



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: February 13, 2007  
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Meeting Date: February 27, 2007

TO: Vancouver City Council  
FROM: The Director of the Housing Centre  
SUBJECT: GVRD Regional Affordable Housing Strategy

#### RECOMMENDATION

THAT Council support the GVRD initiative to develop a regional affordable housing strategy; generally endorse the goals and actions set out in the GVRD's "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver" dated November 24, 2006 (Appendix A), subject to the commentary set out in this report; and forward this report, and the motion approved by Council on November 28, 2006, to the GVRD Housing Committee and Board of Directors for consideration.

#### GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

#### CITY MANAGER'S COMMENTS

The City Manager believes that the City of Vancouver should support and work closely with the GVRD and its other member municipalities to develop a comprehensive region-wide response to homelessness and housing affordability. There is much work being undertaken in recognition of the housing and homeless crises in which the city and region find themselves. New partnerships and new models of providing social and affordable housing are being developed, and it is important that a regional context be provided for these initiatives. As the report notes, provincial and federal funding is needed now to get projects underway while the regional strategy and the new models are being developed. It is important that this message be clearly communicated to both the Province and the Federal Government.

## COUNCIL POLICY

The City's social housing priorities are low and modest income families with children; seniors on fixed incomes or in need of support; SRO residents; and the mentally ill, physically disabled, and others at risk of homelessness.

Council policy is to maintain the stock of rental housing in the city.

## PURPOSE AND SUMMARY

The GVRD is seeking responses from its member municipalities to the affordable housing proposals set out in their "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver" dated November 24, 2006 (attached as Appendix A). The discussion paper proposes actions that the GVRD and its member municipalities undertake to support the preservation and development of affordable housing. This report reviews those proposals and recommends that Council generally endorse the GVRD's proposals subject to the commentary provided.

The primary concerns with the discussion paper are that:

- a comprehensive regional Affordable Housing Action Plan needs to be developed to provide the context for any municipal targets and implementation strategy;
- the focus of the GVRD's advocacy should be the necessity for senior government funding if any progress is to be made in addressing the homelessness and affordability crises; and
- the need for the GVRD to develop a partnership structure with the Province that clearly defines the municipal and provincial roles and expectations.

The need for clarity in the municipal and provincial roles is not discussed in the discussion paper, but unless the roles are clarified, a constructive partnership between the GVRD and its member municipalities on the one hand and the Province on the other will not be possible. At the present time, the Province has expressed its frustrations with what it sees as a lack of municipal support, but it has not defined the role it wants municipalities to play nor the contribution it wants them to make. What is needed is a 5-year municipal and provincial partnership that commits both parties to develop social and affordable housing throughout the region, and that sets out how many units to serve which need the Province will fund each year and what municipalities are expected to provide (whether free land, grants, zoning and/or expedited processes). Developing a clear municipal/provincial partnership is a priority and should proceed at the same time and as part of the development of a comprehensive regional Affordable Housing Action Plan.

## BACKGROUND

Affordability has long been a problem in the city and has increasingly become a problem in the region. The GVRD recognized the growing affordability problem and in 2002 commenced a review of the supply of and need for affordable housing in the region. In 2004, PriceWaterhouseCoopers evaluated the demand for affordable housing in a report for the GVRD entitled "Forecast Demand for Affordable Housing", and in 2006 McLanaghan and Associates evaluated the supply of affordable housing in a report entitled "Affordable Housing

Supply Analysis", on file with the City Clerk and available from GVRD's website ([www.gvrd.bc.ca/growth/HousingDiversity](http://www.gvrd.bc.ca/growth/HousingDiversity)), which projected a cumulative shortfall in rental housing of 45,000 to 48,000 units by 2021 and a continuing annual shortfall in social housing serving households that cannot afford market rents. In November 2006 the GVRD produced its "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver" and asked its municipal members to respond. The Board is to consider the discussion paper in March.

In September 2006, the Province outlined its new affordable housing framework, "Housing Matters BC". In announcing its new framework, the Province's Minister responsible for housing challenged municipalities to become more proactive and supportive of affordable housing by addressing NIMBY (Not In My Back Yard) regulatory barriers such as parking requirements, and to become active partners in the development of affordable housing by providing equity e.g. land or grants. In January 2007, the Province took over administration and ownership of the Federal affordable housing portfolio (excluding housing co-operatives and aboriginal housing), and the Province now has the primary mandate for funding, developing and administering social and affordable housing.

On November 28, 2006, Council approved the following motion:

"WHEREAS Vancouver has chosen to invest in a Housing Centre with dedicated City staff that focuses on improving the level of housing affordability and choice within the city;

WHEREAS the City of Vancouver has the best track record for developing social housing units in the GVRD, Province and Canada;

WHEREAS the City of Vancouver has approximately 30% of the region's households, but approximately 50% of the region's social housing units;

WHEREAS it is important to consider the homelessness crisis in the context of the Greater Vancouver Regional District;

WHEREAS Vancouver currently has 19 separate pieces of property currently available but unused for some type of social housing;

WHEREAS it has been indicated by the Provincial Government and numerous not-for-profit agencies attempting to build social housing units outside of Vancouver that there appears to be significant impediments being imposed upon them which results in few projects being approved;

THEREFORE BE IT RESOLVED THAT the City of Vancouver maintains the position that municipalities have a role in social housing and homelessness;

AND THAT the City of Vancouver encourages a consensus amongst all municipalities in the Greater Vancouver Regional District for the following:

- Each municipality will make available a site within six months for supportive housing for persons with mental illness, addictions and at risk of homelessness and undertake, in partnership with BC Housing, the preliminary design and zoning for a supportive housing project to be developed on the site (noting that smaller municipalities may want to partner in such a project);

- Support a regional Housing Action Plan that would establish targets (number of units) at regional level and sub-regions for market rental housing, social housing for families and seniors, supportive housing for the mentally ill, addicted and others at risk of homelessness, and provide the context for each municipality to develop their own Housing Action Plan;
- Support a unified approach to changes to the Local Government Act and the Vancouver Charter to enable municipalities to manage affordability issues such as the rate of loss of rental or other affordable housing, accessing the value generated by rezonings to pay for affordable housing;
- Reduce and remove impediments to new social housing development such as current parking requirements;
- Support increases in immediate shelter capacity (with operating funding to be provided by the Province) noting that housing and not shelter is the long-term solution to homelessness;
- Participate with the City of Vancouver, BC Housing and CMHC in a comprehensive study of market rental housing in the region with the purpose of determining what needs to be done to ensure that sufficient market rental housing continues to be available in the region; this would include a review the current restriction on strata properties that restrict rental units;
- Support a meeting with the Provincial Minister responsible for housing once the GVRD has developed a draft partnership framework;
- Support a unified call for the Province to allow all municipalities in the region (and BC) to use Development Cost Charge revenue to develop affordable housing.

AND FINALLY THAT this motion be circulated to the GVRD member municipalities, BC MLAs and MPs asking for support and concerted action to address these serious issues."

## PROPOSED REGIONAL AFFORDABLE HOUSING STRATEGY

The GVRD's "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver" discussion paper is attached as Appendix A. This report provides a commentary on the goals and actions proposed in the strategy. Each action proposed in GVRD's discussion paper is "quoted" followed by the commentary in italics.

"The Regional Affordable Housing Strategy is based upon three goals:

- GOAL 1: Provide adequate housing to meet the needs of low income renters.
- GOAL 2: Eliminate homelessness across the region.
- GOAL 3: Increase the supply and diversity of modest cost housing."

*Commentary:*

*These goals are appropriate, but success depends on adequate and stable i.e. long-term funding from the Province and the Federal Government for the development of social and affordable housing (primarily non-profit rental and co-operative housing) for*

*families, seniors and those at risk of homelessness such as the mentally ill, addicted, the physically disabled. Stable funding for a broad range of social and affordable housing programs does not exist now and has not for several years, and the GVRD's hopes will be frustrated until such programs are in place. In addition, the Federal Government needs to revise its tax policies related to rental housing to ensure that the existing stock of market rental housing is preserved or replaced, and new market rental housing is developed to meet the needs of the region's growing population.*

## "STRATEGIES

The above three goals will be implemented through three key strategies, all three of which can be used in relation to achieving each of the goals. The strategies for the GVRD are to:

1. Make better use of the existing and available government and housing industry resources.
2. Secure additional stable funding to meet affordable housing needs in Greater Vancouver.
3. Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their housing.

**Strategy 1: Make better use of the existing and available government and housing industry resources.**

### *Direct Housing Provision Actions*

- 1.1 The GVRD will direct the Greater Vancouver Housing Corporation (GVHC) to continue to provide social housing, with particular priority upon reviewing opportunities for site-intensification on GVHC properties, primarily through:
  - densification; or
  - sale and reinvestment in other properties."

#### *Commentary:*

*Densification, which could include the redevelopment of social housing projects with a mix of market and social housing, can make sense for older social housing projects that underutilize their sites, as long as the number of affordable housing units on each site is maintained. However, the sale of social housing projects/sites, and the reinvestment of the proceeds in other properties, could be a concern. GVHC owns 4 sites in the city with 233 units, and these are among the highest value sites GVHC owns. There may be a temptation to sell these sites and reinvest the proceeds elsewhere in the region. This would be contrary to Council's policy to maintain or increase the percentage of social and affordable housing in Vancouver.*

- "1.2 The GVRD will direct the GVHC, at the request of member municipalities, to:
  - manage market or non-profit rental housing acquired through municipal Affordable Housing Funds or other municipal development processes; and
  - continue to provide expertise to member municipalities and to non-profit societies to facilitate the development of non-market and low end of market housing projects."

*Commentary:*

*With the dearth of senior government funding for the development of social and affordable housing over the past few years, the capacity within the community to develop social and affordable housing has shrunk, so making GVHC's expertise available to its member municipalities and to the non-profit housing sector would be helpful. However, GVHC continues to develop projects for its own portfolio, and may be seen as competing for funding with other non-profit housing providers. GVHC's role will need to be clearly defined if they are both to develop for themselves and offer consulting services for other providers.*

"1.3 The GVRD will direct the GVHC to encourage new opportunities for homeownership for those in non-profit housing and market rental housing, by:

- partnering with financial institutions and the private and non-market sector to develop a demonstration program to provide opportunities for GVHC tenants to access ownership housing using an asset development approach (e.g. VanCity Springboard Mortgage and Individual Development Accounts)."

*Commentary:*

*A demonstration program that allows GVHC's tenants to transition to ownership would be useful. If successful, such a program would free up existing social housing and reduce the number of new units required to address the region's growth. Such a program should be developed in partnership with BC Housing, the Non-Profit Housing Assn. of BC, and the Co-operative Housing Federation of BC to ensure that the program, if successful, can be applied throughout the social housing sector. And if successful, the program should to be expanded to include tenants in market housing so all renters in similar circumstances are treated equally whether they live in market or non-market housing.*

**"Regulatory Actions**

1.4 In the new regional growth strategy, the GVRD will set targets, with suggested distribution by municipality and sub-region, for the number of *new affordable owned and rental housing units* required by the year 2011 and 2016, and will include a requirement for regional context statements to demonstrate how municipalities will achieve these targets, through actions such as:

- accommodating two-family dwellings, "granny flats" and secondary suites in zoning districts currently designated for single detached homes;
- increasing the stock of modest-cost housing, including small units, small lots, infill options such as coach houses, rowhouses and conversions, townhouses, and apartment-style condominium housing;
- requiring 15% of units in residential or mixed-use developments of 20 units or more to be affordable units, for either rent or ownership;
- implementing changes to regulations, regulatory processes and regulatory fees which may reduce the cost of housing;
- identifying sites appropriate for affordable housing;
- amending zoning and subdivision bylaws to permit greater densification on sites identified as appropriate for affordable owned and rental housing;
- donation or lease of municipal lands to non-profit organizations which develop affordable housing;
- reduction of on-site parking regulations for secondary suites and affordable owned

- and rental housing with good transit access where appropriate; and
- density bonussing.”

*Commentary:*

*This action is consistent with City initiatives such as EcoDensity that would increase densities and housing choice. There is a concern, however, with the focus on targets that would be set by municipality and sub-region for affordable ownership and rental housing. While targets would be useful, they need to be embedded in an affordable housing action plan that sets out the housing needs across the region's geography, across the spectrum of household types (families with children, seniors, singles, etc.), the range of household incomes, the continuum of housing types, and the variety of tenures. The plan needs to discuss the range of tools that could be used and needs to set out an implementation strategy over the next decade.*

*The GVRD should develop a region-wide Affordable Housing Action Plan, in consultation with its member municipalities, real estate and development industries, the non-profit housing sector, and the senior levels of government. Each municipality should develop its own plan to implement the region-wide strategy locally. The development of an Affordable Housing Action Plan for the City would be a logical implementation of the City's EcoDensity initiative. While this is a major undertaking, the consultant studies commissioned by the GVRD provide a good foundation for the work that still needs to be done. Without a comprehensive region-wide affordable housing action plan, targets on their own will be of limited use or relevance.*

*As regards the proposed tools, these need additional review and evaluation that should be undertaken as part of the development of a regional affordable housing action plan. For example, requiring that 15% of the units in all developments be affordable may need amendments to the Local Government Act and the Vancouver Charter. It is not clear that forcing developers to include affordable housing is preferred to providing incentives through bonussing which is how the Local Government Act and the Vancouver Charter are structured now. The range of possible tools and implementation strategies needs to be explored and developed as part of the regional Affordable Housing Action Plan as individual municipalities should not have to independently undertake the research and analysis required. As the housing market is regional, it is important that there be a consistent response across the region to the provision of affordable housing. The intent should be for all municipalities to have access to common tools and strategies, and to share a common commitment and consistent approach to addressing the need for affordable housing.*

“1.5 In the regional growth strategy, the GVRD will include a requirement for regional context statements to demonstrate how municipalities will meet targets for rental housing by measures to upgrade and preserve existing rental housing stock, through means to include:

- upgrading of secondary suites;
- application of demolition controls to preserve rental stock;
- standards of maintenance bylaws;
- anti-conversion bylaws related to rental vacancy rates;
- replacement policies for loss of rental housing; and
- protection of mobile home parks.”

*Commentary:*

*Rental housing is a key issue for the City of Vancouver and its citizens, half of whom rent, and the City is committed to maintaining its stock of rental housing. The city provides half the region's rental housing, and it is important for the GVRD to support the City's goals of preserving its stock of rental housing and encouraging the development of rental housing throughout the region as this action proposes. In the November 28, 2006, motion, Council sought the GVRD's support for and participation in a comprehensive study of rental housing in the region. A comprehensive rental study would be an important component of a regional Affordable Housing Action Plan.*

***"Fiscal Actions***

1.6 The GVRD will seek enabling legislation to permit it to:

- waive regional (GVS&DD) development cost charges on social housing;
- reduce/waive regional development cost charges on affordable housing when affordability is secured for a minimum of 20 years. To this end, it will revise the method of calculation of regional development cost charges so that there is variation by unit and lot size, with the purpose of reducing charges on smaller units and lots."

*Commentary:*

*Whether or not affordable housing is exempted from regional Development Cost Charges (DCCs) for water and sewer upgrades, it is important that DCCs be charged on a per square foot rather than a per unit basis, to avoid a disincentive to the development of small and therefore more affordable units. As to whether social housing should be exempt from regional DCCs, it is not clear they should be. The City of Vancouver exempts social housing from Development Cost Levies (DCLs, which are DCCs by another name) because DCLs are used to fund social housing, and charging DCLs for social housing would just mean that DCLs would be paying for DCLs which would be pointless. However, regional DCCs are not used to fund social housing, and exempting social housing from regional DCCs would be akin to exempting social housing from property taxes - which would not be appropriate as property taxes pay for services all residents including those living in social housing consume. Just as it would not be recommended that social housing be exempt from property taxes, it would not be recommended that social housing be exempt from regional DCCs, as they too fund services that benefit all the region's residents.*

***"Advocacy Actions***

1.7 To address homelessness, the GVRD will work with municipalities to develop and promote methods to gain community acceptance for sheltering and housing projects. To this end, the GVRD will:

- work with municipalities, the Regional Steering Committee on Homelessness (RSCH), BC Housing and the BC Non Profit Housing Association (BCNPHA) to deliver workshops on best practices in addressing community opposition to municipal planners and other staff involved in municipal approval processes for shelter and supportive housing projects; and
- develop housing and homelessness components of GVRD education and outreach programs."



*Commentary:*

*Developing community understanding of the need for and benefits from social and affordable housing, including supportive housing is important and should be a priority. Not In My Back Yard (NIMBY) is a serious issue that needs to be addressed. An education and consultation program should be developed in partnership with BC Housing and the Fraser and Coastal Health Authorities, and they all need to be active participants in the delivery of the program. Municipalities should not have to confront NIMBYISM on their own.*

"1.8 To address homelessness, the GVRD will urge the provincial government to:

- reduce barriers to access, and provide increased outreach services to help connect homeless people to income, health and other support services;
- ensure provincial settlement programs for immigrants and refugees are integrated with provincial initiatives on homelessness;
- regularly review its income supplement programs, such as SAFER and the new Rental Assistance Program for working families, to ensure that current market rents and income levels in Greater Vancouver are used in the calculation of the "30% of income" eligibility criteria; and,
- ensure housing and support services strategies include culturally sensitive components to address the specific needs of homeless and at-risk Aboriginal persons."

*Commentary:*

*These actions are consistent with the City's Homeless Action Plan and the regional "Three Ways to Home" homelessness plan, and should be supported. A related priority is for the Province to raise welfare rates, along with its shelter allowance programs, to keep pace with inflation. As well, the Federal Government needs to be involved in and should fund settlement programs for refugees and new Canadians. And culturally sensitive responses are required for all minorities and for women and for youth as well as for aboriginal peoples.*

"1.9 To address affordable housing needs, the GVRD will urge the provincial government to:

- allocate some portion of its funding for assisted living units under Independent Living BC (ILBC) to a housing supply program for low-income families;
- exempt affordable housing from the PST;
- provide enabling legislation for municipalities and the GVRD to allocate some portion of municipal development cost charges/levies to an affordable housing fund."

*Commentary:*

*This action should be split in two because each component is important and should stand on its own. The first should address the need for the Province to fund and deliver housing programs that address the full continuum of need from low and modest income families with children, through supportive housing for those at risk (the mentally-ill, addicted, physically disabled, etc.), to low income seniors who may or may not need support services. The action as written is too narrow. It is not a question of reallocating funding within or from the Province's Independent Living BC (ILBC) program but providing adequate funding - period. And it is not a question of using PPT or any other specific source of revenue to fund social and affordable housing. The Province should*

*provide enough funding to meet the need for social and affordable housing and where they get the funding from is their business.*

*The second action addresses the municipal capacity to contribute, as an equity partner, to the development of social and affordable housing. Currently the City of Vancouver is the only municipality that can use DCL or DCC revenue to fund social and affordable housing, specifically to replace affordable housing lost through redevelopment. The DCLs for replacement housing has been the City's primary source of funding for the purchase of the dozen sites it now owns and has made available for the development of social and affordable housing. **IT IS ESSENTIAL THAT ALL MUNICIPALITIES IN THE REGION AND ACROSS THE PROVINCE HAVE THE SAME CAPACITY AND POWERS TO PARTNER IN THE DEVELOPMENT OF SOCIAL AND AFFORDABLE HOUSING, AND THEREFORE CRUCIAL THAT THE PROVINCE AMEND THE LOCAL GOVERNMENT ACT TO GIVE ALL MUNICIPALITIES IN BC THE SAME POWER AS THE CITY OF VANCOUVER NOW HAS TO USE DCLS OR DCCS TO FUND REPLACEMENT HOUSING.** The City of Burnaby asked the Province to give them the right to use DCCs for replacement housing but were turned down. In its November 28 motion, Council sought GVRD support for the amendment. It is time for the GVRD and the UBCM to bring this issue back to the Province, and insist that the Province amend the Local Government Act if it is truly serious in wanting municipalities to partner in addressing the affordability crisis. Otherwise, only the City of Vancouver will be an effective partner in the development of social and affordable housing, and the objective of developing social and affordable housing, including supportive housing, throughout the region will be frustrated.*

- "1.10 To address homelessness, the GVRD will urge the federal government to continue a national homelessness initiative and funding programs for homelessness projects that:
- use a community-based delivery model; and,
  - ensure integration between national homelessness initiatives and federal government immigration policies."

*Commentary:*

*With the devolution of responsibility for overseeing the development and operation of social and affordable housing to the Provinces, it would be appropriate for the Province to take on the Federal role in the delivery of homelessness programs, such as the former Supporting Community Partnerships Initiatives and now National Homelessness Initiative. BC Housing has been instrumental in the implementation of the Federal homelessness programs and has worked closely with the community in reviewing proposed projects and providing matching funding. BC Housing is responsible for the Province's shelter network and is in a position to ensure that the public resources invested in addressing homelessness are effectively co-ordinated.*

- "1.11 To address affordable housing needs, the GVRD will urge the federal government to:
- respond to the call from the Federation of Canadian Municipalities (FCM) to develop a National Affordable Housing Strategy;
  - exempt affordable housing from GST; and,
  - identify opportunities to provide tax incentives for the construction of new purpose-built rental housing."

*Commentary:*

*The Federal Government needs to continue to fund the development of social and affordable housing, including programs that address homelessness. While the devolution of affordable housing to the Provinces means that the latter have primary responsibility, the Federal Government, because of its revenue generating capacity, needs to continue to provide funding. The Federal Government should provide block grants to the Provinces of at least \$1 Billion/year for a minimum of 5 years for the development of social and affordable housing, with an incentive if matching funds are provided by the Provinces and their partners. The source of funding, and whether social and affordable housing is exempt from GST, is less important than the overall Federal funding commitment.*

*The call for the Federal Government to reform its tax system to remove the disincentives for the development of market rental housing has been echoed by FCM, CHRA, the apartment owners associations, the City and others. The Federal Government needs to deal with this issue immediately. Vancouver's rental stock is key to Vancouver's continuing economic health as the region's downtown, as many whose work is essential to the downtown's viability, cannot afford to own.*

***“Measures on Homelessness Actions***

- 1.12 The GVRD will work with the Regional Steering Committee on Homelessness to monitor and report on progress in implementing strategies to address regional homelessness.”

*Commentary:*

*The GVRD was instrumental in the development and successful on-going implementation of the regional homelessness strategy. It is important that it continue to provide the facilitation and co-ordination required to implement the strategy. The community has appreciated the GVRD's commitment and the region should stay actively involved.*

- “1.13 In the final Regional Affordable Housing Strategy, the GVRD will include targets, with suggested distribution by municipality and sub-region, for housing types (including shelter beds, transition housing, and residential treatment and recovery houses) that provide housing and support services to homeless people in their own communities. The GVRD will work with member municipalities, the Regional Steering Committee on Homelessness (RSCH) and other partners to develop these targets for the elimination of homelessness in Greater Vancouver.”

*Commentary:*

*As discussed in 1.4 above, the development of a regional Affordable Housing Action Plan should be a priority. Perhaps this is what is intended in the reference to a Regional Affordable Housing Strategy. However this is the only mention of the strategy in the discussion paper. The plan or strategy should not be restricted to homelessness issues. It needs to be comprehensive and must provide the analytic context for targets and implementation across the housing and shelter continuum.*

- “Strategy 2: Secure additional stable funding to meet affordable housing needs in Greater Vancouver.**

## *Fiscal Actions*

- 2.1 The GVRD will seek a legislative enactment to permit a regional surcharge on various regional levies and charges, particularly those directed towards demand management, to enable the regional district to raise up to \$50 million per year, to be matched at a ratio of 2:1 from the provincial government, and 2:1 from the federal government. This revenue is to be spent on increasing the supply of social housing in Greater Vancouver."

*Commentary:*

*Whether a regional surcharge on various regional levies is appropriate is unclear. A region-wide capital fund for affordable housing, however, needs to be matched and co-ordinated with municipal capital funds, and all municipalities should be expected to provide matching funds. Given the gravity of the homeless and affordability crises, all the municipalities in the GVRD should consider asking for voter approval to borrow funds to invest in social and affordable housing as part of the November 2008 municipal elections.*

*The proposal to raise \$50,000,000/year raises allocation issues that need to be addressed in the regional Affordable Housing Action Plan. If possible, the regional Affordable Housing Action Plan should be completed in time for the November 2008 elections, so that it can provide the context for municipal plebiscites seeking voter approval to borrow for social and affordable housing.*

*The proposal that the GVRD contribute 20% of the cost of social housing is double what the City has, on average, contributed over the past few years. The City's position has been to limit its contribution to free land. The City has funded higher proportions for some projects but for others it has contributed less. A 10% contribution by municipalities, given that municipalities receive only 8% of all the taxes raised in Canada, would be more appropriate.*

- "2.2 The GVRD will establish and manage a Regional Affordable Housing Trust Fund, to act as a repository for affordable housing funding from a variety of sources, monies from which will be allocated to construction of additional social housing."

*Commentary:*

*Whether a trust fund is established or needed is less important than sorting out how the funds will be allocated both geographically and by need. Again, a regional Affordable Housing Action Plan is needed to provide the context for resolving these issues.*

- "2.3 The GVRD will identify lands across the region owned or controlled by the GVRD which are suitable for the development of affordable housing, and provide these sites to affordable housing developers at less than market value.
- 2.4 The GVRD will request the Greater Vancouver Transportation Authority (GVTA) to identify surplus lands suitable for the development of affordable housing, possibly combining park and ride sites with housing developments."

*Commentary:*

*The experience in the city of Vancouver is that lands owned by the City or other levels of government that may appear surplus often are not, and if they are, they are*

*often not suitable in terms of location or zoning and there are often competing demands on the sites. The City's experience is that purchasing sites and developing a land bank explicitly for social and affordable housing is more effective than relying on what land happens to be already owned by government. A land acquisition strategy should be part of the regional Affordable Housing Action Plan.*

### ***"Advocacy Actions***

2.5 The GVRD will urge the provincial government to:

- allocate some portion of 45% of the Provincial revenue generated by the property transfer tax in the GVRD from provincial general revenue to regional housing programs within the GVRD;
- increase the shelter component of Income Assistance rates to reflect the high costs of housing in the Greater Vancouver region;
- establish a Provincial Rental Tax Credit Program geared to income; and,
- work with the development industry and the federal government to develop a low-income tax credit or subsidy program for the construction of affordable rental housing."

#### *Commentary:*

*The principle that the Province commit long-term funding for the full range of social and affordable housing needed in the region should be the focus of the GVRD's advocacy. Where the funding comes from and whether it is through direct grants, on-going operating subsidies, or tax expenditures is less important and could diffuse the focus from where it needs to be, which is the commitment of funding and the delivery of programs. In recommending that the Province and the Federal Government develop a tax credit program, perhaps like the one in the U.S., there is a danger that it will result in further delay which the region cannot afford. The region cannot wait for a major rewrite of the tax codes. The development of a tax credit program may be justifiable but it must not be an excuse to delay investing funds in social and affordable housing now. Similarly, bringing new partners to the funding table would also be worthwhile, but it should not postpone the development of social and affordable housing, noting that it often takes 3 or 4 years to take a social housing project from concept to occupancy.*

"2.6 The GVRD will urge the federal government to:

- allocate some portion of the accumulated \$5.7 billion reserve funds held by Canada Mortgage and Housing Corporation (CMHC) to build new social housing;
- reduce or eliminate taxes which act as disincentive for the provision of affordable housing;
- improve ability for existing affordable housing to be maintained by:
  - o substantially increasing funding for the Residential Rehabilitation Assistance Program (RRAP) and Home Adaptation for Seniors' Independence Program (HASI) renovation programs;
  - o increasing the forgivable loan portion of its RRAP program for non-profit housing providers;
  - o revising eligibility criteria for RRAP in order to increase access to the program in high-cost urban areas such as Greater Vancouver."

#### *Commentary:*

*These actions are all worthy of consideration and should be considered in the development of a regional Affordable Housing Action Plan. However, by focusing on the detail, the central message may be lost, which is that the Federal Government, even though no longer having the primary mandate for social and affordable housing, still has a major role because it receives half the tax revenue in Canada. The Federal Government should replace short term and ad hoc funding initiatives with a long term program of annual block grants to the Provinces, with the necessary accountability to ensure that the funds are invested in social and affordable housing, and in particular to meet the needs of households who cannot afford market rents.*

"2.7 The GVRD will urge senior governments to provide municipalities with early opportunities to purchase, at less than market value, provincial or federal government "surplus" lands being divested."

*Commentary:*

*See 2.3 and 2.4. Getting other agencies and ministries to accept less than market value for their assets has not been particularly successful in the past. A great deal of energy can be expended with little to show for it. The fact is there is not a lot of surplus land owned by government and if there is any there are usually other interests competing for it.*

"2.8 To address homelessness, the GVRD will urge senior levels of government and Health Authorities to provide 5,000 units of supportive housing in the region."

*Commentary:*

*This action needs a time frame. The City of Vancouver's Homeless Action Plan target is 3,200 supportive housing units over the next 10 years.*

"2.9 The GVRD will urge BC Housing and other funders to develop additional shelter capacity in line with the regional shelter distribution outlined in the Final Regional Affordable Housing Strategy."

*Commentary:*

*The regional Affordable Housing Action Plan needs to include shelters as well as housing, and needs to build on the recent Shelter Net BC analysis of the need for shelter in the sub-regions. It is important that the shelter system be co-ordinated through BC Housing, who now has responsibility for the Province's shelter system, though the Health Authorities and MEIA still have major roles in funding and providing services to shelters.*

"2.10 The GVRD will urge BC Housing and other funders to ensure that all shelters have funding for 24/7 operations and are focused on moving people who are homeless into permanent affordable housing connected with the supports they need."

*Commentary:*

*Shelters are necessary as a first step off the street, but supportive housing and long term independence should be the priority. Shelters should not become the solution to homelessness. They should be 24/7 operations that will stabilize the homeless and those at risk of homelessness. Life skills training, counselling, and employment and housing outreach need to be available. If possible they should include a transitional housing component, and in any event should be linked to social housing and affordable housing,*

*so that those who find themselves in shelters can move into a 'normal' living environment, which shelters aren't, as soon as possible.*

**"Strategy 3: Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their housing.**

### ***Direct Housing Provision Actions***

- 3.1 The GVRD will direct GVHC to link its tenants to support services, wherever required, to:
- develop partnerships with Provincial agencies and non-profit societies, to provide on-site support services, or linkages to support services in the community, for GVHC tenants;
  - continue the partnership with the Seniors Housing Information Program (SHIP) in its pilot project for the provision of emergency housing and support services to seniors."

#### *Commentary:*

*GVHC should be supported in its plans to expand its partnerships with service providers. BC Housing has developed effective partnerships with service providers to accommodate the mentally ill and those in recovery in projects that BC Housing operates. Non-profit housing providers, including GVHC, accommodate many people and families who need services, some who receive them and some who do not. Greater co-ordination between service and housing providers would benefit both the providers and the residents.*

### ***"Advocacy Actions***

- 3.2 To address homelessness, the GVRD will urge senior levels of government and Health Authorities to provide stable funding for operating costs and support services required for the 5,000 units of supportive housing needed in the region. (See Action 2.8)"

#### *Commentary:*

*Supportive housing cannot succeed without support services, whether provided on site in the community. If funding is provided for housing, funding is also needed for services, unless there is excess capacity in the community which is rarely the case.*

- "3.3 The GVRD will urge the provincial government and Health Authorities to increase the number of outreach teams who link homeless people with income and support services, including Assertive Community Treatment teams, to meet the need throughout the region."

#### *Commentary:*

*The three ways to home in both the regional homeless strategy and the City's Homeless Action Plan are: increased access to income, improved services, and more social housing. The priority action for improved services in the City's Homeless Action Plan is also to expand the Assertive Community Treatment program by increasing the number of teams and adding links to training, employment and housing.*

- "3.4 The GVRD will urge the provincial government to provide an interdepartmental policy framework and funding support for the Vancouver Coastal Health Authority, the Fraser

Health Authority and other key partners to develop a Regional Addictions Strategy which addresses supportive housing needs in Greater Vancouver."

*Commentary:*

*The development of a comprehensive addictions and mental health framework for the region and the province is very important. There is currently a lack of understanding of how the current system works and also of how the system needs to be reformed or expanded to address the full range of needs in the region. The City has been working closely with Vancouver Coastal Health and BC Housing in the development of a strategy for locating and developing supportive housing for the mentally ill and those suffering from addiction, and a broader plan for the whole region covering all aspects of mental health and addiction issues would be very helpful.*

## FINANCIAL IMPLICATIONS

The regional affordable housing strategy includes a number of elements with potential financial impacts, including providing capital grants and land for social and affordable housing which the City of Vancouver already does. Seeking voter approval to borrow funds through the capital plan specifically for social and affordable housing would impact taxes and perhaps the City's ability to borrow for other priorities. No commitments are being made at this time, and the regional proposals are still draft. Staff will report back on the regional strategy when it is finalized.

## SOCIAL IMPLICATIONS

Homelessness and affordability have become crises in the city and the region. The numbers of homeless have doubled in the last three or four years and rental vacancy rates are now 0.7% in the region and only 0.3% in the city. Few tenants can afford to buy and 31% are paying more than 30% of their gross household income on rent. There are over 10,000 applicants on BC Housing's waiting lists living in the region and over 4,000 of these live in Vancouver. The GVRD initiative to develop an affordable housing strategy for the region and to co-ordinate the responses of its member municipalities should be supported by the City, and the City should actively participate in the process. The housing market is regional, and only through working together will the GVRD and its member municipalities be effective.

## CONCLUSION

The GVRD is seeking responses from its member municipalities to its "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver". This report provides a commentary to the goals and actions proposed by the GVRD and recommends the commentary, and the motion approved by Council on November 28, 2006, be forwarded to the GVRD Housing Committee and the GVRD Board for their consideration. The GVRD's initiative to develop a regional housing strategy is a high priority that Council should strongly support, and the general directions of the discussion paper are supported as well.

The primary concerns with the discussion paper relate to the need to develop a comprehensive regional Affordable Housing Action Plan that provides the analytic context for targets and implementation; the importance of senior government funding to any progress on



addressing the homelessness and affordability crises; and the need for the GVRD to develop a partnership with the Province that clearly defines the municipal and provincial roles.

\* \* \* \* \*

**Discussion Paper on a  
Regional Affordable Housing Strategy  
for Greater Vancouver**

**Draft**

**GVRD Policy and Planning Department  
November 24, 2006**

# Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver

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# Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver

## 1. Introduction

The purpose of this paper is to identify a range of actions the GVRD might take to contribute to solutions and remedies on most urgent and persistent housing needs in Greater Vancouver, in partnership with member municipalities, senior governments, and housing providers.

### **Affordable housing is necessary for regional sustainability**

The majority of households in Greater Vancouver are properly housed: living in housing that is in good condition, of appropriate size, and affordable in relation to their income.

However, for an estimated one-third of the region's households, finding and remaining in affordable housing to rent or own is a problem. When people live in housing that is neither appropriate nor affordable, or indeed have no housing at all in the case of the homeless, it is hard to argue that we have the foundation for a sustainable, livable region.

The following are three core arguments that the sustainability of the region depends on the provision of adequate housing:

*Housing, Health and Quality of Life:* There is a strong correlation between housing and health. Neighbourhoods with poor quality housing are shown to have lower health outcomes. Individuals and households living in inadequate or unaffordable housing are more likely to deal with the stresses of overcrowding, moving often, making trade-offs between shelter costs and other necessities of life, or carrying large debt loads. Children living in poor housing score lower in "school readiness" and adults' abilities to participate effectively in work, education or community affairs are impaired when they are preoccupied with housing problems.

Housing choice in communities permits people to "age in place" and to live in locations closer to destinations for daily living. Furthermore, housing choice provides for stability in communities, and for healthier community design which encourages walking and cycling.

*Links to Economic Well-being:* Housing affordability is important in supporting a competitive regional economy because the region must be able to attract and retain a broad labour force, including those with low to moderate incomes. Furthermore, households spending a large component of income on shelter have less disposable income available for consumer spending, which helps drive the regional economy. Adequate, stable housing permits people to participate in the work force, and in civil society.

*Public Costs:* Homelessness has a social and health cost to the individual and to communities. People experiencing homelessness "spiral down" in personal health, and are disproportionate users of emergency health, police, social and criminal justice services. The public cost of providing these services exceeds the costs of providing housing. Furthermore, the livability of communities is reduced when residents and businesses perceive personal or business risk from people who are visibly homeless.



Vancouver are not keeping pace with increasing housing costs. Professional, trades and service industry workers now have difficulty affording to live in Greater Vancouver.

A recent study by the federal government (Human Resources and Skills Development Canada) showed that Greater Vancouver has the greatest incidence of working poor of any major city in Canada, with more than 72,000 workers (9.6 % of the total workforce) living in poverty. This share is nearly twice the rate of working poor households in Toronto, with the next highest incidence at 5.3%. The report identifies this region's high housing costs as the reason for the high incidence of working poor. The following table illustrates the incomes required to rent or purchase typical-cost housing here:

**Table 1: Household Incomes Required to Purchase and Rent Housing, Greater Vancouver, 2005**

	<b>Average Selling Price (2005)</b>	<b>Qualifying Household Income to Purchase</b>	<b>% of Renter Households With Qualifying Incomes</b>
Single Family	\$585,000	\$121, 921	< 6%
Townhouse	\$358,000	\$80,748	< 11%
2 Bdrm Condo	\$295,000	\$66,916	< 18%
	<b>Average Rent (2005)</b>	<b>Qualifying Household Income to Rent</b>	<b>% of Renter Households with Qualifying Incomes</b>
2 Bedroom Apt	\$1,004	\$40,160	<63%
1 Bedroom Apt	\$788	\$31,520	<82%

Source: Affordable Housing Supply Analysis (2006), Prepared for GVRD by McClanaghan and Associates

The three target populations who experience the most critical need for affordable housing in Greater Vancouver are: the homeless; low and moderate income renter households; and first-time homeowners.

### **The Homeless**

The number of street homeless people is increasing: the 2005 Regional Homeless Count demonstrated that the number of homeless people nearly doubled from 1,121 to 2,174 since 2002. The majority of this increase occurred in the unsheltered or street homeless population (1,127 people), which grew by almost 800 people, or a 238% increase, since 2002.

Approximately 75% of homeless people surveyed in the homeless count reported a health condition of some kind, with 35% of homeless people reporting two or more health conditions. The most common health problems were addictions (49% of homeless people), medical conditions such as diabetes or Hepatitis C (35% of homeless people) and mental illness (23% of homeless people). The high incidence of health conditions points to the need for support services to assist homeless people to access and maintain housing.

Lack of adequate income is also a significant factor contributing to homelessness. Less than half of all homeless people (45%) had a steady income source, including those accessing provincial Income Assistance (30% of homeless people). The remainder survived with no income, income from binning or bottle collecting, casual employment and/or illegal activities. In addition to problems with access to Income Assistance, the shelter component of Income Assistance is insufficient to afford rental housing in Greater Vancouver. The shelter component of Income Assistance for a single person is \$325 per month, a rate that has not increased since 1991. In 2005, the average market rent for a bachelor apartment in Greater Vancouver was \$678 per month, more than double the shelter allowance rate.

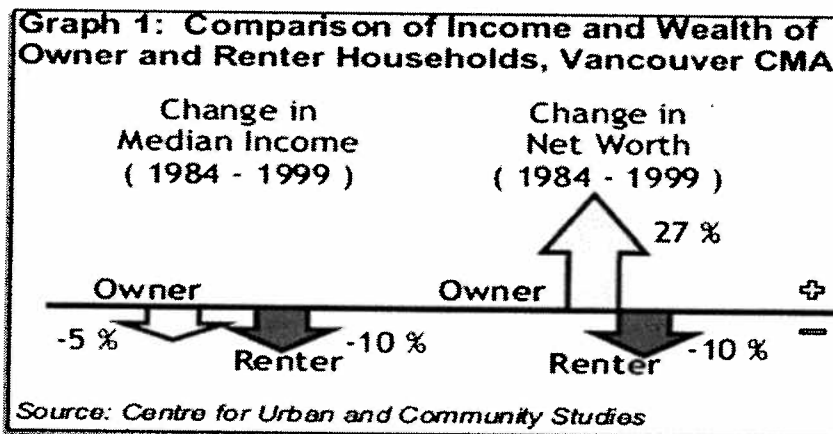
The average length of stay in emergency shelters is also increasing, from 12 days in 2000 to 16 days in 2004. This increase is a strong indicator of the lack of housing options for people exiting shelters. It also points to the increasingly strained shelter capacity in the region. There were 26,525 incidents of people being turned away during the 2004/2005 cold/wet weather season (October to April), and 92% of those turn-aways were a result of the shelter being full. It is estimated that 1,100 people across this region are without shelter any night of the year.

### Low and Moderate Income Renters

While renter households constitute approximately 40% of all households across the region, they account for approximately 63% of all regional households in core need. CMHC defines households being in core need if they experience at least one of three types of housing challenges based on established standards. These standards relate to “suitability” (enough bedrooms for the size and composition of the household), “adequacy” (if the unit is safe and in good repair), and “affordability” (shelter costs are in excess of 30% of the household’s gross, pre-tax income). The target populations most over-represented among renter households who are in the greatest need for affordable housing are:

- immigrant and refugee families, particularly those who have arrived in Canada in the past 10 years;
- seniors, particularly senior women over 75 years of age;
- female-led single-parent families; and,
- single persons who receive Income Assistance.

The economic profile of renters and homeowners describes two distinct housing markets, as disparities in income and assets are significant, and continue to increase. Renters also spend proportionally more on rent than do homeowners on mortgages and maintenance. Of renters with incomes of \$10,000 – \$40,000, one quarter pay more than 50% of that income for rent, compared with one-fifth of owner households in this same income range.



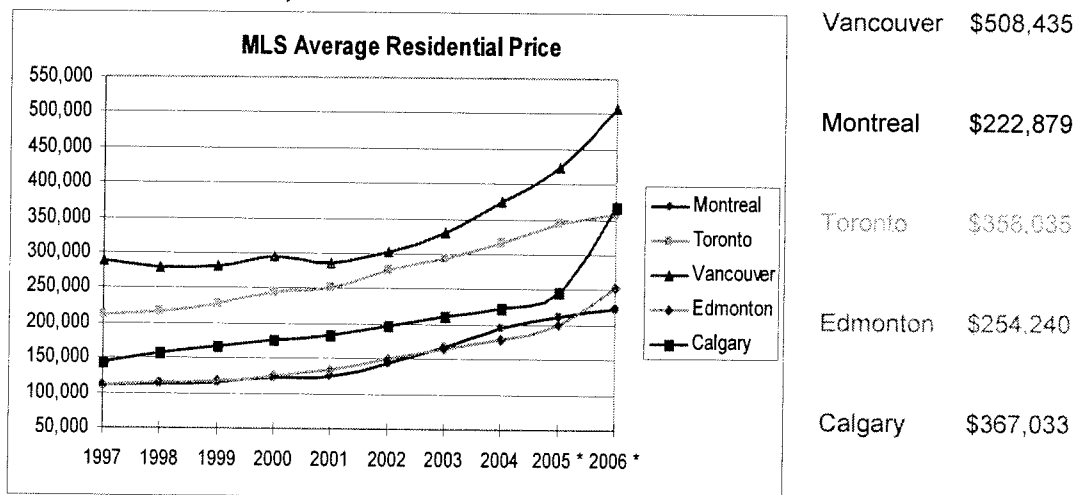
Another indicator of the increasing affordability crunch upon renters is the increasing number of people requiring social housing, particularly for those units which are rent-gear-to-income and have deep subsidies attached. The central social housing registry for Greater Vancouver has a wait list of over 11,000 households (as of October 2006), half of which are family households.

The chronic lack of market rental and social housing units in this region means that not only are low-income renters scrambling for scarce affordable rental units, but that they are competing with moderate-income renters who cannot afford first-time homeownership.

### Low and Moderate Income Homeowners

Greater Vancouver continues to have the highest housing costs in Canada (see Graph 2 below). Stats Canada (2005) reports that housing affordability in Canadian CMAs improved between 1991 and 2001, except for Greater Vancouver where housing affordability fell by a "significant amount" and shelter costs outgrew income by 6.8%. The higher than national average housing costs and the below national average incomes in Greater Vancouver mean that increasingly owners are being squeezed, and that even middle-income renters cannot move into homeownership.

**Graph 2: MLS Average Residential Price (All Housing Types), Select Urban Centres, 1997-2006**



Source: CREA (MLS) from *Canadian Housing Observer 2005*, CMHC

## 3. The Supply of Affordable Housing

### Housing the Homeless

The region has had an increase in shelter capacity since 2000. Permanent shelter and youth safe house capacity increased by 190 beds from 458 beds in 2000 to 648 beds in 2005 primarily due to funding from the Supporting Communities Partnership Initiative (SCPI), delivered under a federal program with partnered funding from the Province.

Some progress has been made in supplying supportive housing units in the region since 2000. Through SCPI (from 2000-2006), in partnership with other funders, approximately 635 units of supported housing were completed, or are under development. Some additional units have been developed through other programs. However, all of these units were developed using funding provided through ad hoc and/or time-limited programs. There is currently no supply program at any level of government that can consistently deliver the number of units needed to address chronic homelessness in the region.

There is a seeming contradiction between increasing homelessness since 2000, and the increase in spending on homelessness since that time. It can be explained by both growing need and inadequate expansion in supply:



- Significant cutbacks in social and community services and tightening in eligibility and rates for Income Assistance had a combined impact on a vulnerable population, creating additional homelessness. The growing incidence and depth of poverty in this region means more households are at-risk of homelessness, or flowing in and out of homelessness.
- The total amount of spending on homelessness in Greater Vancouver has been insufficient. Despite the investment of \$58 million in federal funding plus provincial matching funds since 2000, funding in this region falls far below that of American and British cities that have demonstrated progress towards eliminating chronic homelessness. The insufficient supply of affordable housing keeps people in cycles of homelessness (in shelters and on the street).

At least 675 supportive housing units are required to meet the immediate need to house unsheltered people in the region. To make substantial progress towards eliminating chronic homelessness, the region needs an estimated 5,000 units of supportive housing.

### **Rental Housing**

The loss of existing affordable rental housing and the lack of new purpose-built rental housing construction have resulted in a major housing gap in this region. The region is forecast to require 70,500 additional rental units by the year 2021, or an average annual increase of 3,525 additional units. The prospects for the private market meeting future forecast demand for rental housing remain bleak due to unattractive rates of return for rental properties.

As a result, “purpose-built” rental housing is declining in its share of the region's total housing stock. It is estimated that by 2003, 51% of total rental stock in the region was non-traditional (secondary suites and own-to-rent condos).

Vacancy rates are an indicator of how “tight” the rental market is. A 3% vacancy rate is considered healthy in a rental market. Vacancy rates in Greater Vancouver remain among the lowest in Canada: in 2005, the rental housing vacancy rate in Vancouver was 1.4% compared with 3.7% for Toronto, and in late 2006 the vacancy rate across the region was below one percent (0.6%). Vacancy rates for lower end of market units are consistently lower than for higher-rent units.

Insufficient supply of rental housing has major implications for affordability, and therefore increases the need for supply of social housing.

In social housing, vacancy rates for the deep-subsidy units are virtually zero and the regional inventory (47,220 units) is not keeping pace with demand, particularly for households requiring deep subsidies. BC Housing is the primary provider of social housing in the region, with the GVHC being the second-largest provider. While BC Housing has recently produced a substantial number of units for frail seniors, neither of these social housing providers has produced a significant supply of housing for low-income individuals and families in the past five years.

### **Owned Housing**

The supply of housing is highly cyclical in this region, and the market's ability to meet the forecast demand for roughly 12,000 owned units per year is sensitive to interest and inflation rates. In 2004 and 2005, annual owned housing starts exceeded 18,000 units, but three years prior to that, housing starts ranged between 7,000 – 8,000 units. The particular

current challenge for the market is production of modest-cost housing, affordable for “entry-level” homeownership.

The growing disparities between owner and renter households translate into markedly different affordability thresholds for the ability of renters to move into home ownership. This is exacerbated by the highly cyclical nature of market housing production, and the insufficient supply of modest-size, entry-level housing product on the market (e.g. small lot detached housing, freehold tenure row houses, townhouses, modest-size condo units).

#### **4. Public Policy for Housing Provision**

The public policy context for housing is complex. The policy environment in senior governments has changed remarkably in the last decade. Production of affordable housing now requires multi-party partnerships and public policy interventions in the housing market to support production of all types and tenures of housing.

##### **Federal Government Role**

The federal government, through its Canada Mortgage and Housing Corporation, provides funding and resources for residential rehabilitation, mortgage underwriting for social housing, seed funding to non-profit societies, and research in best practices. Furthermore, a national homelessness initiative since 2000 has provided significant funding for homelessness projects in the region. The federal government also transfers funding for affordable housing to the provinces and territories: of the \$1.4 billion allocated to affordable housing in April 2006, \$800 million was distributed among provinces and territories on a per capita basis, with approximately \$106 million being allocated to B.C. Other than for operating costs or rent subsidies, this federal funding can be allocated by provincial governments as they wish. Most recently, the federal government devolved responsibility for some 51,600 units of social housing to the Province of B.C. in June 2006, under the Canada-BC Social Housing Agreement.

##### **Provincial Government Role**

The provincial government in 2004 shifted its priorities from housing supply programs for low-income families (“Homes BC” program) to assisted living housing for frail populations (“Independent Living BC”). The Province also provides funding for homelessness projects, including shelters, cold/wet weather beds, and outreach programs. Most recently, the Provincial government unveiled its housing strategy on October 3, 2006, the major components of which are:

1. *Rental Assistance Program:*  
This program provides cash assistance to families who are renting in the private housing market, have an income below \$20,000, have one or more dependent children under 19 years of age, and are spending more than 30% of household income on rent. Households with any family members receiving income assistance are not eligible.
2. *Independent Living BC (ILBC):*  
Additional funding has been allocated to ILBC, to subsidize operating costs of 550 new assisted living units for seniors, including non-profit units, conversions from existing for-profit housing or health facilities, and units provided through rent supplements in private assisted living developments.
3. *Provincial Homelessness Initiative:*  
Additional funding under the federal-provincial Affordable Housing Agreement (now called the Federal Housing Trust) is allocated to build and subsidize new supportive housing. An expanded homeless outreach program will fund outreach workers and

- projects to assist those living on the street and in shelters with access to government housing and income support.
4. *Aboriginal Housing:*  
Of the recent devolution of CMHC-managed units to the Province, 2,600 units are being transferred to the Aboriginal Housing Management Association to accommodate off-reserve Aboriginal people.
  5. *Home Ownership:*  
Existing programs include income tax reductions, property tax deferral, the First Time Home Buyers' Property Transfer Tax Exemption, and the Home Owner Grants.

### **Regional Role**

The GVRD currently has a number of roles in housing:

- Direct provision of housing: The Greater Vancouver Housing Corporation (GVHC) manages a portfolio of 3,500 social housing units which accommodate about 10,000 people.
- Acting as "Implementation Partner" in homelessness: The GVRD acts as the secretariat to the Regional Steering Committee on Homelessness, to implement "3 Ways to Home", the framework for funding investment on homelessness in the region. Federal funding for this work to extend to March 2007.
- Setting out housing policies in the Regional Growth Strategy (LRSP): this includes general housing objectives and policies to support growth management objectives.
- Regional housing data and research: The GVRD provides regional housing forecasts and data analysis and undertakes research such as studies on secondary suites, ground-oriented medium density housing, and freehold tenure townhouses.
- Providing input to senior governments: Municipal staff meet on a regular basis and respond to provincial and federal staff on policies and programs and, where appropriate, bring these issues to the Housing Committee and GVRD Board for their attention and action.

### **Municipal Role**

Local governments have a number of tools to address affordable housing. The range of municipal initiatives includes:

- *Policy and regulatory actions* (OCP policies, zoning, density bonussing; demolition and conversion control bylaws);
- *Financial actions* (write-downs on municipal land; affordable housing reserve funds and homelessness trust funds); and,
- *Partnerships* (partnering with senior governments on homelessness projects; with non-profit and social housing providers on affordable housing projects).

The level of municipal involvement varies widely across from the region and both the Provincial Housing Minister and the development industry have suggested that some municipal development control practices have been an impediment to achieving affordable housing goals.

While it is expected that senior governments will continue to take on the main responsibility for social housing, there is much that the private sector, municipalities and the GVRD can contribute to help address the regional housing crisis. Affordable housing issues cannot be adequately addressed solely on a municipality by municipality basis. Housing markets behave regionally, and government policy guidance and/or market intervention to produce affordable housing requires a regional response. GVRD member municipalities have identified the need for a united regional message to senior governments on policies,

programs and funding priorities for affordable housing, and on the need for local governments to have “a seat at the table” with senior governments on housing issues.

The proposed actions on the following pages focus on meeting these critical unmet needs in Greater Vancouver:

- The chronic shortfall in the supply of affordable rental housing.
- The critical shortfall in the supply of social housing.
- The increasing incidence and duration of homelessness across the region.
- The shortfall in modest-cost housing appropriate for first-time home-buyers.

## 5. Preliminary Proposals for a Draft Regional Affordable Housing Strategy (RAHS)

The Regional Affordable Housing Strategy is based upon three goals, as follows:

GOAL 1: Provide adequate housing to meet the needs of low income renters.

GOAL 2: Eliminate homelessness across the region.

GOAL 3: Increase the supply and diversity of modest cost housing.

### STRATEGIES

The above three goals will be implemented through three key strategies, all three of which can be used in relation to achieving each of the goals. The strategies for the GVRD are to:

1. Make better use of the existing and available government and housing industry resources.
2. Secure additional stable funding to meet affordable housing needs in Greater Vancouver.
3. Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their housing.

#### **Strategy 1: Make better use of the existing and available government and housing industry resources.**

##### Direct Housing Provision Actions

- 1.1 The GVRD will direct the GVHC to continue to provide social housing, with particular priority upon reviewing opportunities for site-intensification on GVHC properties, primarily through:
  - densification; or
  - sale and reinvestment in other properties.
- 1.2 The GVRD will direct the GVHC, at the request of member municipalities, to:
  - manage market or non-profit rental housing acquired through municipal Affordable Housing Funds or other municipal development processes; and
  - continue to provide expertise to member municipalities and to non-profit societies to facilitate the development of non-market and low end of market housing projects.
- 1.3 The GVRD will direct the GVHC to encourage new opportunities for homeownership for those in non-profit housing and market rental housing, by:
  - partnering with financial institutions and the private and non-market sector to develop a demonstration program to provide opportunities for GVHC tenants to access ownership housing using an asset development approach (e.g. VanCity Springboard Mortgage and Individual Development Accounts).

##### Regulatory Actions

- 1.4 In the new regional growth strategy, the GVRD will set targets, with suggested distribution by municipality and subregion, for the number of *new affordable owned and rental housing units* required by the year 2011 and 2016, and will include a

requirement for regional context statements to demonstrate how municipalities will achieve these targets, through actions such as:

- accommodating two-family dwellings, “granny flats” and secondary suites in zoning districts currently designated for single detached homes;
- increasing the stock of modest-cost housing, including small units, small lots, infill options such as coach houses, rowhouses and conversions, townhouses, and apartment-style condominium housing;
- requiring 15% of units in residential or mixed-use developments of 20 units or more to be affordable units, for either rent or ownership;
- implementing changes to regulations, regulatory processes and regulatory fees which may reduce the cost of housing;
- identifying sites appropriate for affordable housing;
- amending zoning and subdivision bylaws to permit greater densification on sites identified as appropriate for affordable owned and rental housing;
- donation or lease of municipal lands to non-profit organizations which develop affordable housing;
- reduction of on-site parking regulations for secondary suites and affordable owned and rental housing with good transit access where appropriate;
- density bonussing.

1.5 In the regional growth strategy, the GVRD will include a requirement for regional context statements to demonstrate how municipalities will meet targets *for rental housing by measures to upgrade and preserve existing rental housing stock*, through means to include:

- upgrading of secondary suites;
- application of demolition controls to preserve rental stock;
- standards of maintenance bylaws;
- anti-conversion bylaws related to rental vacancy rates;
- replacement policies for loss of rental housing; and
- protection of mobile home parks.

#### Fiscal Actions

1.6 The GVRD will seek enabling legislation to permit it to:

- waive regional (GVS&DD) development cost charges on social housing;
- reduce/waive regional development cost charges on affordable housing when affordability is secured for a minimum of 20 years. To this end, it will revise the method of calculation of regional development cost charges so that there is variation by unit and lot size, with the purpose of reducing charges on smaller units and lots.

#### Advocacy Actions

1.7 To address homelessness, the GVRD will work with municipalities to develop and promote methods to gain community acceptance for sheltering and housing projects. To this end, the GVRD will:

- work with municipalities, the Regional Steering Committee on Homelessness (RSCH), BC Housing and the BC Non Profit Housing Association (BCNPHA) to deliver workshops on best practices in addressing community opposition to

- municipal planners and other staff involved in municipal approval processes for shelter and supportive housing projects; and
- develop housing and homelessness components of GVRD education and outreach programs.
- 1.8 To address homelessness, the GVRD will urge the provincial government to:
- reduce barriers to access, and provide increased outreach services to help connect homeless people to income, health and other support services;
  - ensure provincial settlement programs for immigrants and refugees are integrated with provincial initiatives on homelessness;
  - regularly review its income supplement programs, such as SAFER and the new Rental Assistance Program for working families, to ensure that current market rents and income levels in Greater Vancouver are used in the calculation of the “30% of income” eligibility criteria; and,
  - ensure housing and support services strategies include culturally sensitive components to address the specific needs of homeless and at-risk Aboriginal persons.
- 1.9 To address affordable housing needs, the GVRD will urge the provincial government to:
- allocate some portion of its funding for assisted living units under Independent Living BC (ILBC) to a housing supply program for low-income families;
  - exempt affordable housing from the PST;
  - provide enabling legislation for municipalities and the GVRD to allocate some portion of municipal development cost charges/levies to an affordable housing fund.
- 1.10 To address homelessness, the GVRD will urge the federal government to continue a national homelessness initiative and funding programs for homelessness projects that:
- use a community-based delivery model; and,
  - ensure integration between national homelessness initiatives and federal government immigration policies.
- 1.11 To address affordable housing needs, the GVRD will urge the federal government to:
- respond to the call from the Federation of Canadian Municipalities (FCM) to develop a National Affordable Housing Strategy;
  - exempt affordable housing from GST; and,
  - identify opportunities to provide tax incentives for the construction of new purpose-built rental housing.

#### Measures on Homelessness Actions

- 1.12 The GVRD will work with the Regional Steering Committee on Homelessness to monitor and report on progress in implementing strategies to address regional homelessness.
- 1.13 In the final Regional Affordable Housing Strategy, the GVRD will include targets, with suggested distribution by municipality and subregion, for housing types (including shelter beds, transition housing, residential treatment and recovery houses) that provide housing and support services to homeless people in their own communities. The GVRD will work with member municipalities, the Regional Steering Committee on Homelessness (RSCH) and other partners to develop these targets for the elimination of homelessness in Greater Vancouver.

## **Strategy 2: Secure additional stable funding to meet affordable housing needs in Greater Vancouver.**

### Fiscal Actions

- 2.1 The GVRD will seek a legislative enactment to permit a regional surcharge on various regional levies and charges, particularly those directed towards demand management, to enable the regional district to raise up to \$50 million per year, to be matched at a ratio of 2:1 from the provincial government, and 2:1 from the federal government. This revenue is to be spent on increasing the supply of social housing in Greater Vancouver.
- 2.2 The GVRD will establish and manage a Regional Affordable Housing Trust Fund, to act as a repository for affordable housing funding from a variety of sources, monies from which will be allocated to construction of additional social housing.
- 2.3 The GVRD will identify lands across the region owned or controlled by the GVRD which are suitable for the development of affordable housing, and provide these sites to affordable housing developers at less than market value.
- 2.4 The GVRD will request the Greater Vancouver Transportation Authority (GVTA) to identify surplus lands suitable for the development of affordable housing, possibly combining park and ride sites with housing developments.

### Advocacy Actions

- 2.5 The GVRD will urge the provincial government to:
  - allocate some portion of 45% of the Provincial revenue generated by the property transfer tax in the GVRD from provincial general revenue to regional housing programs within the GVRD;
  - increase the shelter component of Income Assistance rates to reflect the high costs of housing in the Greater Vancouver region;
  - establish a Provincial Rental Tax Credit Program geared to income; and,
  - work with the development industry and the federal government to develop a low-income tax credit or subsidy program for the construction of affordable rental housing.
- 2.6 The GVRD will urge the federal government to:
  - allocate some portion of the accumulated \$5.7 billion reserve funds held by Canada Mortgage and Housing Corporation (CMHC) to build new social housing;
  - reduce or eliminate taxes which act as disincentive for the provision of affordable housing;
  - improve ability for existing affordable housing to be maintained by:
    - substantially increasing funding for the Residential Rehabilitation Assistance Program (RRAP) and Home Adaptation for Seniors' Independence Program (HASI) renovation programs;
    - increasing the forgivable loan portion of its RRAP program for non-profit housing providers;
    - revising eligibility criteria for RRAP in order to increase access to the program in high-cost urban areas such as Greater Vancouver.
- 2.7 The GVRD will urge senior governments to provide municipalities with early opportunities to purchase, at less than market value, provincial or federal government "surplus" lands being divested.
- 2.8 To address homelessness, the GVRD will urge senior levels of government and Health Authorities to provide 5,000 units of supportive housing in the region.



- 2.9 The GVRD will urge BC Housing and other funders to develop additional shelter capacity in line with the regional shelter distribution outlined in the Final Regional Affordable Housing Strategy.
- 2.10 The GVRD will urge BC Housing and other funders to ensure that all shelters have funding for 24/7 operations and are focused on moving people who are homeless into permanent affordable housing connected with the supports they need.

**Strategy 3: Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their housing.**

Direct Housing Provision Actions

- 3.1 The GVRD will direct GVHC to link its tenants to support services, wherever required, to:
  - develop partnerships with Provincial agencies and non-profit societies, to provide on-site support services, or linkages to support services in the community, for GVHC tenants;
  - continue the partnership with the Seniors Housing Information Program (SHIP) in its pilot project for the provision of emergency housing and support services to seniors.

Advocacy Actions

- 3.2 To address homelessness, the GVRD will urge senior levels of government and Health Authorities to provide stable funding for operating costs and support services required for the 5,000 units of supportive housing needed in the region. (See Action 2.8)
- 3.3 The GVRD will urge the provincial government and Health Authorities to increase the number of outreach teams who link homeless people with income and support services, including Assertive Community Treatment teams, to meet the need throughout the region.
- 3.4 The GVRD will urge the provincial government to provide an interdepartmental policy framework and funding support for the Vancouver Coastal Health Authority, the Fraser Health Authority and other key partners to develop a Regional Addictions Strategy which addresses supportive housing needs in Greater Vancouver.

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