely exacerbated the situation and is an externality that is beyond our control. New data released for 2016 indicates that the number of empty homes has increased by 15% since 2011, to a total of approximately 25,500.

2. Housing is only one part of the affordability equation.

The overall cost of living in Vancouver is made up of the essential budget items needed to support a household, including housing, food, transportation, health and childcare. Housing is the single largest cost to most Vancouver households, with childcare, food, and transportation representing other significant budget items.

When a household's expenses exceed their incomes, they are forced to take on debt or make difficult trade-offs between essential budget items. In Vancouver, rising housing costs have pushed overall living costs far beyond what an average household earns. For a single renter in a 1 bedroom apartment earning the 2014 median yearly income of \$24,840, estimated monthly expenses exceed their monthly income by over 30%, with housing making up over half of their overall costs. For a two parent, two-child family in an Eastside townhouse earning the 2014 median yearly income of \$89,820, estimated monthly costs exceed incomes by over 20%, with housing costs yet again making up over half of the overall costs. Approximately one-third of all Vancouver households, are in core housing need (spending more than 30% of their income on housing) and over 10% are in acute affordability need spending more than 50% of their income on housing.

Figure 1: Estimated Family Living Expenses in the City of Vancouver, 2016¹²



¹ Cost of Living Calculation based on estimates for Family Expenses from the BC Canadian Centre for Policy Alternatives 'Working for a Living Wage' 2015 Calculation Guide and 2016 Update. Calculation has been adjusted to reflect 2016 City of Vancouver childcare costs, 2016 average rents for secured market rental housing (CMHC Rental Market Report 2016), and the monthly costs for a 2bd Vancouver Eastside condo (October 2016 REBGV benchmark sales price: \$450,000) and Vancouver Eastside townhouse (October 2016 REBGV benchmark sales price: \$771,000), assuming a 10% down payment on a 25-year amortized mortgage at 5% interest, plus \$150 strata fee.

² 2014 Tax Filer. Median after-tax annual income for two-parent-two-children family: \$89,820, or \$7,485/month. Median after-tax annual income for lone parent two-child family: \$42,450, or \$3,537.50/month. Median after-tax annual income for person not in family: \$24,840, or \$2,070/month.

3. Younger generations are leaving Vancouver

Between 2006 and 2011, a steep decline in the proportion of young households living in Vancouver aged 25 to 39 was noted in the Census data. During the same period, numbers of young children born in Vancouver (age 0-4) were also declining once the children became school age (5-9), likely reflecting departure of growing families from Vancouver in search of affordable, family-sized housing. Building from what we've heard and what we've learned through data analysis, the City has begun to define households aged 20-44 as the 'missing middle'. The missing middle captures Vancouverites at different stages of life, employment, and housing need.

This definition acknowledges missing housing solutions for a key demographic, including young people or Millennials (age 20-34) who are renting but looking to eventually own. It also includes young families/early 'Gen X' (35-44) residents who are under-housed (i.e., a family with children living in a one bedroom apartment) and are considering leaving Vancouver. These characteristics reflect how other groups are talking about this demographic group, including Paul Kershaw's 'Gen Squeeze' and Resonance Consulting, "State of BC Housing" report.

Greater disparity between incomes and rapidly increasing housing costs has created what has been called a 'squeeze effect' on young people and families³. Analysis shows that in 2006, a young single person aged 20-35 earning \$35,000 could afford the average 1-bedroom rent in Vancouver (\$868/month). A 46% increase in average rents for a 1-bedroom today (\$1268) requires an income of \$51,000 per year⁴. For families, the income required to own an Eastside townhouse in 2006 was \$90,000. Today, an 88% increase in housing prices means a household income of over \$150,000 is now needed for the same family home.⁵

4. The ability to own in the City of Vancouver is further out of reach for households who may have previously expected to be able to own, due to price rises, limited availability of the right type of housing, and endless demand for condos from the investor market.

Recent survey work in 2016 indicates that more than three-quarters of Vancouver younger millennial and family households would prefer to own.⁶ Many single people earning under \$80,000 are having trouble finding affordable homeownership options. In 2016, the income required to own a condo (eastside) would be approximately \$90,000.⁷ New ownership supply being delivered is not affordable for families who are earning below \$150,000 and currently renting. The supply also does not match for families with children that currently own but are squeezed into studio and one-bedroom condos. Family-sized town-homes and rowhouses are in short supply (3% of total supply) compared to single-detached homes.

³ Generation Squeeze, CodeRed, 2016

⁴ 2006 and 2016 CMHC Rental Market Reports average rent for a 1-bedroom rental unit at 30% of income.

⁵ October 2006 and October 2016 Real Estate Board of Greater Vancouver MLS Home Price Index. Eastside benchmark price for a townhouse unit at 30% of income. Assume 10% down payment and 5% interest rate for 25 years.

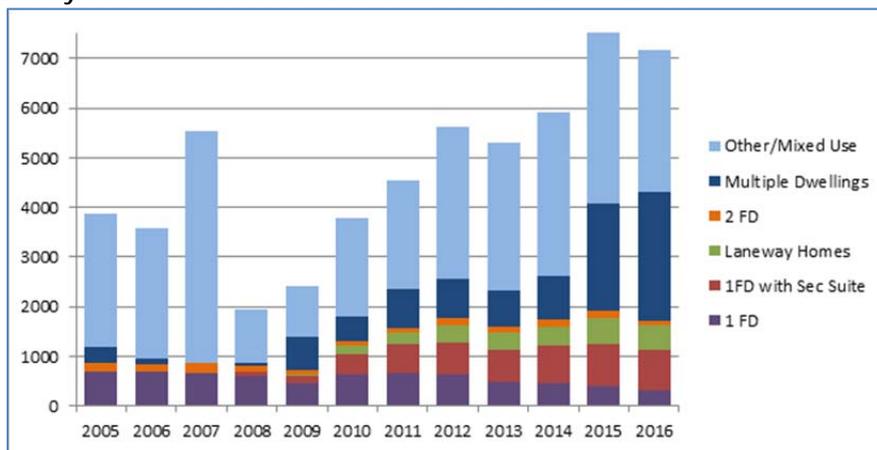
⁶ Survey research conducted by Insights West (2016) and the City of Vancouver Talk Housing survey on family housing

⁷ October 2006 and October 2016 Real Estate Board of Greater Vancouver MLS Home Price Index. Eastside benchmark price for a condo unit at 30% of income. Assume 10% down payment and 5% interest rate for 25 years.

Over the last three years, Vancouver has been creating new housing supply at a record rate.

The volume of city permits issued for new construction has increased significantly over the last five years, as illustrated below.

Figure 2: City Permits Issued for New Construction 2005- 2016⁸



Over the last 10 years, new housing starts have been strong, averaging approximately 5,000 units per year. 2016 was a record year in Vancouver, with 9,800 new housing starts - this represents 35% of all starts in the Metro Vancouver region.

Figure 3: Annual Housing Starts in the City of Vancouver (2007-2016)⁹



⁸ COV data, 2016

⁹ Source: CMHC (Starts and Completions Survey)

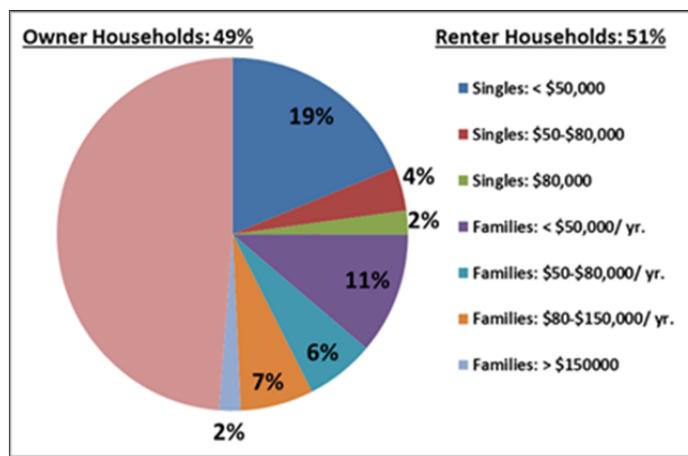
Effective January 2013, single-detached houses with an attached accessory suite are recorded as one unit "Ownership, Single" and the accessory suite as one unit "Rental, Apt + Other". In 2012 and prior years, these structures were recorded as two units, "Ownership, Freehold, Apt + Other" in some markets, including the Vancouver CMA and Abbotsford-Mission CMA. This adjustment provides national consistency.

The volume of new supply delivered on an annual basis is influenced by a variety of factors, including economic conditions (e.g. the 2009 downturn in the economy), capacity in the construction sector, and industry trends, including motivation of developers to ensure their product is selling at a price point that meets their profit expectations.

Vancouver doesn't just need supply, we need the Right Supply - Housing being delivered over next 10 years will not provide the kind of housing or affordability needed by our population by 2026

Today the City has a diverse mix of households (285,000), with an equal share of renters and owners at a variety of income levels (Figure 4).

Figure 4: Housing Tenure and Income Mix in Vancouver (2011)



To project Vancouver's housing demand over the next 10 years consultants Ernst & Young were retained to support the analysis of trends by number of new households by household income.

A significant amount of technical analysis has been done in the last six months to better understand housing trends and needs.¹⁰ With support from Ernst & Young, historic housing and affordability trends were analysed by household type to project scenarios of potential housing demand by 2026.

Based on the type of housing that is affordable relative to incomes, the City has been able to identify the housing that would match existing incomes - "the demand" - for affordable housing supply by 2026. Housing demand was projected by income level, owner or renter household types, single or family household type and cost burdened households. Assumptions in the analysis were structured to ensure a diverse, sustainable, and liveable city for all Vancouver residents.

¹⁰ Given most recent 2016 Census data on household information is not available until Fall/Winter 2017, 2011 Census data from the National Household Survey has been extrapolated to 2016. The City's analysis will be reviewed and updated as needed once the 2016 Census data is available.

That total number of households projected to need affordable housing by income band in 2026 was obtained by:

- A. **New households projected to live in Vancouver by 2026** - Projecting future housing demand by the same income bands, including a constant share of growth by incomes from 2011 until 2026 to retain the current diversity of the city.
- B. **Current renter households living in housing that is not affordable** - Identifying the number of existing single renters earning between \$0-\$80,000 annually and family renter households earning between \$0-150,000 who are unable to afford market housing prices because they are currently paying more than 30% of their income on housing costs.

Part A: New Households Projected to Live in Vancouver by 2026

The result of the 2026 New Housing Demand analysis is shown below in Table 1.

Table 1: 2026 Housing New Demand Growth By Income Band and Household Type

Tenure and Income Levels Served	Housing Type	Singles	Families	Total	% of Total
Households who Rent Incomes < \$50,000	Social & Supportive	9,000	5400	14,400	30%
Households who Rent Incomes > \$50,000	Secondary Suites (Laneway Homes)	3,000	7,200	10,200	21%
	Secured Market Rental				
	Rented Condos				
Total Rental Housing Demand		12,000	12,600	24,600	51%
Households who Own	Ownership	6,200	17,000	23,200	49%
2026 Grand Total Housing Demand	Total	18,200	29,600	47,800	100%

Vancouver’s 2026 new housing supply was estimated using development projects coming on stream over the next 10 years to establish the “Business As Usual” supply projection.

The Business As Usual development scenario results in an over production of approximately 10,000 ownership condominiums and under supply of affordable rental over the next 10 years.

Table 2: 2026 Business As Usual New Housing Supply by Tenure and Income Band

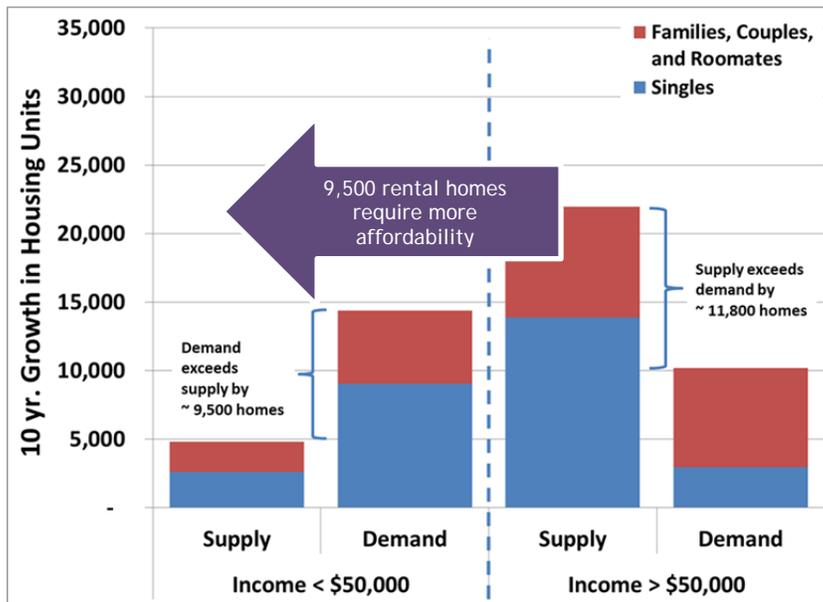
Tenure and Income Levels Served	Housing Type	Singles	Families	Total	% of Total
Rental Housing Serving Incomes < \$50,000	Social & Supportive	2,600	2,200	4,800	10%
Rental Housing Serving Incomes > \$50,000	Secondary Suites (Laneway Homes)	2,000	2,000	4,100	9%
	Secured Market Rental	5,000	2,400	7,400	15%
	Rented Condos	6,800	3,700	10,500	22%
Total Rental Housing Supply		16,500	10,300	26,800	56%
Owner Occupied Housing	Ownership	13,600	7,300	21,000	44%
2026 Grand Total Housing Supply	Total	30,100	17,600	47,800	100%

Table 3: Summary of 2026 New Demand/Business as Usual Supply Affordability Gap

	Supply	Demand	Affordability Gap (Supply - Demand)
Renters Earning < \$50,000	4,800	14,400	-9,500
Renters Earning > \$50,000	22,000	10,200	11,800
Total	26,800	24,600	2,200

There is an affordability gap between the Business As Usual Supply and the level of affordability needed for local renters. Although 2,200 new rental units appear to be in surplus, 9,500 rental homes will require deeper levels of affordability to meet the demand for people earning less than \$50,000 (Table 3).

Figure 5: 2026 Business As Usual Rental Supply and Demand by Income Band



New supply under Business As Usual is not the Right Supply. By numbers alone, it could be concluded that Business As Usual new supply would satisfy expected population growth to 2026. However, as Figure 5 and Table 3 show, some of this new housing supply will be priced too high for new 2026 households.

Part B: Current Renter Households Living in Housing That Is Not Affordable

In addition to the affordability gap between new demand and new supply, over 40,000 current renters are cost burdened due to housing

The need to deepen the affordability of new supply to better match existing incomes is further emphasized by this significant number. In 2011, over 46,000 renter households in Vancouver were spending over 30% of their income on rent. The majority of these households were in lower income brackets. Since 2016 Census data on the shelter cost to income ratio is not yet available the analysis assumes the number of overburdened households in 2011 grew at the same rate as the total number of households between 2011 and 2016. On this basis, we can estimate the 2016 total number of renter households spending over 30% of income to be nearly 50,000 households (Table 4).

Table 4: Estimating Rental Housing Need - 10 Year Growth and Existing Overburdened Households¹¹

Income	10-yr. Housing Growth Needed to Maintain 2011 Income and Tenure Mix			# of Households Spending over 30% of income on Housing (2011)	# of Households Spending over 30% of income on Housing (2016 - extrapolated)	Total of Existing Need and 10-year Growth
	Singles	Families	Total			
Earning < \$50,000	9,000	5,400	14,400	41,400	44,400	58,800
Earning > \$50,000	3,000	7,200	10,200	4,800	5,200	15,300
Subtotal: Renter Households	12,000	12,600	24,600	46,200	49,600	74,200

The City has been exploring solutions to deepen levels of affordability in the existing rental housing supply, as well as in new supply coming on stream. New *Housing Vancouver* affordability targets by income bands will include targets within existing and new supply.

In summary, to respond to what the City has learned through technical analysis and confirmed through stakeholder engagement, a course correction is required to change the housing supply to the Right Supply by 2026. This challenge provides an opportunity for the City and partners to enhance existing initiatives, and begin exploring new actions they have not done before.

The Right Supply will meet the demand for affordability and also for family size, location and secure tenure

Extremely Low and Very Low Income Earners (\$0-\$15,000, \$15,000-\$30,000)

Of the renter households earning less than \$30,000 in 2026, approximately 30,800 total renter households in Vancouver are expected to earn incomes less than \$15,000, largely due to being on a fixed income. Within the low income earners, 33,800 existing renters in Vancouver are expected to be earning between \$15,000 and \$30,000 in 2026. The growth of households at these income levels must be accommodated in housing that is affordable to them. If not, the number of households paying too much of their income on rent will increase. In 2011, there were 27,800 households earning under \$30,000 per year paying more than 30% of income on housing, with 15,285 paying more than 50%.

Partnerships with senior governments and other partners are needed to address this urgent affordability need for very low and low income earners, including poverty reduction strategies and income-based solutions. To intensify housing efforts for this population group, the City will explore targeting deeply subsidized units through the Vancouver Affordable Housing Agency (subject to senior government or other equity injections) and City lease renewal projects, expanding rental options close to transit, new policies and financial incentives to deepen affordability in existing and new supply, as well as smart actions to support access to housing including recommendations from the Regional Mayors Task Force on Homelessness, the SRO Task Force and the City’s New Homelessness Services Team.

¹¹ Sources: City of Vancouver and 2011 National Household Survey

Low and Moderate Income Earners (\$30,000-\$50,000, \$50,000-\$80,000)

Low and moderate income renters earning between \$30,000 and \$80,000 reflect a broad range of single and family renters with diverse affordable housing needs. Rising housing costs and an overheated, highly competitive rental market are driving unprecedented challenges for this group. If these challenges are not addressed, the number of households in this income range paying too much for rent will increase. In 2011, there were 9350 low and moderate income renter households who were paying over 30% of income on rent. To intensify housing efforts for this population, the City will explore expanding rental supply along arterials and transit nodes, infill housing in single family neighbourhoods, and securing deeper levels of affordability in new supply through new city policies and financial incentives.

Above Moderate Income Earners (\$80,000-\$150,000)

Singles and families in the above moderate income earner band may have greater access to the rental market, but struggle to enter the homeownership market. Due to price escalations and initial analysis to date, an opportunity to further discuss the criteria for the City's current proposal for an Affordable Home Ownership (AHO) Program for program criteria and eligibility may be explored.

For the approximately 75% of young renter households, including families, that would like to own, some assistance to realize this aspiration will be required given current housing prices. These renter households will either benefit from the AHO program once approved or will continue to require rental options unless they have assistance from family or other sources. It is estimated that approximately 30,000-35,000 renter households¹² earning between \$50,000 and \$99,000 annually and paying less than 30% of income on rent would be eligible for the City's program (subject to the Province amending the Vancouver Charter and a review of eligible incomes).

High Income Earners (>\$150,000)

In addition, approximately 21,000 new owner occupied homes are estimated in the supply trend over the next 10 years. There will be a supply gap as only 7,000 of these will likely be family housing compared to new family market homeownership demand over the next 10 years estimated at 17,000 new homes. The demand for a greater diversity of housing types for families (e.g. townhouses) is needed if the City is to retain its household diversity.

Housing Vancouver - Emerging Directions

Reset the Housing Strategy with the Right Supply

The City will be taking action and using new approaches to increase & speedup the "Right Supply" by 2026. The City will change our own business as usual practices and connect new and existing housing supply to local residents' incomes, family size, tenure and location.

¹² 2011 National Household Survey, rounded and extrapolated to 2016

1. **Link Housing Affordability Targets to Incomes** - New targets link to Vancouver resident household incomes and is applied to both new and existing housing.

Early Actions: Identify housing affordability targets by income range, instead of type of housing supply. Feasibility studies and analysis will be needed to determine specific rent targets and matching unit types for discussion and review. Some of these targets may be met within existing housing, while others will use new tools to align new supply.

Identify organizational and institutional systems and structures to regulate and/or manage the new income-linked housing units; for example, explore best practice locally, nationally and internationally to identify models and possible financial support needed.

Who is served? These targets will aim to refine Vancouver's approach to the 'right supply' for an expanding group of households no longer able to access the housing market, thereby course correcting the 'business as usual' supply trend, resulting in more options for existing and future residents.

2. **Create More of the Right Supply** - Expand rental housing supply at transit-oriented hubs, corridors and near arterials

Early Actions: Create new development opportunities through increased density at rapid transit stations and other transit-rich hubs.

- a) This includes evaluating opportunities for two new rapid transit station area plans to be launched in 2017. These station area plans will consider all the needs of complete communities, including a diversity of housing types and tenures, as well as amenities needed to support a growing population (e.g., child care, park space, recreation facilities).
- b) Continue to explore opportunities in the Cambie Corridor Phase 3 planning program, including the regionally significant Oakridge Municipal Town Centre to provide more of the right supply.

For Exploration: there are a number of strategic opportunities to land more income-linked rental housing supply with new development.

- a. Expanding the existing Rental 100 program, considering new intensified housing forms along and adjacent to arterials to create a transition to lower density neighbourhoods. This could include review of locational criteria and type of supply secured.
- b. Review and amend if necessary, the Interim Rezoning Policy (IRP) to improve affordability outcomes and effectiveness.
- c. Review regulatory options to deliver new rental housing supply, including density bonusing and other zoning tools.

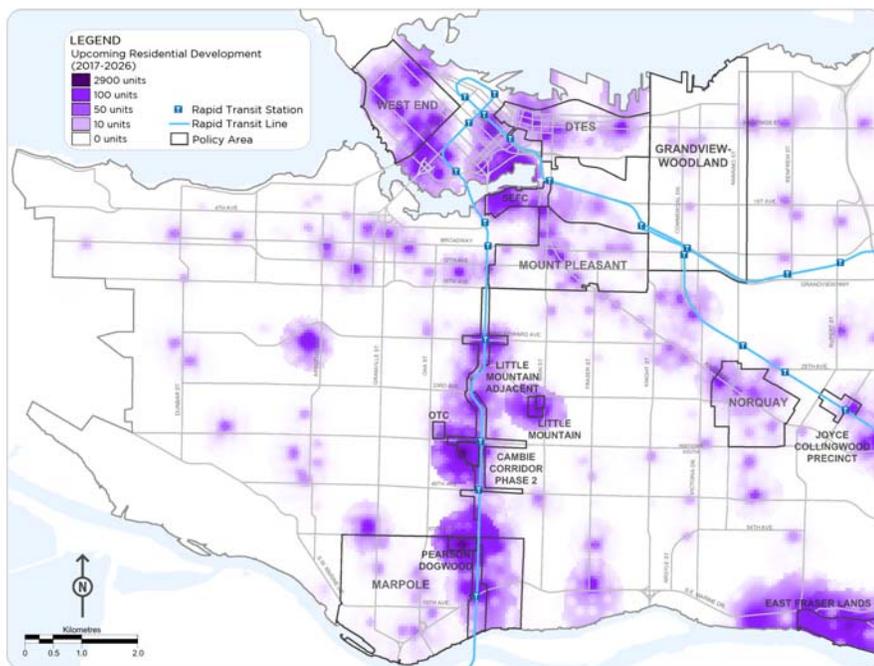
The City will continue its practice of seeking development contributions, especially when new development rights are provided (i.e. increased density) to ensure investment in the supporting infrastructure and related public benefits for this additional growth are provided. The City will explore using inclusionary housing policy/zoning, density bonusing, and housing agreements to secure long-term housing

affordability as ways to ensure an increase in rental housing that meets new housing affordability targets, and to limit land-value escalation.

Further explore design innovations that create affordable, flexible homes and better align our goals around the Greenest City, the City of Reconciliation, Indigenous design, the needs of families and other urban design and housing initiatives, in both medium and high density settings. Housing forms for review to include the expansion of micro rental suites to other areas outside the Downtown Eastside.

Who is served? New and existing low & middle income renter households, both singles and families, who are struggling with rising rents and a very low vacancy rate, and who want to live close to transit and services.

Figure 6: Estimated 10 Year (2017-2026) Residential Unit Development Based on Applications Currently In-Process



3. **Complete Neighbourhoods with New Housing Forms** - Create new types of affordable homes in existing single family neighbourhoods

Early Actions: as part of community plan implementation, review and update existing RT zoning (eg., duplex zoning) in Mt. Pleasant and Grandview-Woodland to increase housing opportunities. Use the updated zones and design guidelines for possible application in single-family areas.

For Exploration: Through the Housing Reset and Character Home Zoning Review much was heard about the need to examine the role single-family (RS) zones play in increasing housing choice and affordability in our city. There are many zoning tools that can be used to expand the types and number of dwelling units that are built in RS zones. Looking at our two-family (RT) zones as a model, neighbourhood character retention and additional dwelling units can be achieved by providing incentives such as allowing increased floor area, infill buildings or other types of additional dwelling units (rental or strata titled) when a character home is retained. Incentives are also available in RT zones for sites without character homes when they build multiple-unit housing forms (i.e. duplex or triplex) and infill buildings. It is also possible to revisit the connection between floor space ratio and provision of rental units in current RS zoning including secondary suites and laneway homes. To explore these ideas for RS zones further, significant technical analysis and broad public consultation will be required.

To advance thinking around the future of RS zones, next steps will include examination and testing of the ideas generated through Housing Reset and emerging directions for character retention from the Character Home Zoning Review. Informing this work will be ideas for ground-oriented housing developed through other planning programs such as the Grandview Woodland Plan and Cambie Corridor Phase 3 (see the Ground Oriented Housing Ideas Book <http://vancouver.ca/files/cov/cambie-corridor-phase-3-fall-2015-workshops-housing-types-ideas-book.pdf>). Next steps will also include robust public dialogue about our single-family neighbourhoods, how they could accommodate ideas for increased housing density and choice, and how and where existing character is maintained, evolves, or transforms into the future.

In addition, efforts will be taken to expand legal secondary suites and to review other housing forms including 'Tiny Homes' and 'Collective Housing'.

Who is served? New and existing middle income households, especially families, who are looking to live in lower density neighbourhoods, near parks and schools.

4. **Provide More City Land to Increase Affordable Housing** - Use City-owned and option land and the Vancouver Affordable Housing Agency to deliver more affordable housing units across the City.

Early Actions: The Vancouver Affordable Housing Agency to take forward an additional 8 City-owned and option sites (~1,000 units) for affordable housing development in 2017 to add to their portfolio approach. Initiated through the Mayor's Task Force on Housing Affordability in 2012, the Housing Agency's goals are to ensure resources and projects align with Council goals and objectives; deliver housing as quickly, efficiently, and affordably as possible, identify where greatest impact can be made and act as a

catalyst for innovative housing ideas, and evaluation outcomes and share learnings with the City and senior levels of government.

Begin the deployment of 6 major City (Property Endowment Fund) properties that will see approximately 3,800 new homes constructed, including as many as 900 homes delivered to the City on a turnkey basis, that will be used to meet our new housing affordability targets.

For Exploration: Expand the use of innovative partnerships that leverage City and partner land to attract equity, financing and ultimately deliver affordability, both in the City and in the Metro Vancouver Region e.g. the City's partnership with the 'Community Land Trust'. Continuing to buy land for future use (land-banking) and acquiring turn-key non-market units via air space parcels within market developments, as a result of public benefit negotiations, will help the City to meet housing affordability targets in the next 10-years. These approaches have the potential to attract partner investment and equity to further deepen levels of affordability for local Vancouver residents.

Who is served? New and existing low & middle income renter households. The degree of partner investment significantly affects the range of affordability delivered.

5. Prioritize Affordable Housing Delivery

Recommendation: The City will launch a one-year pilot to prioritize affordable housing planning and development processes in order to speed the production of affordable housing.

Based on extensive feedback from external stakeholders in the development and housing communities (details previously presented to City Council during the March 7, 2017 'Planning and Development Update'), staff have designed an affordable housing priority pilot initiative that will:

1. Establish a *prioritization framework* for housing projects,
2. *Dedicate resources* to support priority pilot projects,
3. Provide a *governance and decision-making framework* that enables issue resolution, and
4. Set *service targets* and test an *expedited process* for priority projects that will aim to reduce the current timeline by half from rezoning application through to building permit issuance.

Prioritization Framework

In order to clearly establish priorities, the pilot will define and communicate criteria for which projects qualify for priority handling. Projects will be selected based on criteria that consider impact, readiness and complexity. For example, a project that meets the following criteria would qualify for the pilot:

- High impact (e.g. high unit delivery and deep affordability), and
- "Ready" to move forward (e.g. funding and partnerships are in place and critical pre-application steps are complete), and
- Relatively low in complexity (e.g. largely in line with current Council policies and does not include other complicating elements such as multiple sites or heritage density transfer.)

Staff will establish a rating method to evaluate projects against these three primary criteria and will launch the criteria alongside the launch of the pilot. The criteria will be evaluated midway through the pilot to confirm the selection criteria is in line with desired outcomes and is well supported by the expedited process.

There are currently around 50 social housing projects under-going a planning and development review. These projects are in various stages of approval and some are close to permit issuance or elsewhere in the process where it does not make sense to switch them to a new pilot process. By removing those projects and passing an initial priority filter on the remaining projects, there are about 20 projects, representing approximately 2,000 units of social housing, that could qualify for this pilot.

Dedicated Resources

The pilot will dedicate staff to the priority affordable housing projects in two key ways:

1. a dedicated project liaison and
2. staff embedded in their respective departments who will provide priority service.

The dedicated project liaison will serve as the single point of contact (SPOC) to an applicant from the rezoning process, development and building permits, and through to the occupancy permit. This SPOC will work with the project applicant to establish and manage to a project timeline and will serve as an ombudsman to address cross-department issues in the process. The embedded staff will serve as the primary project resource within each department who will not only work with the SPOC but who will establish "in-house" affordable housing expertise. In order to dedicate resources to this pilot, the City will reallocate existing resources to this priority effort.

Governance & Decision-Making

The City will establish a two-level governance framework to actively and expeditiously review project decisions and issues. First, the dedicated project resources will meet bi-weekly to discuss all critical items for active pilot projects and will work to resolve key issues and make core decisions as a working group. When decisions or issues need to be escalated, they will be raised to a regular General Manager's meeting dedicated to resolving issues and progressing the priority projects.

Service Targets & Process Changes

In order to expedite priority affordable housing projects, staff will seek to set service level targets that shift the current range of time it takes a project to go from rezoning through building permit (73-95 weeks) to half (approximately 35 weeks)¹³. These estimated targets represent city staff time and staff will work closely with applicants whose projects qualify for this pilot to establish service level targets that they, too, can meet.

In addition, the pilot process will test new processes and examine existing policies to find efficiencies, test new ideas, and remove potential barriers to quality, expedient production. For example, the pilot process will issue preliminary conditions to enable a parallel rezoning/DP process, test new standard legal templates, and allow applicants to start demolitions earlier, under certain circumstances.

¹³ Note: This timing may increase if approvals from third parties are required - for example ministry of Environment.

The purpose of this pilot is to test policy and operational processes and staffing ideas to expedite the production of affordable housing. Staff have engaged a small group of developers, architects, and former employees to test the current pilot ideas and will continue to engage external partners throughout the pilot in order to continually get feedback and adapt ideas over the course of the year. Those ideas that have the greatest impact on outcomes and efficiency will be integrated into business as usual practices over time and will also serve as a foundation to scale similar improvements to other development projects.

With approval from Council to launch the pilot, staff will complete implementation planning and hiring for the effort and expect to launch the pilot in 3-4 months of this report date, with the pilot running 12 months from that time. Within six months staff will report back to Council to provide an update and bring forward any specific learning and improvements.

Who is served? All new and existing low & middle income renter households, who benefit from faster delivery of affordable rental housing.

Smart and Supporting Moves

The City will be further developing smart moves that will ensure *Housing Vancouver* supports existing residents and aligns with our partners.

Support for People Who Are Homeless - The City shares responsibility and leadership to make homelessness 'rare, brief, and one time'. The Regional Mayors Task Force on Homelessness has proposed an action plan to address homelessness, including a focus on preventing pathways into homelessness, services for the homeless, and fostering pathways out of homelessness. Homelessness should be rare, and if it occurs, a person should be able to find shelter and support quickly so that homelessness is brief. Housing stability for that person should be secure, in affordability, quality and tenure, so that cycles of homelessness do not repeat. This model, adopted from King County, Washington, has evolved the City's and the region's thinking on addressing homelessness. Shared goals, targets, resources and accountability are important components to this approach. Alignment with the *Housing Vancouver* strategy will be critical, including initiatives such as coordinated tenant access, preserving existing rental housing and building new rental supply across the region. Alongside this the City advocates for having a shelter welfare rate that is sufficient for people to afford rental housing in Vancouver and the Metro Region, otherwise homelessness is likely to increase.

In addition, the City has developed a specialized Homelessness Services Team and a new homelessness data dashboard to better implement and evaluation of services and initiatives. Strengthening collaboration and shared leadership with other partners, including senior governments, will be essential in next steps going forward. Senior levels of governments, including the federal, provincial, and regional governments continue to be essential to sharing the housing responsibility, especially to address homelessness. Intergenerational poverty cycles require all levels of government to interrupt root causes, including trauma, access to supports, employment, and a minimum guaranteed income.

The SRO Task Force will be bringing back their recommendations in a separate report in April.

Security and Protection for All Renters - Prioritize housing that is affordable, accessible and secure 'as homes first' for individuals and families who need to live and work here.

A healthy rental market is essential to providing a healthy economy and housing system. Currently at 0.6%, there is a rental housing emergency for people trying to access the rental market. As the Metro Vancouver Region overall loses 8% of affordable rental supply per year, the City will continue to work to support replacement in other municipalities as well as continue to increase rental supply in Vancouver.

As Vancouver shows prolonged signs of being a City under acute rental pressure, further efforts will be made to request changes to the Residential Tenancy Act, to limit rent increases in Vancouver, to no more than CPI, in an effort to stabilize rents, while new supply moves the City towards a higher vacancy rate and a more balanced rental market. In addition, possible changes to the Strata Property Act to make it easier for rental pools to be created will be explored with the Province.

Housing Vancouver will seek to create new, more affordable rental housing by further incentivizing a Rental 100 program (new rental supply program), to meet the new housing affordability targets, secured with a housing agreement. In addition, the City will explore new financial incentives for private and non-profit/co-op owners of existing rental, to incentivize re-investment, affordability and a greener footprint. This would create a great opportunity for alignment with a Federal/Provincial investment program, with similar goals, should such a program be created in the future. Further work also involves carrying out the necessary feasibility work and consultation to complete the review of the Rental Housing ODP.

A new Short-Term Rental Policy is another example of how *Housing Vancouver* will take a 'secure homes first' approach and dis-incentivize housing as a commodity. Several approaches to new tax policies were also discussed during the consultations to date, and covered options for a more equitable distribution of wealth between generations, between renters & owners, and provided potential additional revenue sources for the City, which could be used to further meet the new housing affordability targets. Significantly more feasibility and consultation work is required to move this forward.

Align City, Residents & Partners to a Shared Vision - The City of Vancouver is one of many partners who has a significant part to play in improving housing affordability.

Metro Vancouver as a region, in particular has a vital role to play in coordinating, regulating and preserving existing affordability in older rental supply, as well as enabling new supply to better meet the region's housing demand. Non-profit and private developers both have significant expertise, ambition and assets and want to positively impact housing affordability across the City. New partnership models with all sectors could enable more financially sustainable affordable housing for the long-term. Improving the City's partnerships with non-profit, co-op and Aboriginal housing partners, including adopting shared principles, was an important learning from this phase of the work.

Housing Vancouver acknowledges the need to influence the changes that are happening across Vancouver, including in single family neighbourhoods, whether development is occurring there or not. Declining populations in Arbutus Ridge (-500), Kerrisdale (-800), and Dunbar (-300) from 2011 to 2016, indicate 'emptying out' of

Vancouver's neighbourhoods, impacting the diversity of households and the vibrancy of local business areas, parks and schools. Consideration will be given to new virtual participation models for decision-making to allow for inclusion of younger generations, including families. Successfully engaging a broader range of residents, including younger generations, in formal decision-making about the future of the Vancouver will help ensure the City and its partners are aligned and accountable to the future liveability, inclusivity and prosperity of Vancouver.

The next steps are for the City to engage the community to test our thinking, hear people's ideas and develop a new Housing Strategy to deliver the Right Supply

Much of the work reflected in these emerging directions indicates a larger program for consideration, including transportation, regional growth, and urban planning. Although more technical review and engagement will allow the *Housing Vancouver* strategy to complete the strategic framework for action in July 2017, a longer-term approach to bolstering a City and regional response in partnership with other sectors and levels of government will be necessary in various phases stemming out of this.

Throughout April and May the City will undertake strategic, transparent and meaningful engagement with residents to test emerging housing strategies through participatory research. We will be convening conversations with a wide range of residents with different housing needs and challenges. This public engagement will allow access to test if these are the right directions and to gain a deeper understanding of how the housing crisis is impacting residents.

- Engagement process - May and June
- Analysis - April - June
- Housing Reset Report in July

Implications/Related Issues/Risk

Financial

In the 2015-2018 Capital Plan, Council has set aside an unprecedented \$165 million of strategic investments for affordable rental housing, including \$40 million for renewal and \$125 million for new housing. This represents an overall increase of \$40 million (32%) (from the original \$125 million) since the Capital Plan was adopted in late 2014. As well, the City offered 20 sites to leverage senior government partnerships to increase the affordable rental housing supply, of which four sites have since secured some funding/financing from BC Housing. The City is currently moving forward on eight additional sites and seeking to further secure funding from our provincial and federal government partners. In addition to these substantial investments, the City has also been securing a significant number of new affordable rental housing units as part of market development through land use policies.

Below is a summary of the City's typical enabling tools to leverage affordable rental housing supply, in partnership with senior levels of government and private and/or non-profit housing partners:

- ***Contributions through Development*** - As part of market residential and/or mixed use development, there are opportunities for the City to secure “turn-key” affordable rental housing through voluntary community amenity contributions and/or inclusionary zoning policies. The City procures housing partners to lease, operate and maintain the housing projects at prescribed affordability over the lease term (typically 60 years).
- ***City Land Contributions*** - Through long term land leases to housing partners at lower end of market rent (to provide security in tenure) or subsidized below market rent (to achieve a desired level of affordability) for 60 years or longer, the City continues to leverage new affordable housing on City land. The City procures housing partners to design, build, finance, operate and maintain the housing projects on a long-term leasehold basis, 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 supportive housing and 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.

Consistent with Council policies, non-market housing projects are expected to be self-sustaining and do not require further operating subsidies, property tax exemptions, and/or financial guarantees from the City. The City works with its housing partners on an operating model and tenant mix that achieves the desired level of affordability while optimizing long-term viability. The only exception to this is supportive housing. If a project qualifies and is designated by the Province as supportive housing, it is subject to special valuation rules that reduce the assessed value to a nominal amount and are effectively exempt from property taxes.

In light of the unprecedented housing affordability challenge Vancouver is facing, the City cannot act alone as its financial capacity is limited. Vancouver is only one of many partners in delivering the much needed affordable housing. Senior levels of government (Metro Vancouver, the Province and the Federal Government), non-profit and charitable housing partners and private developers can contribute their land, equity and expertise, and play a significant role in achieving housing affordability, enabling diversity and supporting economic development in the City and the region.

The City will also explore innovative tax policies at the municipal level as well as the provincial/federal level through working with senior governments to incentivize creation and maintenance of affordable housing supply, which will form part of the report back.

With regards to Recommendation B - Rezoning, Development & Building Permit pilot to prioritize affordable housing projects, the resource requirements for the current year will be accommodated within the 2017 budget. Any additional resource requirements for future years will be brought forward as part of 2018 budget process.

CONCLUSION

The Right Supply of housing for local residents is urgently needed. A new housing strategy for Vancouver will require targeted responses and ongoing commitments from the City and all its partners to ensure Vancouver continues to be a liveable city. Housing contributes significantly to the local, provincial and national economies. This success should not be at the expense of sacrificing the security of housing for the people that live, work and play here. Next steps will be to launch public engagement to seek input on the emerging directions, as well as to complete technical analysis on these options. A final draft of the new *Housing Vancouver* strategy will be brought back for Council in July 2017.

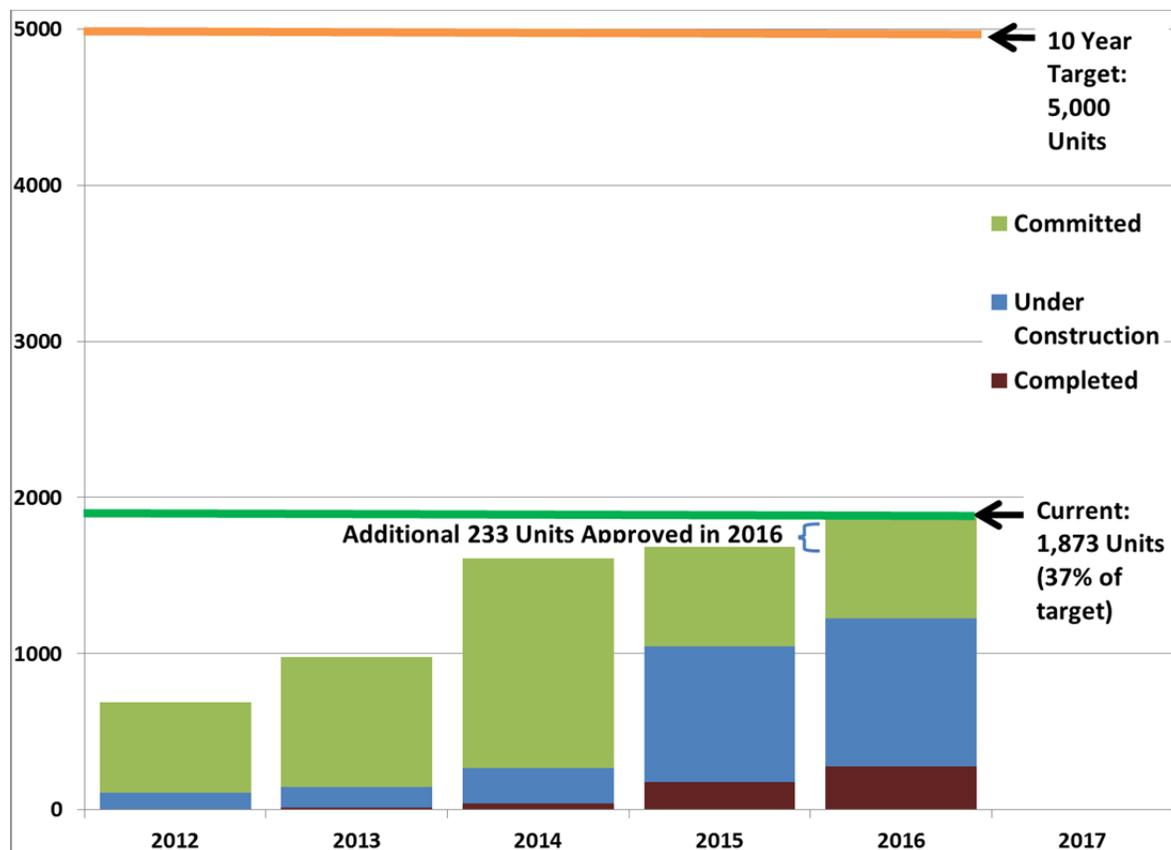
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APPENDIX A - Housing & Homelessness Strategy Progress Report

Table 1. Progress Towards Targets - December 31, 2016

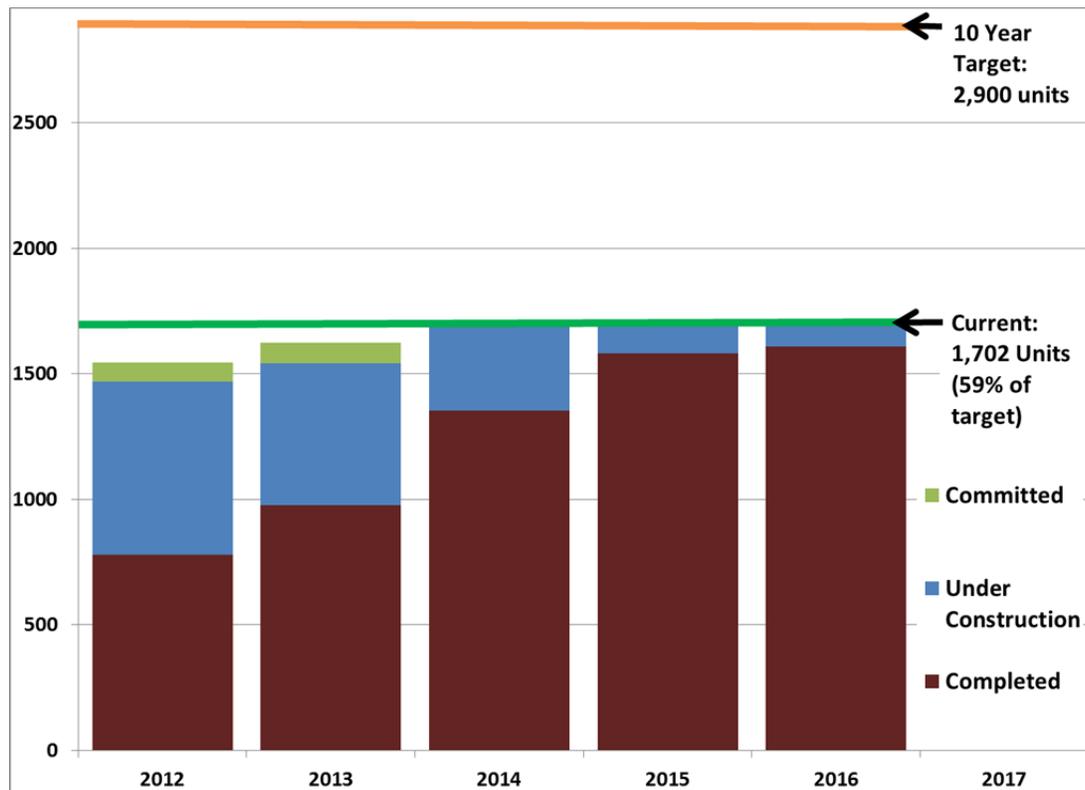
Housing Target	Social	Supportive	Secured Market Rental	Suites & Laneways
2016 Total	1,873	1,702	6,568	4,558
2021 Target	5,000	2,900	5,000	6,000
% Achieved of Target	37%	59%	131%	76%

Figure 1. Social Housing Enabled - December 31, 2016



- 125 units completed in 2016

Figure 2. Supportive Housing



- 28 units opened in 2016

Figure 3. Market Rental - December 31, 2016

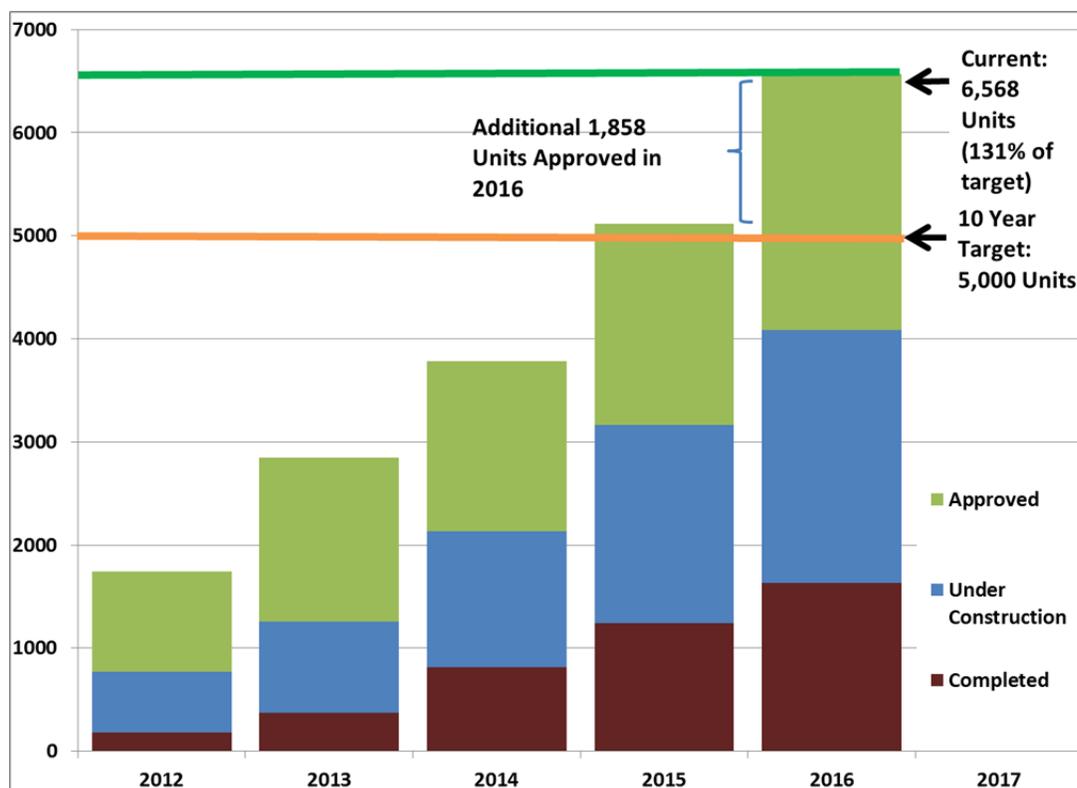


Figure 4. Suites and Laneways - December 31, 2016

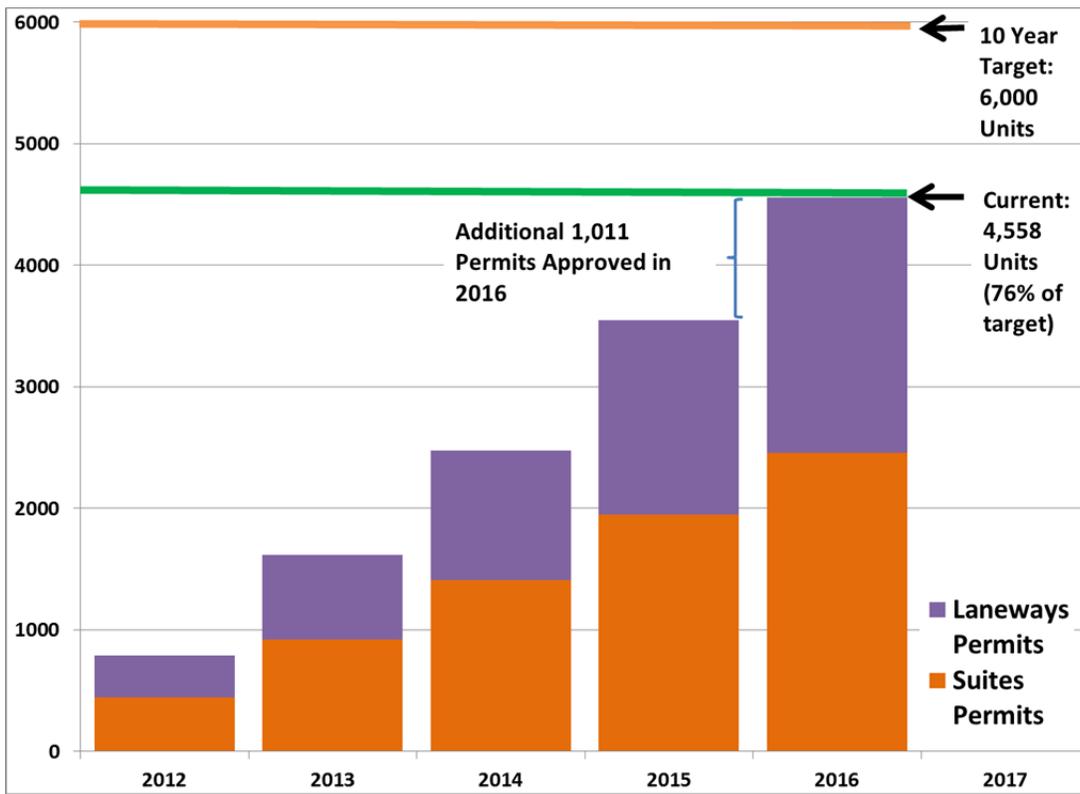
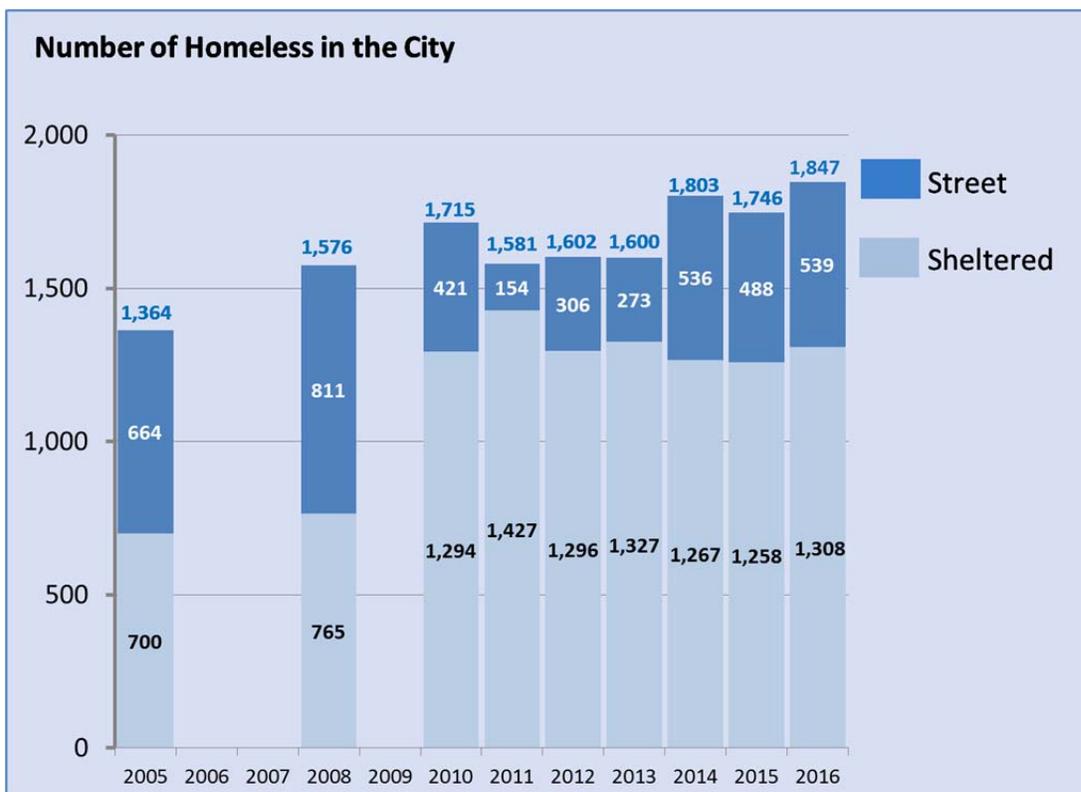


Figure 5. 2016 Homelessness Chart



Housing Re:Set Data Book:

Additional Information

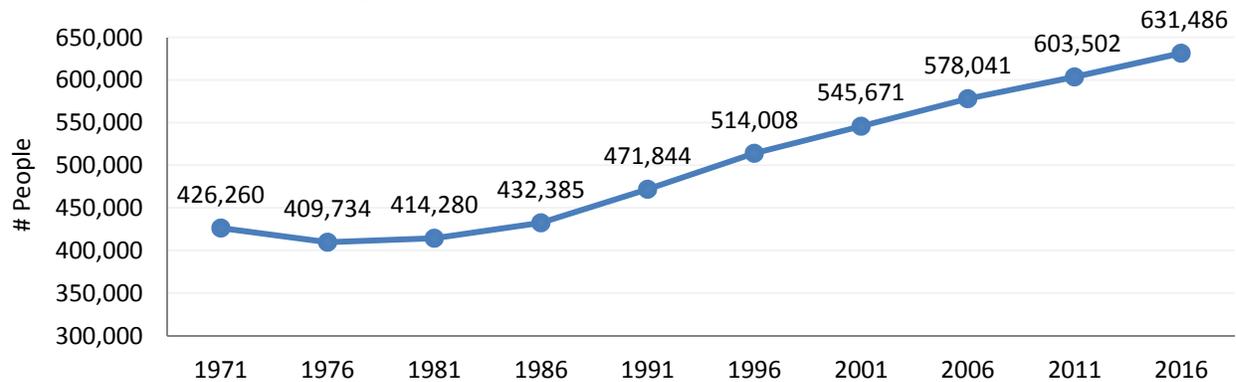


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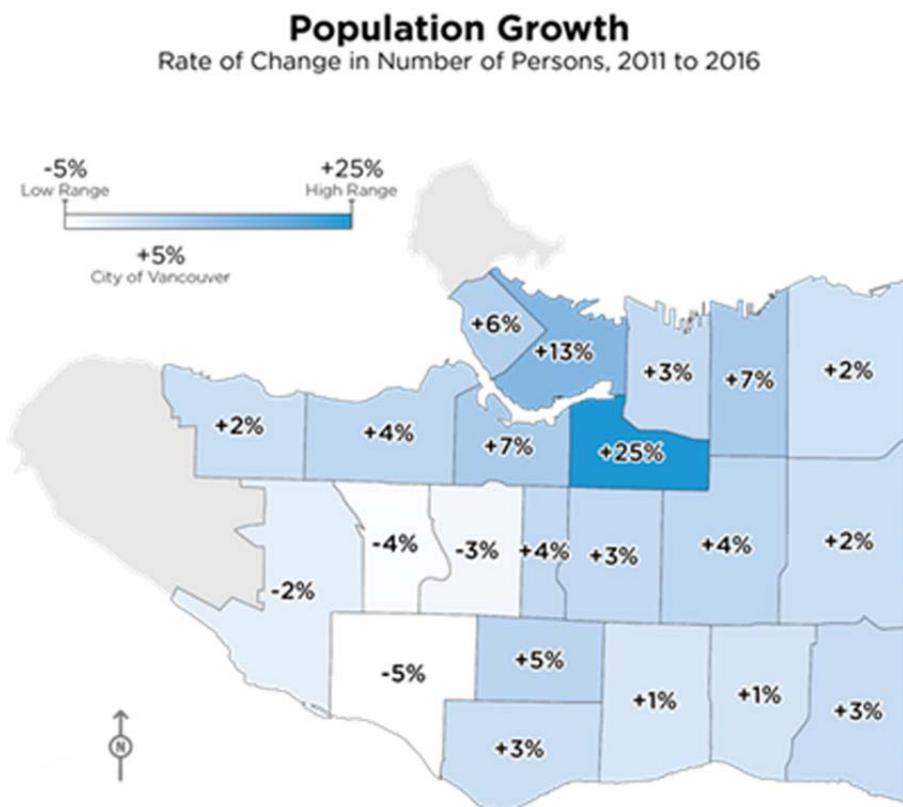
1. Population

Graph 1a. Vancouver Population from 1971 to 2016



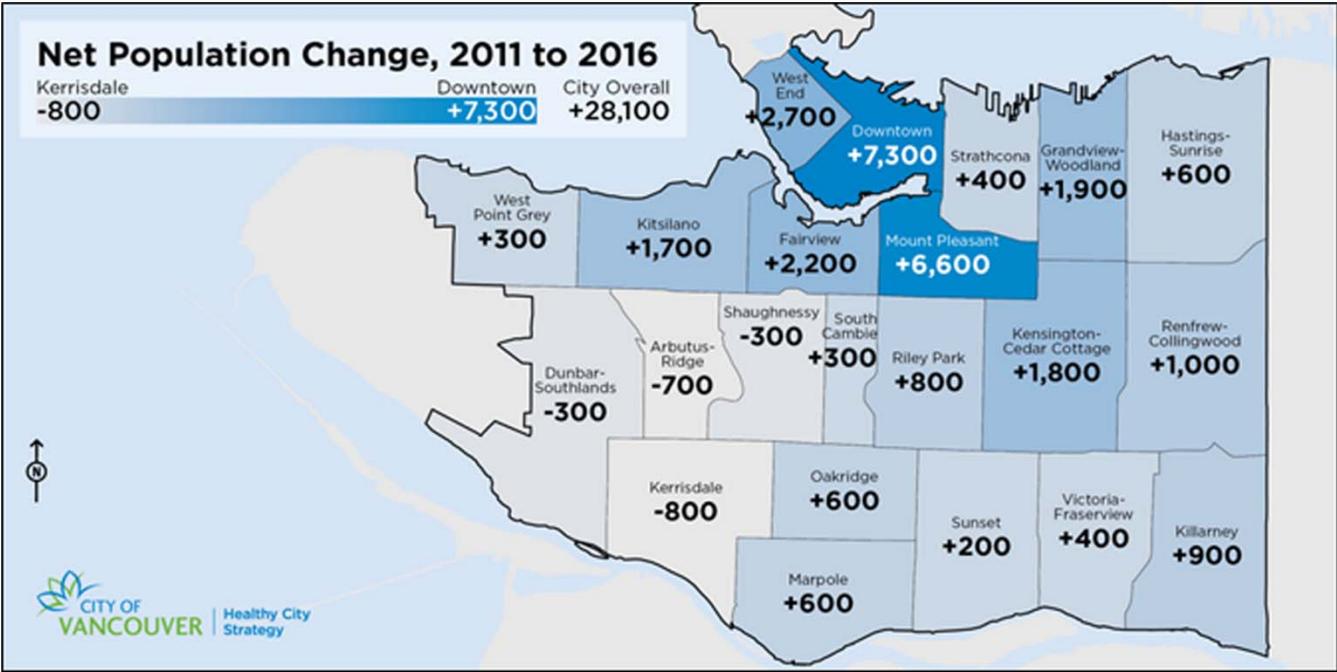
Source: Census 1971-2016, Statistics Canada

Map 1a. Vancouver Population Growth (%) from 2011-2016



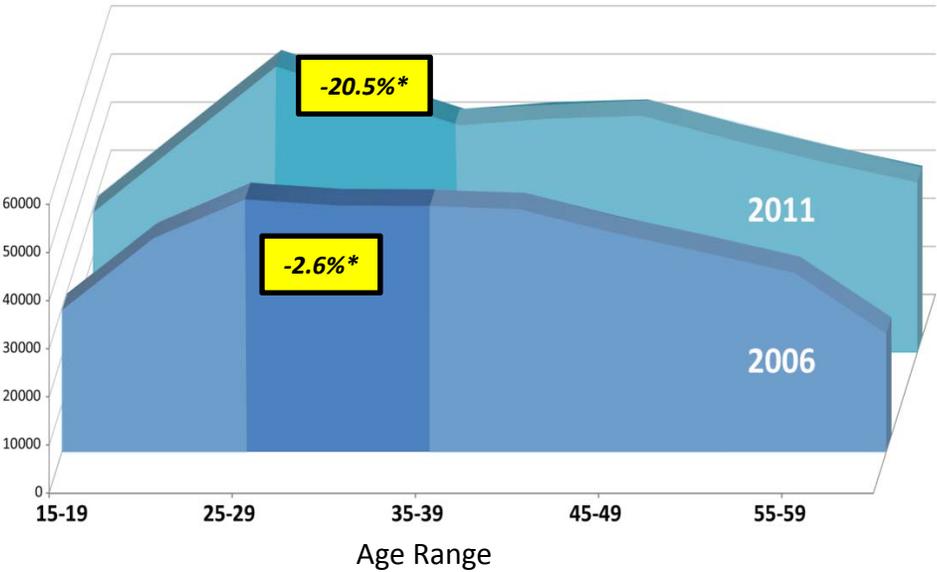
Source: Census 2011 and 2016, Statistics Canada

Map 1b. Absolute Population Growth in Vancouver from 2001-2016



Source: Census 2011 and 2016, Statistics Canada

Graph 1b. Vancouver Population Distribution 2006 and 2011:



Source: Census 2006 and 2011, Statistics Canada

*Note: The steeper disproportion of 25-29 year olds to 35-39 year olds in 2011 than in 2006.

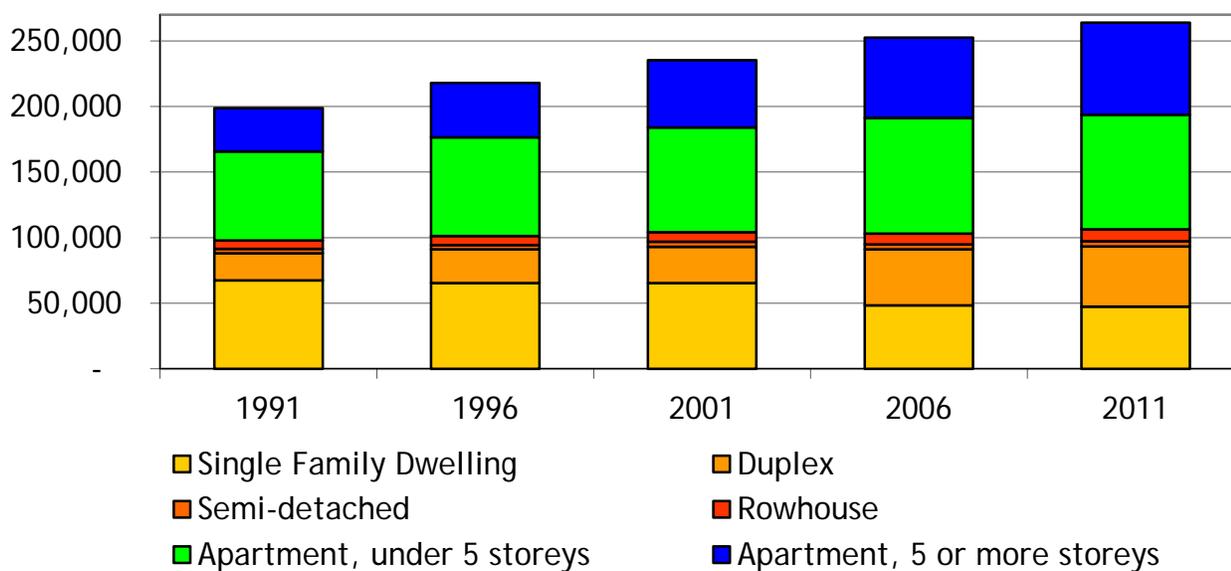
Table 1a. Vancouver Population Distribution in 2006 and 2011

Age Range	Population By Year	
	2006	2011
15-19	29,485	29,095
20-24	44,440	44,285
25-29	52,490	59,465
30-34	51,230	53,335
35-39	51,135	47,230
40-44	50,425	48,640
45-49	45,650	49,195
50-54	41,515	44,105
55-59	37,180	39,500
60-64	24,570	35,365

Source: Census 2006 and 2011, Statistics Canada

2. General Housing

Graph 2a. Total Households by Dwelling Type from 1991-2011



Source: Census 1991-2011, Statistics Canada

Table 2a. Total Occupied Households by Dwelling Type from 1991-2016

	1991	1996	2001	2006	2011	2016*
Single Family Dwelling	67,480	65,420	65,390	48,365	47,430	-
Duplex	20,620	25,660	27,650	42,765	45,845	-
Semi-Detached	3,355	3,245	3,910	3,760	4,000	-
Row house	6,390	6,935	7,295	8,230	9,040	-
Apartment, under 5 storeys	67,830	75,195	79,755	88,180	87,430	-
Apartment, 5 or more storeys	33,110	41,525	51,375	61,330	70,270	-
other	0	560	720	585	455	-
Total	198,785	218,540	236,095	253,215	264,470	283,916

Source: Census 1991-2016, Statistics Canada

*Note: Dwelling counts by type are not available for 2016.

3. Current Housing Mix

Graph 3a. Current Mix By Tenure, 2011 and 2016*

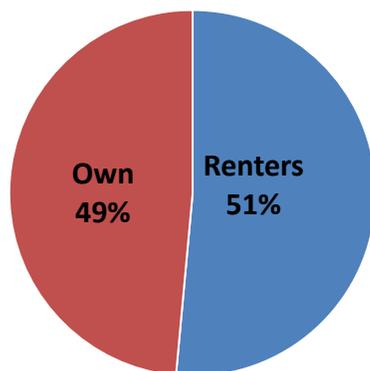


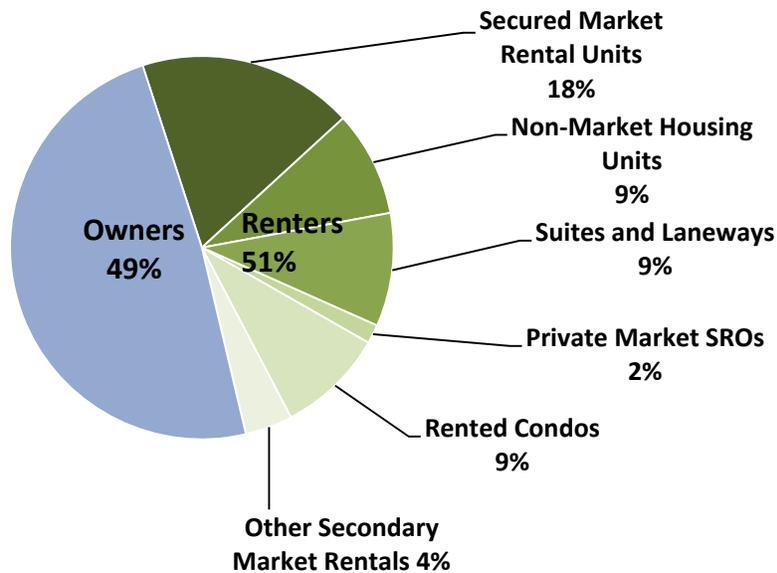
Table 3a. Current Mix by Tenure, 2011 and 2016*

Households By Tenure	# Households (2011)	# Households (2016 Estimated*)
Renter	136,130	146,087
Own	128,440	137,829
Total	264,470	283,916

Source: National Household Survey 2011, Statistics Canada

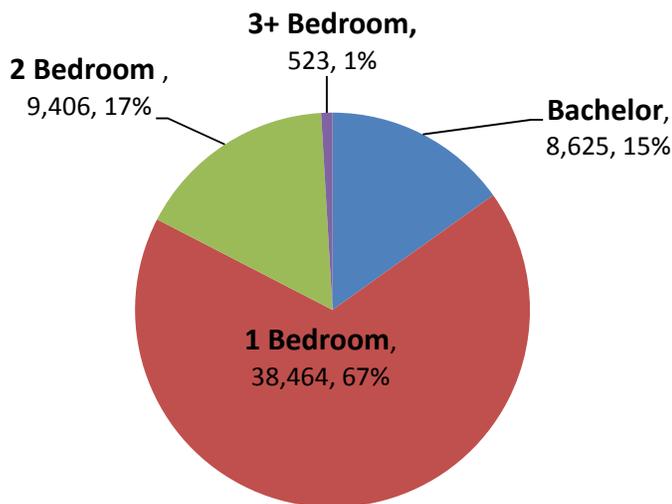
*Note: The current tenure mix for 2016 was extrapolated by carrying forward the tenure mix proportions in 2011.

Graph 3b. Current Mix of Rental Housing by Type, 2016 Estimated



Source: City of Vancouver estimated, 2016

Graph 3c. Bedroom Breakdown of Rental Apartments for Families in Vancouver, 2016

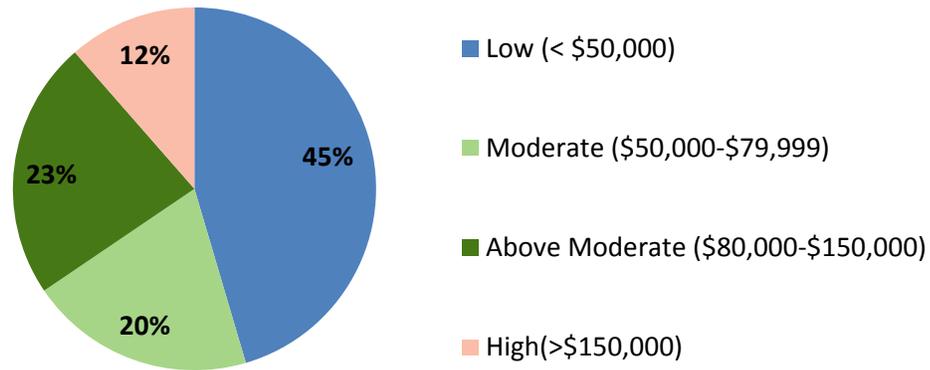


Source: Rental Market Survey 2016, CMHC

**Note: Only 18% of the purpose-built rental apartment stock in Vancouver consists of 2 bedroom and 3 or more bedroom units suitable for families with children.*

4. Income

Graph 4a. Income Distribution in Vancouver, 2011



Source: National Household Survey 2011, Statistics Canada

Table 4a. Income Distribution in Vancouver, 2011

Income Groups	# Households (2011)
Low (< \$49,999)	120,205
Moderate (\$50,000-\$79,999)	53,145
High (\$80,000-\$150,000)	60,945
Above Moderate >\$150,000)	30,265

Source: National Household Survey 2011, Statistics Canada

5. Defining Housing Needs for the “Missing Middle”

Table 5a. “Missing Middle” Renter Households by Income and Age Groups, 2011

Income Groups	Age Range	# of Family, Couple, and Roommate Renters	# of Single Renters	# Total Renters
Earning < \$50,000	Less than 25 years	4,220	3,830	8,050
	25 - 34 years	8,675	12,530	21,205
	35 - 44 years	6,285	8,010	14,295
	Total HHs	19,180	24,370	43,550
Earning \$50,000-\$80,000	Less than 25 years	1,270	160	1,430
	25 - 34 years	5,570	3,470	9,040
	35 - 44 years	4,120	28,45	6,965
	Total HHs	10,960	6,475	17,435
Earning \$80,000-\$150,000	Less than 25 years	570	45	615
	25 - 34 years	6,405	1,280	7,685
	35 - 44 years	4,390	1,480	5,870
	Total HHs	11,365	2,805	14,170
Earning >\$150,000	Less than 25 years	45	0	45
	25 - 34 years	1,385	115	1,500
	35 - 44 years	1,545	200	1,745
	Total HHs	2,975	315	3,290
Total Households	<45 years	44,480	33,965	78,445

Source: National Household Survey 2011, Statistics Canada

Table 5b. “Missing Middle” Renters Households Burdened By Housing Costs by Income Groups, 2011

	Age Group	Earning < \$50,000		Earning \$50-\$80,000		Earning \$80-\$150,000	
		# HHs paying >30%	# HHs paying >50%	# HHs paying >30%	# HHs paying >50%	# HHs paying >30%	# HHs paying >50%
# of Family, Couple, and Roommate Renters	Less than 25 years	2,200	1,220	320	0	0	0
	25 - 34 years	5,035	2,165	1,130	80	145	0
	35 - 44 years	3,410	1,370	875	150	180	0
	Total HHs	10,645	4,755	2,325	230	325	0
Single Renters	Less than 25 years	1,635	965	0	0	0	0
	25 - 34 years	6,245	3,095	435	0	0	0
	35 - 44 years	4,035	1,575	160	0	25	0
	Total HHs	11,915	5,635	595	0	25	0
Total Renters	Less than 25 years	3,835	2,185	320	0	0	0
	25 - 34 years	11,280	5,260	1,565	80	145	0
	35 - 44 years	7,445	2,945	1,035	150	205	0
	<45 years	22,560	10,390	2,920	230	350	0

Source: National Household Survey 2011, Statistics Canada

*Note: Data above only reflects households spending either 30-99% or 50-99% of annual income on housing costs.

Table 5c. “Missing Middle” Owner Households by Income and Age Groups, 2011

Income Groups	Age Range	# of Family, Couple, and 2 Person or More Non-Family Owners	# of Single Owner	# Total Owners
Earning < \$50,000	Less than 25 years	825	750	1,575
	25 - 34 years	1,590	2,300	3,890
	35 - 44 years	3,695	1,745	5,440
	Total HHs	6,110	4,795	10,905
Earning \$50,000-\$80,000	Less than 25 years	310	65	375
	25 - 34 years	1,730	1,670	3,400
	35 - 44 years	2,900	1,520	4,420
	Total HHs	4,940	3,255	8,195
Earning \$80,000-\$150,000	Less than 25 years	195	0	195
	25 - 34 years	3,535	980	4,515
	35 - 44 years	6,845	1,560	8,405
	Total HHs	10,575	2,540	13,115
Earning >\$150,000	Less than 25 years	105	0	105
	25 - 34 years	1,770	200	1,970
	35 - 44 years	5,275	420	5,695
	Total HHs	7,150	620	7,770
Total Households	<45 years	28,775	11,210	39,985

Source: National Household Survey 2011, Statistics Canada

Table 5d. “Missing Middle” Owner Households Burdened By Housing Costs by Income Groups, 2011

	Age Group	Earning < \$50,000		Earning \$50-\$80,000		Earning \$80-\$150,000	
		# HHs paying >30%	# HHs paying >50%	# HHs paying >30%	# HHs paying >50%	# HHs paying >30%	# HHs paying >50%
# of Family, Couple, and 2 or More Person Non-Family Owners	Less than 25 years	285	200	155	45	15	0
	25 - 34 years	675	410	825	185	580	45
	35 - 44 years	1,700	1,035	1,475	635	1,560	270
	Total HHs	2,660	1,645	2,455	865	2,155	315
Single Owners	Less than 25 years	155	95	0	0	0	0
	25 - 34 years	1,250	580	710	65	60	0
	35 - 44 years	820	385	510	25	210	0
	Total HHs	2,225	1,060	1,220	90	270	0
Total Owners	Less than 25 years	440	295	155	45	15	0
	25 - 34 years	1,925	990	1,535	250	640	45
	35 - 44 years	2,520	1,420	1,985	660	1,770	270
	<45 years	4,885	2,705	3,675	955	2,425	315

Source: National Household Survey 2011, Statistics Canada

*Note: Data above only reflects households spending either 30-99% or 50-99% of annual income on housing costs.

6. Estimated Housing Demand and Supply

Graph 6a. Estimated Housing Supply in 10 Years from 2016-2026

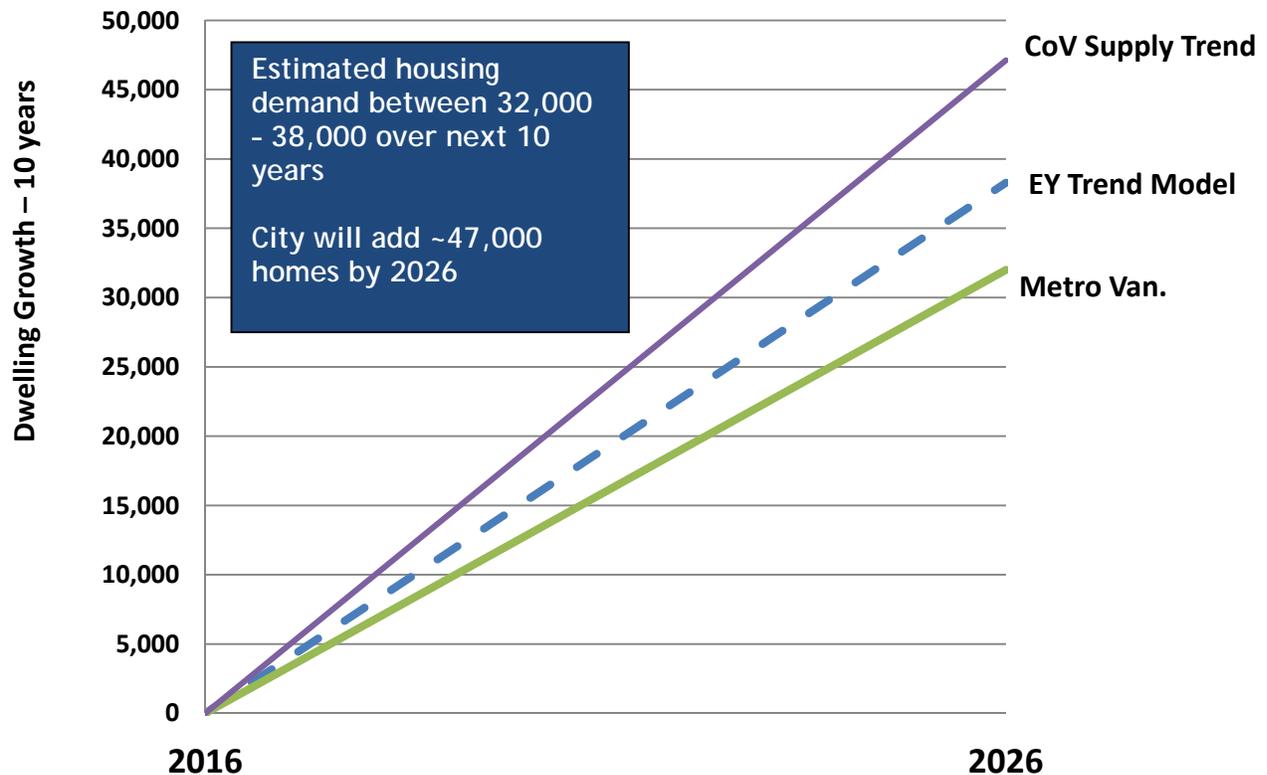


Table 6a. Estimated Housing Supply and Demand in 10 Years

Year	Demand		Supply
	¹ EY Trend Model	² Metro Vancouver	³ CoV
2026	38,287	32,000	47,800

Sources:

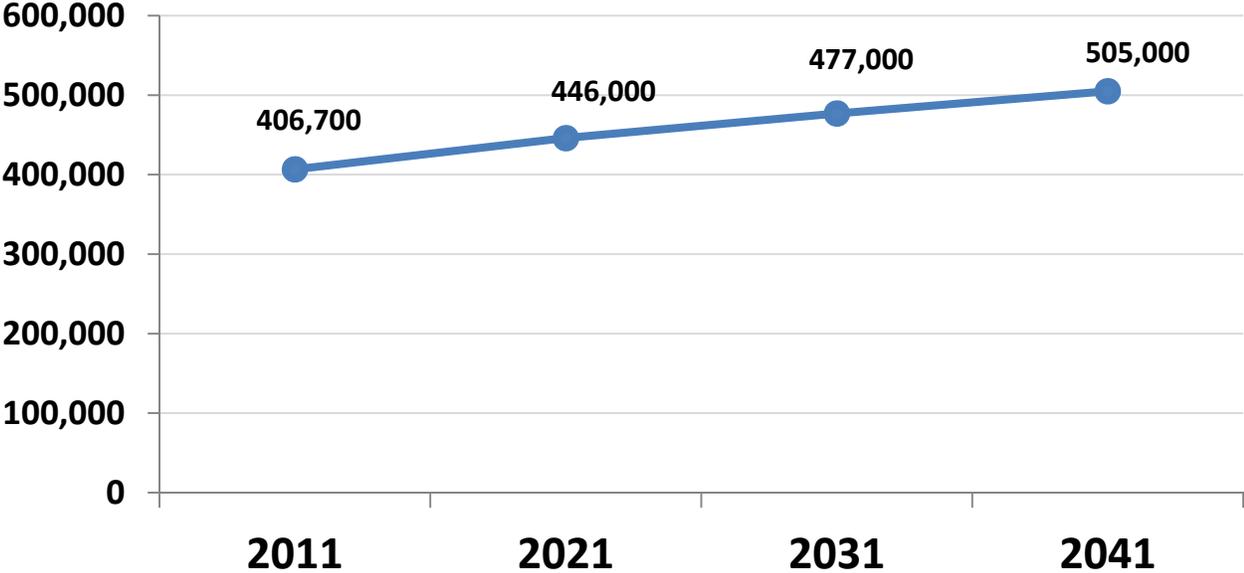
¹ Ernst Young: City of Vancouver Demand Forecast based on Income, February 2017

² Metro Vancouver Regional Affordable Housing Strategy, 2016

³ CoV Development Permit Summary Information, 2016

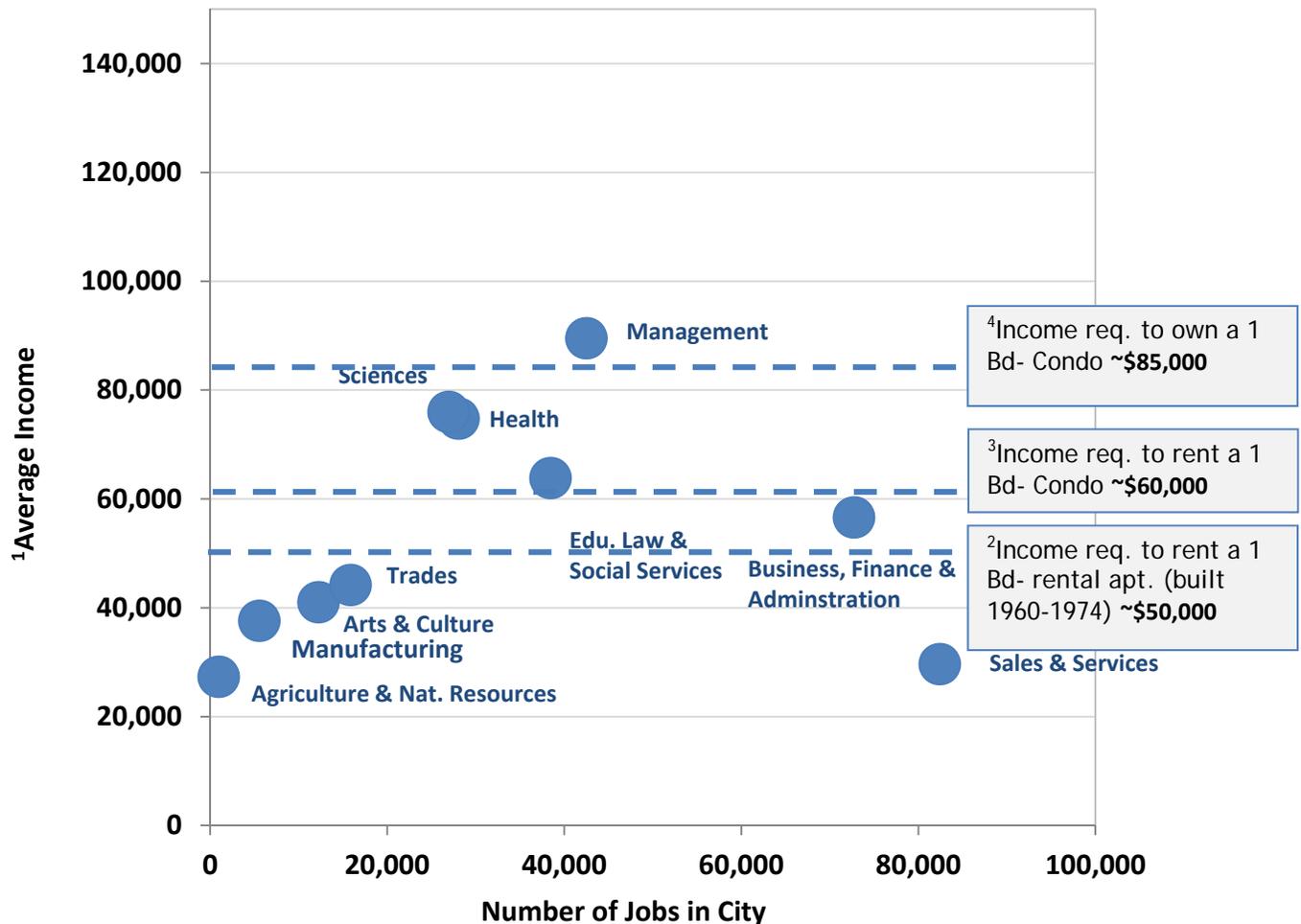
7. Employment

**Graph 7a. Anticipated Job Growth in the City of Vancouver
from 2011-2041**



Source: Metro Vancouver Regional Growth Strategy, 2015

Graph 7b. Job Industry by Average Income and Housing Affordable to Income for Singles, 2016



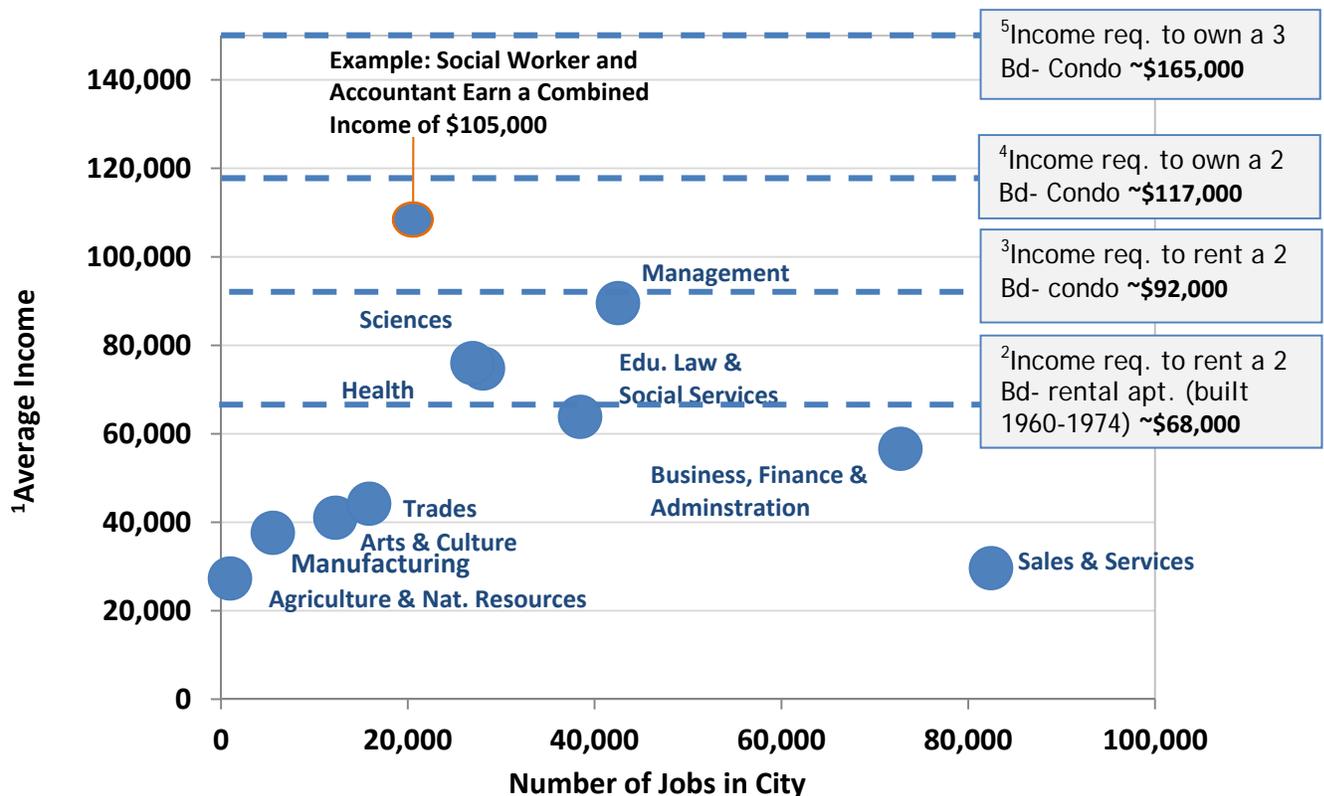
Sources:

- ¹National Household Survey 2011, Statistics Canada
- ²1-Bedroom rental apartment average rent-Rental Market Report 2016, CMHC
- ³1-Bedroom Condo average rent- Rental Market Report 2016, CMHC
- ⁴1-Bedroom Condo Sales Data 2015, BC Assessment

Note:

- ¹ Average Incomes have been adjusted for Inflation.
- ² Income required for 1-bedroom rental apartment built between 1960-1974 were calculated by multiplying rents by 12 and dividing by 30%.
- ³ Income required for 1-bedroom condo were calculated by multiplying rents by 12 and dividing by 30%.
- ⁴ The cost to own 1-bedroom condo is based on the following assumptions in 2015: median of all BC Assessment recent sales prices in Vancouver Eastside in 2015 by unit type, 10% down payment, 5% mortgage rate, 25-year amortization, \$150 monthly strata fees and monthly property taxes at \$3.54 per \$1,000 of assessed value.

Graph 7c. Job Industry by Average Income and Housing Affordable to Income for Families, 2016



Sources:

- ¹National Household Survey 2011, Statistics Canada
- ²2-Bedroom rental apartment average rent-Rental Market Report 2016, CMHC
- ³2-Bedroom Condo average rent- Rental Market Report 2016, CMHC
- ⁴2-Bedroom Condo Sales Data 2015, BC Assessment
- ⁵3-Bedroom Condo Sales Data 2015, BC Assessment

Note:

- ¹ Average Incomes have been adjusted for Inflation.
- ²Income required for 2-bedroom rental apartment built between 1960-1974 were calculated by multiplying rents by 12 and dividing by 30%.
- ³Income required for 2- bedroom condo were calculated by multiplying rents by 12 and dividing by 30%.
- ⁴The cost to own 2-bedroom condo is based on the following assumptions in 2015: median of all BC Assessment recent sales prices in Vancouver Eastside in 2015 by unit type, 10% down payment, 5% mortgage rate, 25-year amortization, \$150 monthly strata fees and monthly property taxes at \$3.54 per \$1,000 of assessed value.
- ⁵The cost to own 3-bedroom condo is based on the following assumptions in 2015: median of all BC Assessment recent sales prices in Vancouver Eastside in 2015 by unit type, 10% down payment, 5% mortgage

8. Social Housing Waitlist

Table 8a. Total Social Housing Waitlist in Vancouver by Type from 2010-2016

Year	Housing Need Category								Total
	Family	People with disabilities	Seniors	Wheelchair Modified	Singles	Rent Supplements	Transfers	Pending Applications	
2010	803	811	863	75	322	2	335	1	3,212
2011	816	732	887	90	317	0	365	2	3,209
2012	990	962	1,181	130	374	1	501	5	4,144
2013	864	1,051	1,316	133	324	2	554	10	4,254
2014	838	1,091	1,492	168	368	2	601	9	4,569
2015	829	1,031	1,516	179	405	3	648	6	4,617
2016	872	1,054	1,509	163	404	1	677	5	4,685

Source: BC Housing: Housing Registry Statistics, 2010-2016

Table 8b. Total Social Housing Waitlist from 2010-2016: Vancouver Vs. Metro Vancouver

Year	2010	2011	2012	2013	2014	2015	2016
Vancouver	3,212	3,209	4,144	4,254	4,569	4,617	4,685
Metro Vancouver	7,655	7,748	9,808	10,092	10,535	10,742	11,160
Vancouver as % of Metro Vancouver	42%	41%	42%	42%	43%	43%	42%

Source: BC Housing: Housing Registry Statistics, 2010-2016

APPENDIX C - Engagement Summary

Engagement Activity Report and What We Heard

Summary:

The City has convened many conversations and consultations to deepen our understanding of peoples' experiences and learn national and international best practices to address housing affordability

1. Creative Advisories have studied and reported on many dimensions of the housing system:

Creative Advisory	Purpose and Goals	Types of People/Groups
Evidence-Based Responses to Homelessness	Identify challenges impeding work to find lasting solutions to homelessness	Professionals and community members specializing in housing, healthcare, and services for individuals who are currently homeless or at risk of homelessness, including representatives from health and addictions services and supportive housing providers.
Accelerating Nonprofit/City Partnerships	Examine current Non-Profit/City Partnership models for existing strengths and opportunities to improve as well as collaborate on potential new partnership avenues to accelerate the delivery of non-market housing in Vancouver.	Local affordable non-profits, advocacy/research organizations, and government representatives
The Economy and Housing for Young Workers	Better understand and identify opportunities to address the squeeze on young households and middle-income families resulting from the rapid rise of housing costs for both rental and ownership housing.	Representatives from local organizations serving young people and families, academic experts, and young workers.
Strategic Investment in Rental Housing	Explore opportunities for new partnerships to drive investments in Vancouver's rental housing supply, ranging from reinvestment in the City's existing housing and strategies for driving	Development and rental market professionals, tenant representatives and advocates, regional, provincial, and federal government staff working on rental housing reinvestment issues.

Creative Advisory	Purpose and Goals	Types of People/Groups
	new supply, with an emphasis on affordability and ensuring protections for renters.	
Affordable Housing Innovation and Design	Identifying and consulting on how the City can better become a facilitator in providing affordable housing solutions through design.	Local professionals in the fields of design, architecture, urban issues, and public engagement.

2. Specific Workshops and Expert and Community Groups have been convened

Engagement Event	Description
Mayor's Expert Advisory Committee	The Mayor's Affordable Housing Advisory Committee is comprised of local architects, academics, and non-profit housing operators. The group is convened by the Mayor from time to time to discuss housing trends and policies in the city, and to seek input on how the City can best address affordability challenges in Vancouver. The committee has met four times to date.
Missing Middle Workshop	One-time convening of local experts, stakeholders, and City staff to focus in on opportunities and challenges relevant to the 'Missing Middle' - both the moderate-income young people and families currently underserved by Vancouver's housing market, and the 'missing' housing forms that could better serve the needs of this group.
Development Advisory Group	The Development Advisory Group (DAG) was convened to bring together a group of experts to provide City Council and staff with advice on ways to expedite the City of Vancouver's development process, with the overarching objective of improving the permitting and development process.
SRO Task Force	The SRO Task Force was convened to address ongoing challenges that are facing this critical stock of affordable housing. This diverse Task Force engaged with stakeholders including tenants and owners to determine the challenges and opportunities to improve livability and address a range of issues in SROs.
Shaping Futures - Housing Policy in the 21 st Century	Shaping Futures is an international knowledge exchange and knowledge building project whose aim is to provide a forum for dialogue on housing policies for the 21 st century. Shaping Futures brings together experts from Australia, Canada and the UK to identify ways to support new strategies to deliver affordable housing.
Local Resident Focus Groups	The City of Vancouver, with Cause + Affect, has been conducting online Public Market Research to inform the development of storytelling and messaging concepts that resonate with the public and connect the City of Vancouver housing policy to people's lives at a community and personal level.

Engagement Event	Description
Urban Development Institute & City of Vancouver Liaison Policy Committee	Convening between City leadership the Urban Development Institute Vancouver Liaison Committee to discuss key policy issues and opportunities relevant to Vancouver's development community.

3. re:address Week

Engagement Event	Description
re:address Week	<p>The re:address conference and co-occurring week of events convened a critical, international, and solutions-based discussion among housing experts from global cities that are experiencing housing crises like Vancouver, residents, academics, non-profits, and other stakeholders. It convened external global and local expertise with 35 speakers representing Vancouver, Calgary, Winnipeg, Toronto, San Francisco, New York, Edinburgh, Amsterdam, Glasgow, Vienna, Melbourne, Sydney, and Tamaki Makaurau (Auckland). re:address included 14 events; 8 of which were free for the public.</p> <p>re:address was also supported by a partnership with the University of British Columbia, both through a re:address Conference Advisory Committee and the Vancouver Housing Lab.</p>

4. National Stakeholders Have Been Engaged

Engagement Event	Description
Federal/Provincial/Municipal Housing Supply Working Group	In November 2016, City of Vancouver leadership and staff participated in a series of discussions hosted by the federal Ministry of Social Infrastructure focused on challenges and opportunities for expanding housing supply in Canada's cities experiencing serious housing affordability issues. Participants in these discussions included federal and provincial housing staff, as well as staff from the Cities of Vancouver and Toronto.
National Housing Strategy Submission	The City of Vancouver drafted a comprehensive submission to the federal government National Housing Strategy, submitted in early November after the re:address conference. Its recommendations are informed by ongoing discussions with local and international partners on the housing challenges facing big cities and their residents.

Learning from Our Partners: The Housing Reset Engagement Strategy

The Housing Strategy Housing Reset is built on a platform of deep, sustained engagement with our local, national, and global partners. This engagement is critical to ensuring that the Housing Vancouver 2026 Strategy reflects the needs, goals, and aspirations of the City's diverse communities, as well as the knowledge and experience of housing leaders across Canada and around the world.

The Housing Reset has also seen Vancouver join a growing network of global cities working to learn, share, and address the global challenges of urban growth, affordability, and sustainability. This work has revealed the linkages between Vancouver's challenges and those of cities across Canada, North America, and the rest of the world - and underscored the importance of collaboration and learning to inform our solutions.

This report lays out the Housing Reset engagement process to date, highlighting what we heard and learned from the local, national, and global partners who are shaping the emerging policy directions for the City's revised affordable housing strategy.

Developing the Housing Reset Engagement Strategy

The process of developing an engagement strategy for the Vancouver Housing Housing Reset began with a simple question - if the goal is an ambitious, inclusive, and visionary housing strategy for all Vancouverites, who ought to be at the table?

This question became the foundation for a multi-phase stakeholder engagement process, which emphasized deep conversations with key practitioners, thinkers, and leaders from Vancouver and across the globe. The bulk of these conversations took place over the 6-month period from July 2016 to February 2017.



Across these engagement platforms, partners were encouraged to hone in on the critical housing challenges facing Vancouverites across the income spectrum. Even more importantly, they were pushed to bring ‘big ideas’ to the table - ambitious, even radical solutions to help keep Vancouver affordable, inclusive, and sustainable for the next 10 years and beyond. These reset ‘big ideas’ are the seeds of the emerging directions for *Housing Vancouver*.

Engaging Partners: Local

Mayor’s External Advisory Committee

The Mayor’s Affordable Housing Advisory Committee is comprised of local architects, academics, and non-profit housing operators. The group is convened by the Mayor from time to time to discuss housing trends and policies in the city, and to seek input on how the City can best address affordability challenges in Vancouver.

What We Heard	How We Heard It
<p>City needs to be clearer on how much housing is being produced and for who.</p> <p>Stronger partnership with non-profit sector and alignment within organization is needed.</p> <p>City can do a lot but cannot solve affordability crisis on its own.</p> <p>City needs to rethink single family neighbourhoods, and how so much land mass has such a small amount of the population.</p> <p>Focusing on home ownership costs overlooks the people really struggling on lower incomes.</p> <p>City could do a lot to enable affordability just by streamlining permitting and regulations.</p> <p>The impact of housing costs on different generations needs to be discussed as we plan for the future of the city.</p>	<ul style="list-style-type: none"> • 4 meetings with the Mayor and staff • 18 members <p>Membership:</p> <ul style="list-style-type: none"> • Janice Abbott, CEO, Atira Women’s Resource • Thom Armstrong, Executive Director, Co-operative Housing Federation of Canada • Andy Broderick, VP Impact Market Development, VanCity • Robert Brown, CEO, Catalyst Community Developments • Tom Davidoff, Associate Professor, Sauder School of Business, UBC • Michelle Fortin, Executive Director, Watari • Jake Fry, President, Smallworks • Carla Guerrero, Principal and Strategic Advisor, Purpose Driven • Jillian Glover, This City Life • Sarah Goodman, Founder and CEO, Treetop Strategy • Joshua Gordon, Assistant Professor, School of Public Policy, SFU • Kishone Roy, CEO, BC Non-Profit Housing Association • Margot Young, Professor, Allard School of Law, UBC • James Tod, JTA Development Consultants • Mark Sheih, Take Root • Marianne Amodio, maastudio

Creative Advisories

Central to the Housing Reset engagement process were five Creative Advisory (CA) groups, made up of community members and housing practitioners who were selected to participate based on their experience and perspectives across five broad themes.

From July 2016 to February 2017, over fifty Creative Advisory members participated in ten individual workshops and two large-group plenary sessions facilitated by Housing Policy and Projects staff. These sessions explored solutions to housing challenges across the housing continuum. The knowledge gained from community members with lived-experience and housing experts will directly influence the Reset process and *Housing Vancouver 2040*.

Evidenced-Based Responses to Homelessness	
What We Heard	How We Heard It
<p>Gaps and Issues Identified: The Evidence-Based Responses to Homelessness CA identified a key challenge impeding work to find lasting solutions to homelessness: the lack of institutional coordination and integration between government and supporting organizations. This lack of integration is causing system failures that contribute to the increase in complex chronic issues in the City's homeless population. Significant gaps in data also make tracking and setting targets very difficult.</p> <p>Opportunities: To address these issues the CA identified several opportunities to better integrate the many actors involved in solutions to homelessness. These include strategic engagement between the community and the institutions working to deliver services and supports, as well as expanding capacity for collecting and analyzing data. The CA also pressed the City to build a new strategy that integrates prevention, intervention, and community engagement.</p>	<ul style="list-style-type: none"> • 12 members • 2 workshops as an individual advisory • 2 workshops with all CA members

Accelerating Non-Profit/City Partnerships	
What We Heard	How We Heard It
<p>Gaps and Issues Identified: The Accelerating Non-Profit/City Partnerships CA identified several challenges for their work providing affordable housing to the City's most vulnerable residents. First is ongoing uncertainty about the future of the existing non-market housing stock, both due to the reinvestment needs of aging housing and the upcoming expiration of federal operating agreements. Another challenge is the ongoing need for funding strategies to deepen affordability. Finally, non-profit partners called for ongoing engagement with the City and better alignment between municipal policy and processes.</p> <p>Opportunities: Non-profit partners are critical to the City's long-term strategy for creating and maintaining affordable housing for low- and moderate-income residents. There is a clear opportunity to building and fostering strong, lasting City-level partnerships between non-profits, and facilitating non-profit relationships with other levels of government. The careful redevelopment of existing social housing assets is also required to broaden affordability and secure the social housing stock.</p>	<ul style="list-style-type: none"> • 10 members • 3 workshops as an individual group • 2 workshops with all CA members

The Economy and Housing for Young Workers	
What We Heard	How We Heard It
<p>Gaps and Issues Identified: The Economy and Housing for Young Workers CA honed in on the squeeze on young households and middle-income families resulting from the rapid rise of housing costs for both rental and ownership housing. . The rising cost of living in Vancouver has economic impacts as well, with impacts on local employers' ability to recruit and retain key workers. There is an urgent necessity to define the "missing middle" demographically to ensure young people can work and live in</p>	<ul style="list-style-type: none"> • 10 members • 1 workshop as an individual advisory • 2 workshops with all CA members

The Economy and Housing for Young Workers	
What We Heard	How We Heard It
<p>Vancouver to avoid the negative consequences their departure would have on the vibrancy and economic vitality of the city. It is also important to engage young people and families in the municipal policymaking process.</p> <p>Opportunities: Authentic engagement strategies for young people are required. There is also a need to diversify housing options to allow different forms and tenures by encouraging new types of development. There may also be an opportunity for employers to contribute to housing their workers through providing housing, an in-kind contribution, or some form of a housing allowance.</p>	

Strategic Investments in Rental Housing	
What We Heard	How We Heard It
<p>Gaps and Issues Identified: Vancouver's existing rental housing represents some of the most affordable housing in the City, with a substantial proportion renting at or below new social housing rents. However, this housing is aging, and has seen relatively little investment in recent decades. At the same time, an extremely low vacancy rate in purpose-built rental housing has led to rising rents, with the average rent increasing 6.4% in 2016 (for Metro Vancouver); well above the standard allowable increase. Capital and energy improvements to the existing rental stock are essential to protect the existing stock for future generations. However, maintaining affordability is also key to keeping this housing accessible to the City's most vulnerable residents.</p> <p>Opportunities: The Strategic Reinvestments in Rental Housing CA identified several opportunities to encourage renewals and redevelopment of existing rental. A more predictable development permit and zoning process could facilitate rental</p>	<ul style="list-style-type: none"> • 12 members • 3 workshops as an individual CA • One-on-one participant interviews were also conducted • 2 workshops with all CA members

Strategic Investments in Rental Housing	
What We Heard	How We Heard It
<p>housing improvements and redevelopment, along with incentives delivered in partnership with private and government partners. There may also be opportunities to engage with the Province on changes to the Residential Tenancy Act that could encourage improvements without excessive rent increases on tenants</p>	

Affordable Housing Innovation and Design Group	
What We Heard	How We Heard It
<p>Gaps and Issues Identified: The number one challenge identified by the Affordable Housing Innovation and Design CA was a need for greater flexibility in zoning and design regulations to support innovative green and affordable projects. The group also pointed to poor integration between existing and new affordable housing policies and green initiatives making green building (such as Passive House) difficult to build at scale in Vancouver.</p> <p>Opportunities: Vancouver can become an innovator by promoting and showcasing innovative green and affordable design ideas through pilot projects and design competitions. The Sustainability group is already planning this through the Zero Buildings Policy for Rezoning, a pillar of which is to set up a Centre for Excellence in green building design. This CA also recommended a prioritized processing stream for affordable and innovative projects. As Vancouver takes on becoming a city of Reconciliation there exists an opportunity for the Aboriginal architecture and design to play a major role in this goal. Becoming a city of reconciliation could include developing aboriginal design guidelines for new builds.</p>	<ul style="list-style-type: none"> • 10 members • 2 workshops as an individual CA • 2 workshops with all CA members

re:address Week

At the outset of the Reset process it was clear that Vancouver needed to expand beyond an insular discussion on housing given that Vancouver now clearly operates in a global housing system. re:address convened a critical, international, and solutions-based discussion among housing experts from global cities that are experiencing housing crises like Vancouver, residents, academics, non-profits, and other stakeholders. It was the most significant and diverse discussion on housing affordability in Canada and convened a wealth of external global and local expertise with 35 speakers representing Vancouver, Calgary, Winnipeg, Toronto, San Francisco, New York, Edinburgh, Amsterdam, Glasgow, Vienna, Melbourne, Sydney, and Tamaki Makaurau (Auckland). re:address included 14 events; 8 of which were free for the public.

The goal of convening a dialogue was met in person at the event series with multiple sell-outs and rich on-site debate. The goal was met online where in a very short period of time the #readdresshousing was able to “own” the online discussion on housing in Metro Vancouver and even extended to national levels, cementing its place alongside hashtags like #vanpoli. It met its goal of convening conversations through overwhelming media attention. Close to 60 different media sources including written articles, radio and television segments over three weeks surrounding the event brought a number of different issues to Metro Vancouver citizens and dramatically shifted the negative and blame-centric narrative to one of ideas and solutions

re:address was established as a key housing platform for the City of Vancouver and was invaluable in shaping the Reset and in sparking an ongoing legacy of discussion. It informed the City’s submission to the National Housing Strategy and is an ongoing source of inspiration and solutions that will be implemented with the Reset and *Housing Vancouver 2040*. In addition, it solidified new and ongoing networks both locally between a range of housing actors, and also internationally between leading cities and housing thought leaders.

What We Heard	How We Heard It
<p>Vancouver isn’t alone and, as part of a global city network, we can apply global lessons to develop local solutions.</p> <ul style="list-style-type: none"> • When it comes to housing affordability, we were struck by how many shared issues global cities are facing, how we are considering similar solutions, and can share learning and expertise to address housing affordability in urban contexts. • The unaffordability Vancouver is experiencing looks and feels the same, has the same causes and the same negative effect on our residents and communities as other cities. • Cities are facing the brunt of 	<p>re:address Week</p> <ul style="list-style-type: none"> • Over 1,000 people took part • 35 speakers from around the world • 83 earned media placements <ul style="list-style-type: none"> ◦ 49 print/online, 12 television, 22 radio • 821 users and 1300 tweets in 2 weeks made #readdresshousing a trending topic in Canada <ul style="list-style-type: none"> ◦ CoV Twitter channel drove 40.5 million views of #readdress housing • 7,070 website views • 190 Active Slido users <p>Public Events</p> <ul style="list-style-type: none"> • Walking Tours: 37 participants • Right to Adequate Housing: 90 participants

What We Heard	How We Heard It
<p>housing challenges and yet do not have all the tools, nor the necessary authority or sufficient financial capacity to address them. It is dangerous to think cities can solve the affordability problem alone.</p> <ul style="list-style-type: none"> • The City of Vancouver committed to launching a global network of like-minded cities that are struggling with the same issues, with already much interest from San Francisco, New York, Sydney, and London. • Vancouver used its learnings from the <i>re:address</i> summit to inform its submission to the National Housing Strategy after learning from local and international perspectives. • A new housing strategy for Vancouver must include a strong implementation plan for becoming the city we want to be, including clear roles for governments, the not-for-profit and private market sectors. • Inclusionary policies and recapture of planning values seem to be ubiquitous across the globe. <p>We need to rethink our housing system if we are to maintain options for the next generation of households and families and remain a competitive and prosperous city and region.</p> <ul style="list-style-type: none"> • We need to better understand the impact of the lack of affordable housing on our economy and the social fabric of our city. • We have a renewed understanding of how across global cities, housing systems are a fundamental contributor and driver of the economy. • We are failing the next generation by not providing affordability - the hyper- commodification of ownership housing is pricing out 	<ul style="list-style-type: none"> • Renters, Real Estate, and Economic Resiliency in Vancouver: 140 participants • Millennial Activate: 122 participants • The Sublime and Ridiculous: estimated 170 participants • Innovative Housing Design and Construction: Part 1: The 'Hows and Whys' of Modular Housing: 110 Participants • Innovative Housing Design and Construction: Part 2: The Future of Affordable, Sustainable Design: 110 Participants <p><i>Partner Events</i></p> <ul style="list-style-type: none"> • Non-Profit Housing Summit: Business Transformation: 33 participants • Regional Housing Summit: 27 participants <p><i>re:address Summit</i></p> <ul style="list-style-type: none"> • 391 local and international delegates <ul style="list-style-type: none"> ◦ Housing practitioners, public, academics, housing experts, non-profits, developers, City of Vancouver and regional staff, provincial and federal representatives • 25 speakers from cities throughout North America, Europe, and Oceania <p>7 sessions over 2 days: 3 Keynote Addresses</p> <ul style="list-style-type: none"> • Dr. Kurt Puchinger, Housing Construction and Urban Renewal, City of Vienna • Vicki Been, Commissioner of the New York City Department of Housing Preservation and Development • Dr. Nathanael Lauster, University of British Columbia, author of: The Death and Life of the Single Family House: Lessons from Vancouver on Building a Livable City of the

What We Heard	How We Heard It
<p>the next generation from the housing market and needs a stronger regulatory response from government.</p> <ul style="list-style-type: none"> • Generational equity is becoming a key focus for Vancouver’s younger generations and we should find ways to support young people in the current housing market. • We need to develop a different way of measuring affordability and housing stress that takes into account other costs of living - e.g. SCAR Index for Vancouver (Shelter Cost Affordability Ratio) • Cities like ours must find affordable housing solutions for the “missing middle” and engage the younger generations to ensure their voices are heard as well as through methods/processes that reflect their realities • Widespread attempts at land use transformation with broad appreciation that the current proportion of single family land is unsustainable. <p>A long-term funding commitment and investment into housing affordability from all levels of government is needed.</p> <ul style="list-style-type: none"> • We need a National Housing Strategy that provides a long-term, sustainable investment framework in affordable housing and where investment is focused on cities and communities in most housing need • Government investment should be made in line with their revenue raising powers, i.e. Cities seem to have the least ability to raise revenue • Three-levels of government should be better aligned so housing isn’t a jurisdictional quagmire • Cities around the world are advocating for a greater role for cities and more tools to affect change 	<p>Future</p> <p><i>3 Panel Discussions</i></p> <ul style="list-style-type: none"> • Mayor’s City Leaders Panel: Civic Practice, Global Significance • Indigenous Insights for Connection in a Global City: Housing, Design, and Reconciliation Panel • The Economy Story within a Housing Context <p><i>1 Short Talks Session featuring 6 participants</i></p> <ul style="list-style-type: none"> • Future Forward: Short Talks on the Future of Housing Affordability

What We Heard	How We Heard It
<p>Support is essential for non-profit partner innovation and growth.</p> <ul style="list-style-type: none"> • A really big part of the solution to market failure in other countries was the robust and sizeable interventions from the non-profit sector, supported through beneficial tax treatment and improved access to investment and financing • Support the growth and transformation of the non-profit sector by working with them to optimize their assets, scale-up and grow their affordable housing supply, as well as to maintain and renew their existing portfolios • Vancouver should look for ways to increase subsidized housing options, particularly with respect to inclusionary zoning and modular housing 	

UBC Partnership: Conference Advisory Committee and Vancouver Housing Lab

At the start of the Reset the City entered a partnership with UBC, facilitated by the Allard School of Law’s Professor Margot Young to plan re:address and initiate the Vancouver Housing Lab. This interdisciplinary committee was comprised of faculty from Architecture, Business, Engineering, Law, and Urban Planning. For cross-institution representation a representative from SFU’s Urban Studies program also sat on the committee. This group met regularly with Housing Policy and Projects staff to explore potential themes, speakers, and the priorities for re:address.

In addition to this voluntary committee, the City hired a cross-disciplinary team of students from the aforementioned departments. This team spent the summer working with Housing Policy and Projects staff to undertake thematic and logistical planning for re:address while gaining experience working in municipal government to enrich their studies. This team collaborated with Professor Young to submit a successful application for a Social Sciences and Humanities Research Council Connections Grant (\$30,000) to fund re:address and the Vancouver Housing Lab.

As a legacy of this partnership the City and UBC are initiating the Vancouver Housing Lab. The Housing Lab is a new program which will pair graduate students with the City to conduct cutting-edge research in the housing field. This initiative will cement an ongoing legacy of cross-institutional knowledge exchange to ensure UBC’s research expertise can be disseminated to achieve positive societal outcomes.

What We Heard	How We Heard It
<p>The conference should be international in scope given that Vancouver’s housing system is nested within a larger global housing market. Other global cities are experiencing similar crises and we must share best practices and data. The conference should also have representation from a broad spectrum of local stakeholders and the public.</p> <p>The United Nation’s Right to Adequate Housing enshrines everyone’s right to adequate shelter, services, and infrastructure. These laws should be assessed against the new Strategy given that Canada is a signatory creating opportunities for Vancouver to be a leading global city.</p> <p>Cross-institutional cooperation can help achieve positive societal outcomes by encouraging collaboration among leaders and the exchange of knowledge. This will result in mutual benefits for the City and UBC.</p>	<ul style="list-style-type: none"> • 1 Interdisciplinary Conference Planning Team (5 graduate students) • 4 Conference Advisory Committee meetings • Ongoing collaboration with the Allard School of Law through professor Margot Young • 1 Social Sciences and Humanities Research Council Connections Grant (\$30,000)

City of Vancouver Development and Permit Process Expert Advisory Group

The Development Advisory Group (DAG) was convened to bring together a group of experts to provide City Council and staff with advice on ways to expedite the City of Vancouver’s development process, with the overarching objective of improving the permitting and development process.

What We Heard	How We Heard It
<p>Together with the City of Vancouver, the DAG proposed many recommendations that span the organization to address policy collision and expedite the delivery of housing. These recommendations include but are not limited to balancing CoV priorities and streamlining policies in</p>	<p>The DAG is comprised of:</p> <p><i>Advisory Groups</i></p> <ul style="list-style-type: none"> • Urban Design Panel • Heritage Committee • First Shaughnessy Panel • Chinatown Planning Committee

What We Heard	How We Heard It
<p>general planning and development, the development process, customer service, staff & capacity building, technology, housing policy, heritage policy, sustainability, community benefits & infrastructure, the Vancouver Building Bylaw, the Landscape and Tree Bylaw, signage, and parking, loading & access.</p>	<ul style="list-style-type: none"> • Gastown Planning Committee • Development Permit Board Advisory Panel <p><i>Council Committees</i></p> <ul style="list-style-type: none"> • Board of Variance • Persons with Disabilities • Seniors • Bicycle <p><i>Other</i></p> <ul style="list-style-type: none"> • Residents Associations • Business Improvement Associations • Vancouver Economic Commission • Board of Parks and Recreation <p>The DAG met at four meetings:</p> <ul style="list-style-type: none"> • Key issues and opportunities • Development process workshop • Policy and regulation discussion • Validate and prioritize recommendations

Focus Groups

The City of Vancouver, with Cause + Affect, has been conducting online Public Market Research to inform the development of storytelling and messaging concepts that resonate with the public and connect the City of Vancouver housing policy to people's lives at a community and personal level. The objectives of this research are:

- to understand Vancouverites experience with housing today, what their needs are, aspirations for home ownership in Vancouver and ways of coping with the current housing challenges;
- to deeply explore Vancouverites' opinions and beliefs about a range of topics related to housing in Vancouver today and in the future;
- to explore response to storytelling/messaging concepts; understand what underlying drivers and concepts the public engages with most that will drive support for the City's strategy;

The perspectives and learnings of this research will inform the direction of the Reset and be presented to the public through a series of videos.

What We Heard	How We Heard It
<p>As the city, community and housing challenges shift, people across the housing continuum are unified by feelings of uncertainty - from finding viable housing (secure, affordable, fit with circumstances) to making rent payments alongside increasing cost of living, to buying a 'home' and children's ability to</p>	<ul style="list-style-type: none"> • How many participants? <ul style="list-style-type: none"> ○ 24 Participated in the 2 day online discussions of those 24 - 16 have taken part in longer term engagement. • 3 virtual discussion rooms based on the themes of: <ul style="list-style-type: none"> ○ Rapid Change

What We Heard	How We Heard It
<p>cope further down the road.</p> <p>People are struggling to stay within communities and a city they love deeply and there is palpable concern for the viability of neighbourhoods' soul and character. Many people feel a paralysis or feeling of being stuck due to uncertainty in the housing sector affecting both renters and owners.</p> <p>Participants understood that the challenges this city faces are the result of complex sources with no simple solutions but they're eager for all levels of government to rise to the challenge.</p>	<ul style="list-style-type: none"> ○ Fighting to stay ○ Paralysis & feeling "stuck" ○ Erosion of confidence and optimism ○ No Simple Solutions ○ Governments rising to the challenge

SRO Task Force

The SRO Task Force was convened to address ongoing challenges that are facing this critical stock of affordable housing. This diverse Task Force engaged with stakeholders including tenants and owners to determine the challenges and opportunities to improve livability and address a range of issues in SROs. This group was invaluable in facilitating and maintaining a dialogue between tenants, owners, and the City to explore solutions to the challenges facing this form of housing.

What We Heard	How We Heard It
<p>Gaps and Issues Identified: Single Room Occupancy (SRO) hotels are a vital part of Vancouver's housing stock, often the last resort before homelessness for individuals on limited or fixed incomes. However, there are continued concerns about compromised livability and deteriorating conditions in the SRO stock, corrupt management practices, tension between investment and loss of affordability, and a lack of health and social supports for many SRO tenants.</p> <p>Opportunities: The Task Force and focus group members identified a number of opportunities to improve building condition, affordability and supports for SRO tenants, including developing a private SRO disposition and reinvestment strategy in partnership with senior levels of government, initiating a review of Provincial and municipal</p>	<ul style="list-style-type: none"> ● 24 members of Task Force ● 3 meetings ● Additional 6 workshops facilitated by City of Vancouver staff, engaging 144 participants: <ul style="list-style-type: none"> ○ Advocates: 10 participants ○ SRO Tenants: 45 participants ○ Private SRO Owners: 40 participants ○ SRO Tenants - women only: 25 participants ○ SRO Tenants - Chinese women only: 8 participants ○ SRO Workers/Staff: 16 participants

What We Heard	How We Heard It
<p>regulatory and legal tools, reinstating an SRO management training course for private owners and landlords, developing an internal and external data collection system to better analyze the SRO building stock and inform policies decisions, improving tenant access to information, and supporting implementation of initiatives that increase tenant access to supports and employment.</p>	

Urban Development Institute & City of Vancouver Liaison Policy Committee

On December 6th, 2016 City of Vancouver General Managers, including Chief Planner Gil Kelley, GM of Development Services, Business, and Licensing Kaye Krishna, GM for Engineering Services Jerry Dobrovoly, and GM of Community Services Kathleen Llewellyn-Thomas convened with the Urban Development Institute Vancouver Liaison Committee to discuss key policy issues and opportunities from Vancouver’s development community. Staff presented on the Housing Reset process to date and key themes and priorities, including affordable housing projects and housing aimed at serving young people and families - the “Missing Middle.”

What We Heard	How We Heard It
<p>Gaps and Issues Identified:</p> <p>City policies and processes may be impacting the ability of private developers to deliver new, badly needed housing supply. Processing times and uncertainty in CAC negotiations were flagged as particular concerns, as well as potential impacts of the new Empty Homes Tax on development applications.</p> <p>Opportunities:</p> <p>Expanding the use of pre-zonings as part of comprehensive community plans could provide a significant opportunity to reduce processing times and complexity for development applicants. Fixed CACs and density bonusing were also held up as preferable to negotiated CACs.</p> <p>UDI members strongly concurred with the City focus on the need for expanded housing options for the “Missing Middle,” and noted the key role of private market housing to expand new supply.</p>	<ul style="list-style-type: none"> • 1 meeting of the UDI Vancouver Liaison Committee

Missing Middle Research and Workshop

The concept of the “Missing Middle” emerged out of discussions across the Housing Reset Creative Advisory Groups as a key theme with implications across the continuum of housing needs. The “Missing Middle” typically refers to gaps in the types of housing available in large cities for young people and families, such as medium to high density ground oriented developments like townhouses, row houses, and other similar variations. In the context of the Housing Reset, the City has also focused on the people who could stand to gain from a greater diversity of housing forms, including their housing and affordability needs.

What We Heard	How We Heard It
<ul style="list-style-type: none"> • Security, affordability, and equity for households who rent. • Homeownership out of reach for families. • A growing inter-generational wealth gap. • Poorly aligned and targeted land use policies • Affordability and security across all tenure types • Rethinking land use and zoning • Making the market work for everyone • Creating the foundations for a city-wide plan. • Challenges in Designing Affordable Housing • Make developing and designing missing middle affordable housing easier for everyone. 	<ul style="list-style-type: none"> • January 31st Missing Middle Workshop <ul style="list-style-type: none"> ○ Attended by 19 partners and stakeholders ○ 14 City of Vancouver Staff from departments like planning, social policy, and housing. ○ Presentations from partners were heard, as well as presentations from the City were provided. ○ Breakout groups discussed questions specific to missing middle concepts and reported back. ○ Notes and summaries were recorded and sent to workshop participants • Creative Advisories <ul style="list-style-type: none"> ○ Strategic Investment Rental, Affordable housing Design and Innovation, and the Economy and Housing for Young Workers - were the 3 creative advisories which had their discussions focused on concepts of the Missing Middle.

Engaging Partners: National

Federal/Provincial/Municipal Housing Supply Working Group

In November 2016, City of Vancouver leadership and staff participated in a series of discussions hosted by the federal Ministry of Social Infrastructure focused on challenges and opportunities for expanding housing supply in Canada's cities experiencing serious housing affordability issues. Participants in these discussions included federal and provincial housing staff, as well as staff from the Cities of Vancouver and Toronto.

What We Heard	How We Heard It
<p>As part of the F/P/M discussions, City of Vancouver staff advanced several policy issues and options for consideration by senior government, which were also included in the City's National Housing Strategy submission.</p> <p>Among these issues were the current imbalance in tax treatment between rental and ownership housing, with far fewer tax incentives available for development of new rental housing or renovation of existing rental.</p> <p>Vancouver staff also presented on the City's rental incentive programs and new tax on empty homes, and provided evidence that reasonable development charges and amenity contributions have little to no impact on housing supply. Staff noted that federal incentives and programs could help to broaden and scale the impact of existing municipal programs and direct public and private investment into affordable housing.</p>	<ul style="list-style-type: none"> • 10 Housing Supply Working Group Sessions

National Housing Strategy Submission

The City of Vancouver drafted a comprehensive submission to the federal government National Housing Strategy, submitted in early November after the re:address conference. The City's National Housing Strategy submission calls for renewed cooperation between all levels of government and new, increased investment in housing for people across the income spectrum, including shelters and supportive housing, social housing, affordable rental housing, and affordable home ownership. Its recommendations are based on a desire to see a better functioning housing system that ensures access to stable, affordable, and decent housing across the spectrum of housing types and needs.

What We Heard	How We Heard It
<p>Canada's future is being shaped by the global movement of money and people.</p> <p>Affordable housing has long been recognized as critical to the health and social well-being of Canadians.</p> <p>Canada's housing system is severely imbalanced, with far-reaching economic consequences.</p> <p>Successful urbanization requires strong economies, social and cultural diversity, sustainable neighbourhoods, and sufficient infrastructure.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • A commitment to long-term investment in the supply of affordable rental homes in Canadian cities; • A commitment to closing the gap between housing prices and local incomes by correcting imbalances in the Canadian housing system; • A commitment to prioritizing the housing needs of Indigenous residents, and particularly youth, both in urban and remote environments • A commitment to ending homelessness by addressing systemic and structural drivers; • A commitment to a 'New Deal' for cities as key partners in implementation 	<ul style="list-style-type: none"> • re:address • Shaping Futures • Internal and external consultation • Habitat III: United Nations Conference on Housing and Sustainable Urban Development in Quito • The New Urban Agenda • Missing Middle research and workshops • Creative Advisories • Mayor's Thought Leaders Committee on Housing

Engaging Partners: Global

re:address Summit

The re:address Summit occurred during re:address Week and was the main platform for the City to convene leaders and experts from global cities that are facing similar housing crises to Vancouver. Representatives attended from San Francisco, New York, Toronto, Edinburgh, Amsterdam, Glasgow, Vienna, Melbourne, Sydney, and Tamaki Makaurau (Auckland). The City continues to collaborate with these delegates and their colleagues in the development of the Reset in areas ranging from housing economics and affordable housing development, to green buildings policy, and much more. These partnerships will endure through an international housing network currently under development.

For more information on re:address see 're:address Week' in the Public section.

Shaping Futures - Housing Policy in the 21st Century

The City is a member of Shaping Futures, which is an international knowledge exchange and knowledge building project whose aim is to provide a forum for dialogue on housing policies for the 21st century. Shaping Futures brings together experts from Australia, Canada and the UK. The partners in the project range from housing and urban academics, to housing practitioners, to local and regional governments to foundations.

What We Heard	How We Heard It
<p>Housing systems in Scotland, Canada, the US, and Australia have been under major pressure in recent decades due to multiple factors including the departure of senior governments from the housing sector and the government sanctioned international commodification of housing. Social housing has declined while costs have skyrocketed.</p> <p>New financial models are needed to address housing affordability.</p> <p>Can we make better use of assets, including land and existing stock, to support new housing policies and delivery?</p> <p>There are major policy opportunities to support the private rented sector that need to be explored.</p>	<ul style="list-style-type: none"> • Meetings during re:address • Multiple tele-conferences • Consultation events in Toronto, Halifax, Sydney, London, and Glasgow • Several working papers: <ul style="list-style-type: none"> ○ The Housing Story Scotland; ○ Issues and Challenges for Global Cities: A Vancouver Perspective; ○ Modern Institutions and Governance Working Group Reports (2) ○ The Private Rented Sector: Problems, Prospects, and Policies, David Hulchanski ○ Shaping Policies for Pressured City Markets, Duncan MacLennan ○ Understanding Housing in the Economy and Improving the Cases for Housing Policies, Duncan MacLennan

APPENDIX D - Approved Community Plans and Major Projects

