COVID-19 Housing Response and Recovery

Council Report Reference – RTS#13836
April 29, 2020
The Adaptive Cycle

Source: Designing Regenerative Cultures, 2016 - www.danielchristianwaltz.com; Graphics: www.flavilagargiulo.com
COVID-19 Vancouver Plan Response & Recovery

Phase I: Immediate Recovery Actions
Reframe and Refocus

April – December 31, 2020:
Refocus key initiatives on recovery

Phase II: Long Term Recovery
A More Equitable and Resilient City

Next 2 Years: City-wide actions to stimulate economy and move to a more resilient city

Emergency Response
Support Marginalized Populations

During State of Emergency:
Immediate services and supports for marginalized and at-risk populations (people experiencing homelessness and renters).
Integrating Key Active Initiatives - One Plan with One Platform

★ Delivery of Affordable Housing  
➢ Employment Lands and Economy Review  
➢ Climate Emergency Response  
➢ Complete Communities  
➢ Broadway Plan  
➢ One Water/Blue-Green Network  
➢ Transport 2050  
➢ Development  
➢ Arts and Culture

Future Council Briefings: Reframing Vancouver Plan – Employment Lands and Economy Review, Climate Emergency Response, Development
Presentation Outline

- Background – Impacts of COVID-19
- Emergency Response: Prevent and Mitigate Infection in Vulnerable Populations
- Phase I: Immediate Response Actions
- Phase II: Recalibrate our Housing System towards a More Equitable and Resilient City

Existing vulnerabilities in our housing system become serious threats in a crisis

**Persistent Homelessness**
- Reliance on non-profit sector for services & supports
- Opioid & mental health crisis

*Crisis: Unsafe, insecure shelter options (SROs, encampments etc.)*

**Renter Instability**
- Incomes not keeping pace with rental rate increases
- Fear of eviction in secondary rental

*Crisis: Lack of savings/equity to draw on leading to risk of eviction and homelessness*

**Demand for Social/Rental**
- Not creating the “Right Supply” of housing matched to local incomes
- Limited areas of city where multi-family can be built

*Crisis: economic recession a barrier to new construction*

**Commodification of Housing**
- Rising costs to maintain & renew exiting rental

*Crisis: pressures to sell to speculative buyers*
Crisis impacts

DTES and Homelessness
• Province has secured 686 hotel and community centre spaces for people living in tent encampments in Vancouver, as well as 1,739 additional beds for vulnerable people in hotels, community centres and emergency response centres across the province.
• 2,223 individuals identified as experiencing homelessness in 2019
• Indigenous people are overrepresented in the homeless count – 39% in 2019, despite making up only 2.2% of total Vancouver population
• ~4,000 SRO rooms in privately owned buildings

Renter Households
• 45,000 + renters in BC have applied for the new BC Temporary Rent Supplement

Landlords
• Risk that small landlords unable to cover mortgage, maintenance costs may sell to speculative buyers

Workers
• 132,000 jobs lost in BC in March
• Over 4 million Canadians have applied for the new Canada Economic Recovery Benefit
A Global Economic Recession is Imminent

IMF: Global economy faces worst recession since the Great Depression - as it happened

COVID-19 expected to bring unemployment of 5% to 85% in some areas – what does that mean for Canada?

ECONOMIC ANALYSIS

Coronavirus plunges Canada's economy into the abyss

Canada may face an historic downturn, struck by the global pandemic and fuelled by issues that were already haunting the economy.
Vancouver’s economy depends on housing – economic recession will have impacts across the sector

In Metro Vancouver, Finance, Insurance, and Real Estate industries are the top contributors to the region’s GDP, accounting for 31% of the GDP (2017)
There are direct and indirect employment impacts for residents

Across BC the property development industry was estimated to employ 233,600 FTEs in direct & indirect positions

In the City of Vancouver pre-pandemic there were:

- ~9,900 construction sector jobs (~50% of these were in residential building & building equipment)
- ~13,000 real estate, rental & leasing jobs
- 80% + of these jobs were full time

The Non-Profit Housing Sector is also a significant employer, estimated at ~1,800 jobs
- These jobs are precarious with ~49% being part-time positions
CONCLUSION: we can’t go back to “business as usual” once the COVID-19 emergency period has passed

Significant threats to our housing system have been exacerbated through COVID-19

We need to address these cracks in our housing system and recalibrate to become more resilient to survive the current crisis and be ready for the future
COVID-19 COV Housing Response & Recovery

Phase I: Immediate Recovery Actions
Reframe and Refocus

April – December 31, 2020:
Adjust priorities to deliver highest impact affordable housing projects and policy work

Phase II: Recalibrate Our Housing System
A More Equitable and Resilient City

Next 2 Years: Work with partners to address systemic vulnerabilities and move toward a more resilient housing system.

Emergency Response
Support Marginalized Populations

During State of Emergency:
Immediate services and supports for marginalized and at-risk populations (people experiencing homelessness and renters).
Emergency Response - Support Marginalized Populations
Emergency Response Detail
City Actions

Core Actions

Support prevention, mitigation and containment of COVID-19 infection in homeless and at risk populations

- Activate Emergency Recovery Centres, hotel accommodation, and other options to prevent the spread of the virus and mitigate the demand on our health care system
- Improve access to basic needs including food, hygiene and income for homeless and SRO tenants, and work towards a future action of acquisition and conversion of private SROs to self-contained social housing
- Continue providing essential services in The Gathering Place, Evelyne Saller, Carnegie Centre and through the Homelessness Services Outreach Team
- Support tenants in City’s directly managed stock to prevent and mitigate infection
- Continue to work with Federal and Provincial partners to support renters and prevent evictions, temporarily house residents experiencing homelessness in hotel rooms, and to permanently house those residents by deepening affordability in non-market housing projects that are under construction and close to occupancy
# Emergency Response Detail

## Senior Government Actions – Immediate Supports

| For households experiencing loss of income | Canada Emergency Response Benefit: $2,000/month for 4 months for eligible workers  
Canada Emergency Student Benefit: Up to $1,750 per month for 4 months for students  
BC Emergency Benefit: $1,000 tax-free payment for eligible workers  
Income assistance crisis supplement: $300 supplement on top of existing income/disability assistance who do not qualify for Federal supports; Federal crisis supports are exempt from claw backs |
| --- | --- |
| For renter households | BC Temporary Rental Supplement: Up to $500/month for low and moderate income renters that have experienced an income loss; direct payment to landlords for up to 3 months  
Moratorium on new evictions as of March 30th during the emergency period  
Freeze on annual rent increases during the state of emergency – in effect April 1st |
| For marginalized populations | Cross-sector coordination: Provincial Vulnerable Population Working Group  
Protocols to support isolation for sheltered/unsheltered homeless, private SROs, and social housing |
| For businesses | Canada Emergency Wage Subsidy: Subsidy covers 75% of salaries for businesses experiencing revenue loss  
Canada Emergency Commercial Rent Assistance: Forgivable loans to cover up to 75% of an eligible small business tenant’s rent for April, May, and June  
Provincial reduction of School Tax: for commercial properties (Classes 4 – Major Industry, 5 – Light Industry and 6 – Business & Other) by 50% for the 2020 tax year. |
Phase I: Immediate Recovery Actions to Reframe and Refocus

April – December 31, 2020
Phase I: Immediate Recovery Actions
Reframe and Refocus

Core Actions
1. Prioritize most impactful affordable housing projects currently in the pipeline to drive recovery by generating employment and meeting urgent housing needs
2. Adjust and reframe policy work - prioritize high impact programs to keep on track during pandemic
3. Engage government partners to rapidly house at-risk individuals and support priority projects

Phase I: Immediate Response Actions
Reframe and Refocus

April – December 31, 2020
Adjust priorities to deliver highest impact affordable housing projects and policy work, while laying the groundwork for longer-term transformative change
Action 1: Prioritize most impactful affordable housing projects currently in the pipeline to drive recovery by generating employment and meeting urgent housing needs
Affordable Housing Projects in the Pipeline
~15,000 Units in Application and Enquiry

<table>
<thead>
<tr>
<th>Delivery Stream</th>
<th># Units</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>CITY LAND</td>
<td>1,000 units (7%)</td>
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<tr>
<td>Supportive Modular Housing</td>
<td></td>
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<tr>
<td>VAHA portfolio</td>
<td></td>
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<tr>
<td>NON-PROFIT REDEVELOPMENT</td>
<td>1,300 units (9%)</td>
<td></td>
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<tr>
<td>Social Housing and Co-op housing projects</td>
<td></td>
<td></td>
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<tr>
<td>Places of worship</td>
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<tr>
<td>Redevelopment on non-profit owned land</td>
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<tr>
<td>PRIVATE</td>
<td>12,500 units (84%)</td>
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<td>Inclusionary Social Housing</td>
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<tr>
<td>MIRHPP/Below-Market Rental</td>
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<tr>
<td>Market Rental</td>
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Affordable Housing Pipeline By Delivery Streams

- Social/Supportive Housing
- Developer-Owned Below-Market
- Market Rental
Affordable Housing Projects Pipeline – Prioritize Projects to Provide Crucial Housing & Contribute to Recovery

1. Prioritize projects that will deliver housing geared towards shelter rate and low-income households

2. Prioritize ‘shovel-ready’ affordable and market rental projects that are expected to initiate construction in coming months

3. Create business continuity planning for all other housing projects on COV land

4. Proactively engage with social housing funders and secured market rental delivery partners (Identify continuity issues, provide support)

Benefits:
- Expedite social housing projects on City land
- Increase shelter rate units
- Support non-profit partners to deliver shovel ready projects
- Continue shift toward the right supply – create housing for those most impacted by the crisis
- Preserve existing senior gov’t funding commitments
- Business continuity – keep economy going by generating employment and meeting urgent housing needs
Action 2: Adjust and reframe policy work - prioritize high impact programs to keep on track
Action 2: Adjust and Reframe Policy Work - Prioritize High Impact Programs to Keep on Track

5 Key Programs

1. Rental Incentives Review - Implementation of C2 “rental bonus” district schedules
2. Actions to Increase Below-market Rental Housing
3. Opportunities to Increase Non-Profit / Co-op Housing
4. Oakridge Municipal Town Centre (MTC) Prezoning
5. Broadway Plan
### Highlights - Housing Policy Work Plan Pre-Pandemic

#### Actions to increase Rental Incentives
- **Implementation - C2 Zones**

#### Actions to increase Non-Profit & Co-op Housing

#### Oakridge Municipal Town Centre (MTC)

#### Broadway Plan
# Adjusted Housing Policy Priority Work Plan

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Q3 2020</th>
<th>Q4 2020</th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
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<tbody>
<tr>
<td><strong>Rental Incentives Implementation - C2 Zones</strong></td>
<td></td>
<td></td>
<td>+2 month</td>
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<tr>
<td><strong>Actions to increase Below-Market Rental Housing</strong></td>
<td></td>
<td></td>
<td>-3 months</td>
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<tr>
<td><strong>Actions to increase Non-Profit &amp; Co-op Housing</strong></td>
<td></td>
<td></td>
<td>-6 months</td>
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<tr>
<td><strong>Oakridge Municipal Town Centre (MTC)</strong></td>
<td></td>
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<td>No change</td>
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<tr>
<td><strong>Broadway Plan</strong></td>
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<td>+7 months</td>
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</tbody>
</table>

- Rental Incentives Implementation - C2 Zones: +2 month
- Actions to increase Below-Market Rental Housing: -3 months
- Actions to increase Non-Profit & Co-op Housing: -6 months
- Oakridge Municipal Town Centre (MTC): No change
- Broadway Plan: +7 months

**Council check in**
Priority Housing Policy Outcomes

Rental Incentives Implementation – C2 Zones & Low Density Areas
- Continue with lengthened timeline for C2 Zones
- Adjust engagement approach
- Low Density work to be further delayed

Actions to Increase Non-Profit / Co-op Housing
- Continue work to enable new social housing on non-profit sites, delay work on church sites
- Expand scope to explore actions to enable social housing in approved community plans

Oakridge Municipal Town Centre Prezoning
- Continue with original timeline
- Adjust engagement approach

**COVID-19 ADJUSTMENTS**

**HOUSING OUTCOMES:**
Enable delivery of significant new affordable housing
Reduce processing times by 12 to 18 months for new social housing, below-market and market rental housing
Priority Housing Policy Outcomes

**Actions to Increase Below-Market Housing**
- Expand scope to clarify affordability levels for all below-market rental policies
- Accelerate policy work timeline

**Broadway Plan**
- Continue with same scope but delayed timeline to accommodate engagement
- Focus short-term on “quick start” actions to support recovery work

**COVID-19 ADJUSTMENTS**

**HOUSING OUTCOMES:**

Below-Market Rental strategy with policy direction to increase below-market rental opportunities under clarified requirements

Directions to protect existing rental stock

Short-term actions to create new social, below-market and rental housing
Action 3: Engage government and sector partners to rapidly house at-risk individuals and support priority projects
Engage Government and Sector Partners to Rapidly House at-risk Individuals and Support Priority Projects

<table>
<thead>
<tr>
<th>Vulnerabilities Exacerbated by COVID-19 Crisis</th>
<th>Partnership Actions</th>
</tr>
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<tbody>
<tr>
<td><strong>Homelessness and opioid crises</strong>&lt;br&gt;Severe risk and vulnerability among at-risk populations and DTES due to insufficient housing and supports</td>
<td>• Temporarily house residents experiencing homelessness and needing to self-isolate in hotel rooms&lt;br&gt;• <strong>Continue to Improve access to basic needs</strong> including food, hygiene and income for homeless and SRO tenants</td>
</tr>
</tbody>
</table>

| **Affordability challenges & housing insecurity among renters**<br>Risk of eviction and homelessness due to loss of income | • Continue to work with Federal and Provincial partners to **support renters** and **prevent evictions**<br>• Work with partners to **support in-stream projects** to maintain economic viability for non-market projects<br>• Identify City-led projects for future **funding opportunities**, deepening affordability levels for shovel-ready non-market projects and projects nearing occupancy |
Phase II: Recalibrate our Housing System:
A more equitable and resilient city
Housing Affordability & Homelessness is an Urgent Priority

Vancouver Plan Phase 1: Listen + Learn
November 2019 – March 2020
• 10,000+ online survey responses in 5 languages
• ~ 1,000 stakeholders in ~ 80 meetings
• 1,000+ in-person interviews

What are the most urgent priorities?
1. Housing Affordability
2. Visibility of People Struggling
3. Homelessness
4. Climate Change
5. Transportation
Vancouver’s Existing Housing Challenges Are Put Under Further Strain By COVID-19 Pandemic

Percentage change in housing costs and median household income from 2008 levels, 2009-2019

Cost of ownership and rent continues to rise faster than median incomes.

-20%
0%
20%
40%
60%
80%
100%
120%
140%
160%

Detached home sales prices (E. Van)
Apartment sales prices (E. Van)
Average apartment rent
Median household income

* Source: Benchmark prices from MLS Home Price Index. All data for Vancouver East in October of each respective year.
** Source: CMHC 2018 Rental Market Report.
*** Source: Statistics Canada Income Statistics Division, 2016. Median Income is shown for all family units

For all data, increases are from 2008 levels.
Affordability Crisis For Renters

Existing Vulnerability

Existing affordability challenges and housing insecurity among low-income renter households earning <$50K (e.g. living pay cheque to pay cheque; fear of eviction in a secondary rental)

Crisis

Risk of eviction and homelessness among low-income renters due to loss of income

- **52,000 renter households (1/3 of all renters)** spend > 30% of income on rent
  - Of these, 51% (26,400 households) earn less than $30K; 31% (16,300 households) earn $30-50K.

- **4,302 people on the waitlist** for social housing in CoV

- **132,000 job losses** in BC during March as businesses were forced to close because of the pandemic

- **46% of Canada’s working renter households** have less than a month worth of savings (CCPA/2016 Survey of Financial Security)
Rising costs to maintain existing rental housing put the stock at risk

Existing Vulnerability
Rising maintenance costs and large upcoming structural, energy, and seismic needs

Crisis
Landlords may fall behind on mortgage and repair costs; pressure to sell

Purpose-built Rental Stock by Building Age, 2018

<table>
<thead>
<tr>
<th>Legend</th>
<th>Year of Construction</th>
<th>% Purpose-Built Rental Universe</th>
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<tbody>
<tr>
<td></td>
<td>Pre-1950</td>
<td>22%</td>
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<tr>
<td></td>
<td>1950-1979</td>
<td>63%</td>
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<tr>
<td></td>
<td>1980-2009</td>
<td>8%</td>
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<tr>
<td></td>
<td>2010-2018</td>
<td>6%</td>
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<tr>
<td></td>
<td>Total</td>
<td>100%</td>
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</tbody>
</table>
Newly approved housing still not meeting local incomes

Majority of approvals are still ownership housing (condominiums and townhomes)

Existing Vulnerability
Not creating the ‘right supply’ of new housing needed to meet the growing demand for rental from new generations

Crisis
Economic recession and tight credit are significant barriers to new construction
Street and Shelter Homelessness on the Rise

2005 – 2019 Homeless Trend in Vancouver

Vulnerability

Existing homelessness and opioid crises among at-risk populations and DTES, heavy reliance on non-profit sector to deliver services and supports in community and SRO stock

Crisis

Severe risk and vulnerability among at-risk populations and DTES
Conclusion: we need to create a more resilient housing system in order to emerge from the current crisis and prepare for the future
What does a resilient housing system look like in Vancouver?

A values based housing approach that’s supported by system changes in complimentary areas

- Provide **stable housing** for those who are homeless and in greatest need
- **Housing as homes first** - priority to increase market rental and non-market housing that meets local needs, rather than speculative investment
- Creating a **balanced and equitable housing market for renters**: security of tenure, a healthy vacancy rate, and geographic equity in location of rental housing
- Creating homes that are **livable** and communities that allow people to thrive
- Ongoing investment to ensure long-term health of the **existing aging affordable housing stock**
Phase II: Recalibrate our Housing System
Steps toward a more resilient city

Next 2 years: Work with partners to address systemic vulnerabilities and move toward a more resilient housing system – fast track implementation of Housing Vancouver

1. Provide **stable housing** for the **most marginalized** in the Downtown Eastside – accelerate conversion of private SROs to self-contained social housing
2. Significantly scale up the **community** and **public housing sector** to increase production of non-market housing
3. Shift to the **right supply** – encourage **private investments** to create housing that better reflects incomes and supports economic development
4. Embracing a **City of Renters** – moving towards a balanced and equitable housing market
5. Ensuring housing is for homes first – stay the course on measures to **prevent speculation**
Working with Government Partners – Key Priorities

1. Permanently house homeless population - Accelerate work to acquire and replace private SROs with public and community-owned social housing
   • Supportive Modular Housing to help people transition into long-term housing
   • Permanent income supports to increase system resiliency (e.g. maintain increase in income assistance rates; Guaranteed Income approach)
   • Explore development of an urgent SRO Acquisition and Replacement Strategy

2. Accelerate stimulus spending
   • Fast track CMHC funding for the creation of new affordable housing and reinvestment into the existing stock.

3. Drive government investment into Community housing sector growth and resilience
   • Leverage provincial and federal funds to scale supply and deepen affordability on existing sector-owned land, including Indigenous owned and operated housing

4. Continue work on Provincial reforms for a more proactive RTA
   • protect tenants while supporting landlords to reinvest in their properties
Key City Actions - Prioritizing and leveraging investments in housing

Vancouver Affordable Housing Endowment Fund (VAHEF)

Opportunities through a consolidated non-market housing portfolio to:

- Prioritize deployment of City land to secure senior government funding partnerships for projects that can deliver deep affordability
- Explore strategic acquisitions to reposition distressed market properties for social housing
- Transition to a more resilient funding model that is less dependent on market development activity to grow the city’s non-market housing portfolio
- Deepen existing and establish new collaborative relationships with non-profit lessees to create more affordable and cost effective housing

Economic spin-off impacts:

- Generate employment in direct & indirect sectors
- Contribute to neighbourhood development, attract local businesses
- Density to support increased transit use
- Reduce household debt through housing costs geared to income
Key City Actions to Shift to the Right Supply – Encourage Private Investments to Create Housing That Better Reflects Incomes

Align with Vancouver Plan to recalibrate our housing system

- Early actions to increase opportunities for more affordable housing and greater diversity of housing options in low-density areas
- Transit-Oriented Areas and Neighbourhood Centres
- Integrated Recovery Strategies including Climate Emergency, Resilient Communities, Employment Lands and Economy, and Green Infrastructure

Increase rental and non-market housing in Major Projects

- Oakridge Transit Centre
- Oakridge Centre
- Heather lands
- EFL (area 3)
- Jericho

- Pearson Dogwood
- Little Mountain
- Langara Gardens
- Sen̓áḵw

Speed up housing delivery by moving toward pre-zoning

- **Benefits**: provides certainty to neighbours, property owners, and developers; shortens the development approvals process
Private Sector Role in Stimulating Economic Development

- Majority of rental housing is delivered by the private market
- In addition to shifting towards the right supply, the private sector has an important role to play in economic recovery
- The value of building permits for multi-dwelling projects was $760 million across the region in December 2019.
- 58,600 jobs in sectors related to construction, real-estate, and finance were added to the region over the last 5 years (30% of total job growth)

Source: 2018 Housing Vancouver Progress Report & Data Book. Housing stock numbers up to date to
Related Systems Changes Required to Recalibrate our Housing System: Re-thinking How We Fund Growth

The issue: We currently depend on developments, through Community Amenity Contributions and Development Cost Levies, to pay for critical public amenities and utilities upgrades. Often these are done through rezonings, where the negotiated process can result in specialized amenity packages.

The challenge: A shift to rental & non-market housing projects, which do not typically generate CACs, will require changing how we fund growth.

The opportunity: Exploration of new approaches / authorities needed to financing public benefits & infrastructure upgrades that do not rely so heavily on the development of high-cost ownership housing.
Related Systems Changes Required to Recalibrate our Housing System: Enhanced Partnerships

Longer Term Action with Partners:

• Explore other authorities or system changes needed to deliver the housing we need

• Explore new funding sources and tools for cities to deliver housing at affordability levels needed by residents
How Council is Supporting this Work?

Adaptive leadership for both crisis response and longer-term transformative change

CRISIS RESPONSE

Current council directions/actions

- Declaration of State of Emergency
- Clear direction to prioritize DTES & vulnerable populations
- Continued advocacy to the Province to prevent evictions
- Direction to transition to online Council meetings/Public Hearings

SHORT-MEDIUM TERM RESPONSE

Upcoming direction needed from council

- Decisions on social housing projects in the pipeline & zoning changes to enable new projects
- Deepening existing & forming new partnerships to make a significant impact on addressing homelessness
- Continued advocacy and partnerships to enable residents to remain housed and avoid debilitating debt post-crisis
Thank You.