

## COUNCIL MEMBERS' MOTION

### 3. **The Future of Co-op Housing - A Path to Delivering More Co-op Homes in Vancouver**

Submitted by: Councillor Kirby-Yung

#### WHEREAS

1. Co-op housing is a model that has enabled the creation of long-term affordable housing in member-led communities due to a partnered approach between different levels of government, individual co-ops and the broader co-op housing sector. With past Federal support terminated decades ago, and existing co-op developments aging, there hasn't been a viable, scalable path forward towards the renewal and creation of significant amounts of new, sustainable, affordable co-op housing.
2. Renewing aging co-op stock and delivering abundant new co-op homes requires all levels of government working together to make this happen; and it requires not just government, but all partners including the non-profit sector.
3. The City of Vancouver recently formed the Vancouver Housing Development Office with the explicit purpose of utilizing City land to help more middle income people attain housing.
4. The City of Vancouver has the opportunity to lever underutilized city-owned land and turn it into more affordable and attainable homes for people in our city now and for generations to come. We can accelerate the use of city-owned land for middle income housing including for families with up to three or four bedrooms.
5. In order to ensure a strong future for Vancouver, and to achieve the City's longstanding goal to be a place where neighbourhoods are full of families and young people can afford to live, work and build their life here, it is essential that a wide range of housing is available and attainable in the city for a diverse population of residents of all incomes, ages, backgrounds, and household types.
6. The ongoing housing crisis and escalating cost of housing threatens to impact the quality of life for many Vancouver residents. Rent and mortgage payments are the two biggest costs overall, and the two biggest inflationary pressures for people.
7. Vancouver rents are among the highest in the country. According to the live.rent February 2024 Metro Vancouver Rent Report, the average rents for one-bedroom, two-bedroom, and three-bedroom units (unfurnished) in the city of Vancouver are \$2,642 (1 br.), \$3,569 (2 br.), and \$4,369(3 br.).

8. Purchasing a home in Vancouver is equally unattainable for most people. According to the Real Estate Board of Greater Vancouver's (REBGV) December 2023 benchmark Home Price Indexes (HPI) for the west side and east side of Vancouver for detached, townhouse, and apartment homes ranged from \$3.5 million (west side detached) to \$780,000 (east side apartment). See table below:

Vancouver – West		Vancouver – East	
➤	detached = \$3,465,300	➤	detached = \$1,812,700
➤	townhouse = \$1,424,700	➤	townhouse = \$890,700
➤	apartment = \$816,300	➤	apartment = \$783,800

9. To meet the needs of Vancouver's growing population, and to ensure the city remains vibrant and diverse, it is vital to have a varied supply of available and attainable housing across the housing continuum and imperative the City is well-positioned and prepared to fulfill the housing policy directions established by Council.
10. The City of Vancouver owns and manages hundreds of acres of land on behalf of Vancouver residents. City-owned land is a significant public asset that should be optimally managed for public benefit. It can be and is used for housing, arts and culture, childcare, or other civic purposes.
11. Notable examples of land the City owns, manages, and/or leases for housing include the majority of the Champlain Heights area which is leasehold property (on pre-paid 99-year leases expiring in the 2080s), and approximately 80 acres of land in the 100-acre False Creek South neighbourhood.
12. Using publicly owned land to enable a greater supply of new affordable housing, while also renewing and protecting existing affordable housing, needs to be a vital part of the solution to the city's housing crisis.
13. The *Housing Vancouver Strategy* and *Housing Vancouver Action Plan* aimed to deliver more co-op housing through partnerships with senior levels of government and non-profit and private sector partners, but has been largely unsuccessful to date due to numerous challenges with the traditional co-op development model. Increasing co-op housing is also a priority for this Council.
14. Key actions outlined in the *Housing Vancouver Strategy* and *Housing Vancouver Action Plan* included developing and implementing co-op and non-profit renewal frameworks, and clarifying renewal of lease terms with non-market housing providers on City-owned sites with redevelopment potential. As outlined in the Strategy, the City's goal is to both maintain and grow Vancouver's non-market housing portfolio.
15. Co-op housing makes up a significant and important part of the City's current affordable non-market and supportive housing portfolio. There are approximately

3,738 co-op units of mixed-income housing on city-owned land – approximately half of all co-ops in the City. Co-ops represent approximately 23% of the City’s non-market housing assets by land area and 27% of all non-market housing units on City-owned land.

16. Co-ops on City of Vancouver land have provided important benefits to their members and to the broader community. There is significant opportunity to both preserve and grow mixed income communities on underutilized city-owned land.
17. The Co-operative Housing Federation of BC (CHF BC) has been an important partner with the City for several years, and have worked with City staff to advance the mutual goal of renewal of co-op housing leases on City-owned land.
18. In 1993, CHF BC established the Community Land Trust (CLT) as its real estate development arm to acquire, develop, and steward co-ops and community-led housing. Land trusts are an effective way to separate the ownership of land (and in Vancouver’s case the rapidly-rising values of land) from the cost of building and maintaining homes.

Today in response to rising maintenance costs and asset management challenges for individual co-ops, CHF BC is exploring a model where it collectively provides asset management services for co-op developments and its non-profit members, while enabling them to focus on the day-to-day governance and management of those co-ops.

19. Many co-op land leases in Vancouver are due to expire over the next few decades having been signed 40 or more years ago. They need renewal and a new model and path forward. Critically, at the same time, many of the dozens of co-op sites on city-owned land are very low density today and have the ability to accommodate new co-ops and new co-op homes now.
20. An example of the above is the approximately 80 acres of land in False Creek South the City owns and manages, and where the City has committed to renewing existing co-ops.
21. In 2021, the City commissioned a city-wide engagement process focused on future opportunities for the City-owned lands in False Creek South. Vancouver residents surveyed generally agreed with a development approach that included a mix of housing tenancy types, developing vacant lands first, a phased approach that would minimize disruption to the neighbourhood, and using the proceeds from developing market housing units to fund non-market housing.
22. In October 2021, Council received “*The Future of False Creek South: Advancing a Conceptual Development Plan and Addressing Lease Expiries*” report that outlined a significant opportunity to use the valuable City-owned lands to create a large number of new affordable homes (*and other goals to address sea level rise, enrich the neighbourhood’s cultural, social and recreational amenities, open up pedestrian, bicycle and vehicle access to this neighbourhood to better connect it with the rest of the city*).

23. Further, the future vision for False Creek South honours and refreshes the original 1970s intentional building design, open spaces, and place-making and aims to achieve the original goal of a mixed-tenure, mixed-income neighbourhood that provides a broad, accessible array of housing choices within today's context, while also looking 50 years into the future.
24. On February 13th the Province of BC announced BC Builds. British Columbia's BC Builds program will provide more than \$2 billion in low cost construction financing, and will commit up to \$950 million in grants to build thousands of middle-class rental homes on government, non-profit, community-owned, and underused land.
25. On February 20th, the Federal Government announced a further \$2B in additional funding for the BC Builds program – effectively doubling the initial Provincial funding established.
26. Given the ongoing housing and affordability crisis facing the city and its impact on the well-being and quality of life of residents, Council must respond decisively to opportunities to best optimize city-owned land for needed housing.
27. Co-op housing can continue to work today with fresh thinking, partners working together, and when projects include a mix of affordability levels including below market and a percentage of market rental. In co-op housing, the market rent units may be the same as for-profit market rental on opening day, but over time the rents decrease as they are not adjusted to market conditions the same way for profit units are, and so they become the perpetually affordable housing stock of tomorrow.

#### THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to report back as soon as possible on opportunities to build new co-op housing on existing city-owned land that currently houses co-ops in neighbourhoods across the City, in order to further the goal of increasing co-op housing units in Vancouver.
- B. THAT the report include immediate and pilot opportunities to partner with the Co-op Housing Federation of BC (**and/or other non-profits**) towards exploring and delivering a new model of co-op housing that retains City ownership of city-owned land, and supports community land trust models and a consolidated maintenance and asset management model.
- C. THAT Council direct staff to report back with an updated and enhanced False Creek South Development Plan for Council's consideration that responds to the key opportunities and housing pressures presently facing the City and previous city-wide input on housing as a priority, as well as prior input from the FCS community, including consideration of but not limited to:
  - Retaining City ownership of the False Creek South lands and increasing the current housing target including co-ops and other housing types;
  - Retaining options for existing residents to return to new homes in the community;

- Creating a more complete community by enabling mixed-use developments with new, locally-serving services;
- Protecting and expanding existing park and green spaces, and other community amenities accessible to all Vancouverites;
- Accelerating actions to address climate change through sustainable development practices and improved transportation options (i.e., walking, cycling, electric vehicles, and mobility devices, etc.), expanded transit accessibility, and climate adaptation and mitigation measures to address rising sea levels and shoreline stability, as per Council direction to staff in 2021; and

FURTHER THAT following the presentation of an updated and enhanced False Creek South (Landowner's) Conceptual Development Plan to Council, staff be directed to proceed with the requisite False Creek South community planning processes and implementation phases as quickly as possible.

- D. THAT Council direct staff to identify projects on a priority basis pursuant to the above that can deliver new attainable middle-income homes, and that can proceed with support from the Province's BC Builds program and the Federal Government's additional investment.

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