

Housing Vancouver 10-Year Housing Targets (2024 – 2033) and Three-Year Housing Action Plan (2024 – 2026)

June 25, 2024



**HOUSING
VANCOUVER**

- Background
- Updated 10 Year Housing Targets
- Three-Year COV Housing Action Plan



Recommendations in This Report

- A. THAT Council approve the updated Housing Vancouver 10 Year Targets (2024 – 2033), as attached in Appendix A

- B. THAT Council approve the new Housing Vancouver 3 Year Action Plan (2024 – 2026), as attached in Appendix B

- C. That Council approve the Rental Housing on City Land – Public Benefits Pilot Rezoning Policy, as attached in Appendix C

Provincial Legislation on Housing Targets

May 2023

The Housing Supply Act brought into force - provides Province with new authority to set housing targets for municipalities

Intent: deliver housing faster in areas with greatest needs across the Province

Sep 2023

Housing Target Orders issued for first 10 municipalities, including Vancouver

City Council directed Staff to update the Housing Vancouver 10-Year Targets to incorporate the Provincial Housing Targets Order; and create a new accompanying 3 Year Action Plan





The 10 Year Housing Targets and accompanying 3 Year Housing Action Plan is one of ten projects currently underway to implement the Vancouver Plan.

Why Housing Targets?

- Housing supply targets support policy and program goals:
 - Advance an equitable housing system, focusing on rental and non-market housing
- Provides direction to the market and stakeholders, and includes clear metrics for policy evaluation

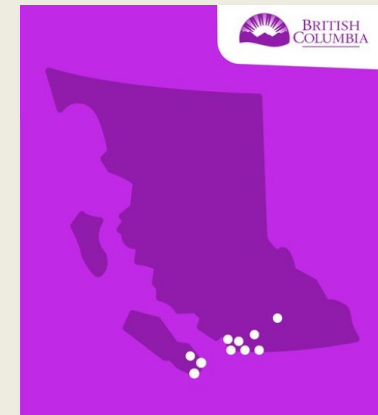


City's approach to setting new Housing Vancouver Targets incorporates the following:

1 Learnings from the 2017 Housing Vancouver targets



2 The Provincial Housing Target Order methodology



Supported by updated Census data, population projections, development trends etc.

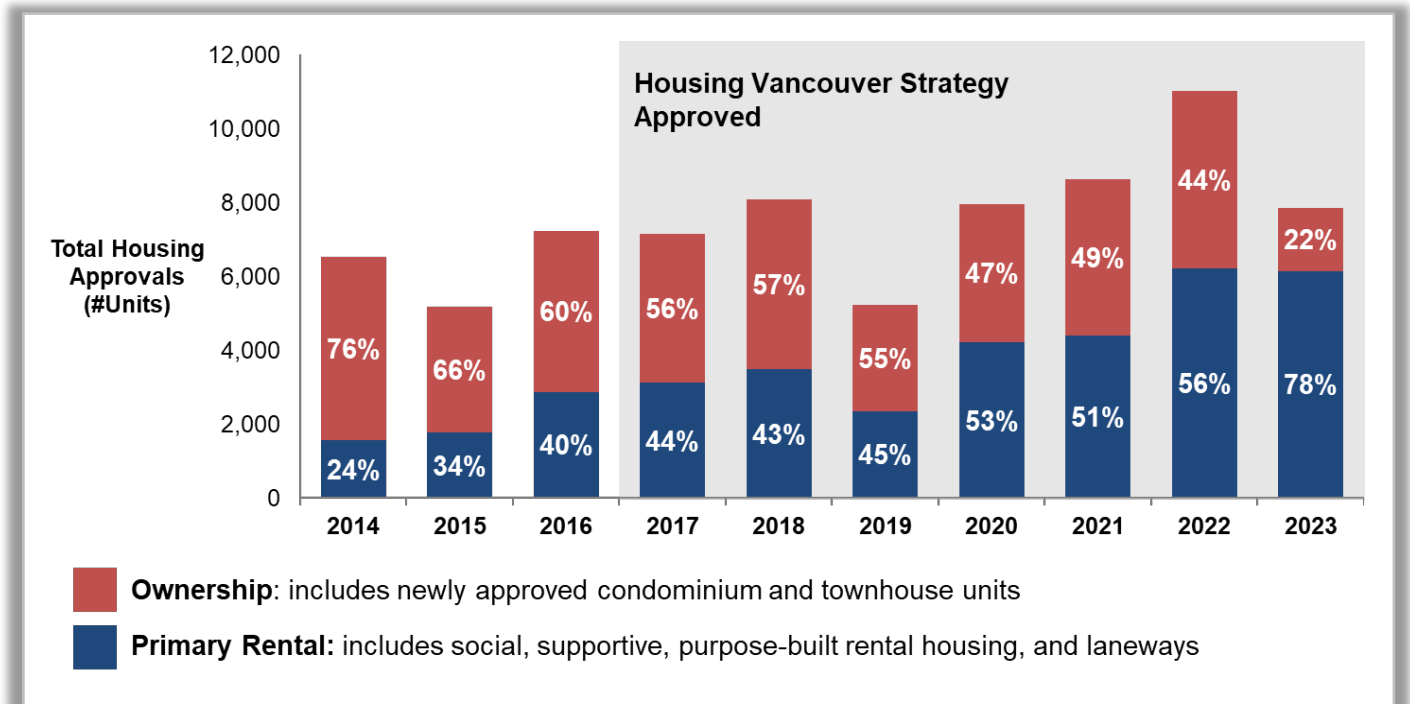
1. Housing Vancouver Targets – 2017 to 2026

Methodology

- **72,000** net new units approved over 10 years
- Policy goal to maintain income diversity in the City
- Shifting to the “right supply” – prioritize rental and social housing
- Achievable based on pipeline analysis / capacity of the City and partners

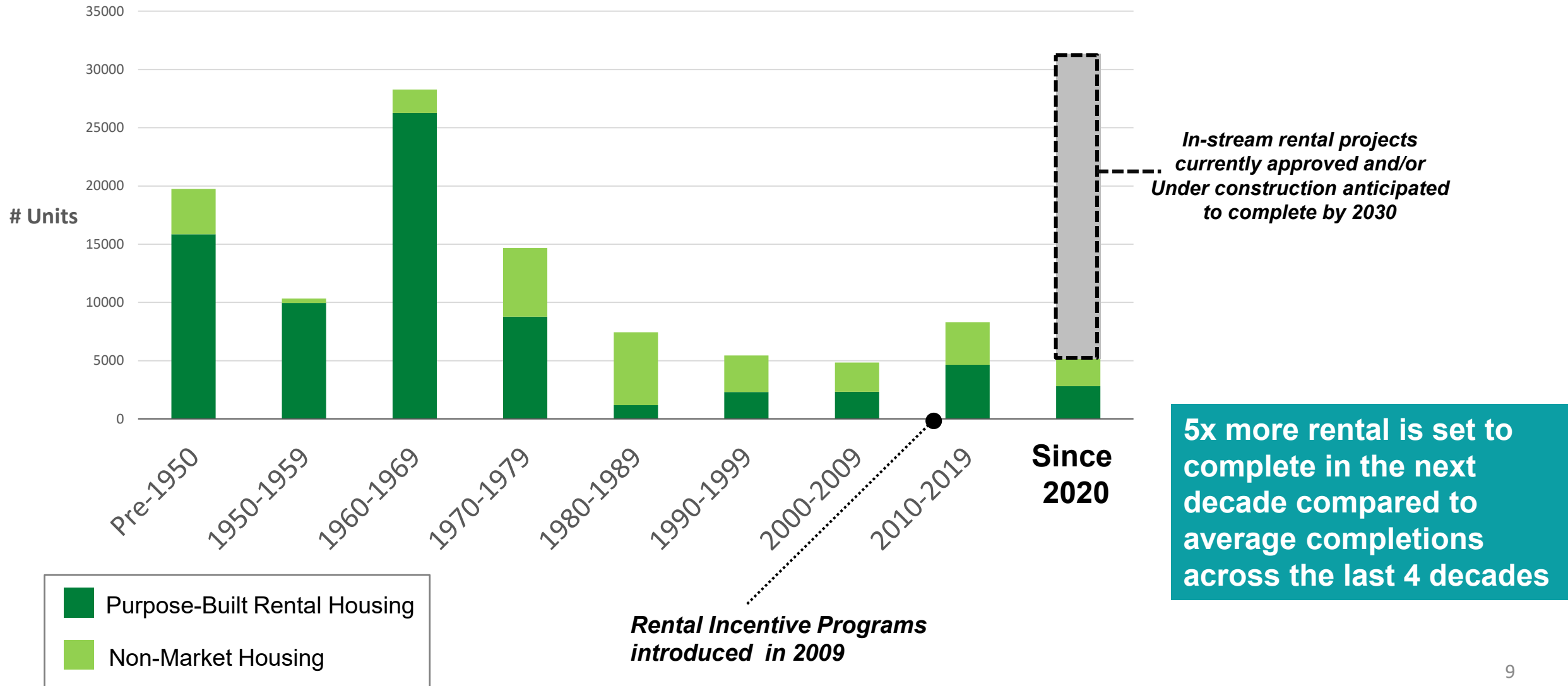
Learnings

- Successfully shifted supply towards primarily rental
- Exceeded annual targets for supply & family-sized units
- Achieving deeper levels of affordability requires increased funding from partners



1. Housing Vancouver Targets – Impact on Rental

Non-market and Purpose-Built Market Rental Completions in Vancouver by Decade



2. Provincial Housing Target Order – Oct 2023 - Sep 2028

Methodology

- **~28,900** net new units completed over 5 years
- Housing targets reflect **75%** of the Province's total estimated housing need assessment for Vancouver
- Census-based demographic approach to breakdown the target for guidance (tenure, housing mix, affordability)



3. Updated Housing Vancouver Target – 2024 to 2033

Methodology

- **~83,000** net new units approved over 10 years
- Incorporates three elements:
 1. Provincial Housing Needs Assessment Methodology
 2. Vancouver Plan housing policy objectives to prioritize social/rental + diversify housing typologies
 3. Detailed pipeline and financial analysis to ensure targets are achievable

Unit of Measurement

- Approvals over a 10-year period to align with strategic capital planning
- Tracks completions to comply with Provincial requirements



Housing Needs Assessment

Households in unaffordable,
inadequate or unsuitable
housing
79,100

Homelessness
2,500

SRO Residents
6,500

Adjustment

- Suppressed household formation
- Vacancy adjustment

11,900



Projected 10-year
household growth
67,000

**167,000 HOUSEHOLDS WITH
HOUSING NEEDS**

Housing Needs Assessment

Households in unaffordable,
inadequate or unsuitable
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79,100

Homelessness
2,500

SRO Residents
6,500

Adjustment

- Suppressed household formation
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11,900

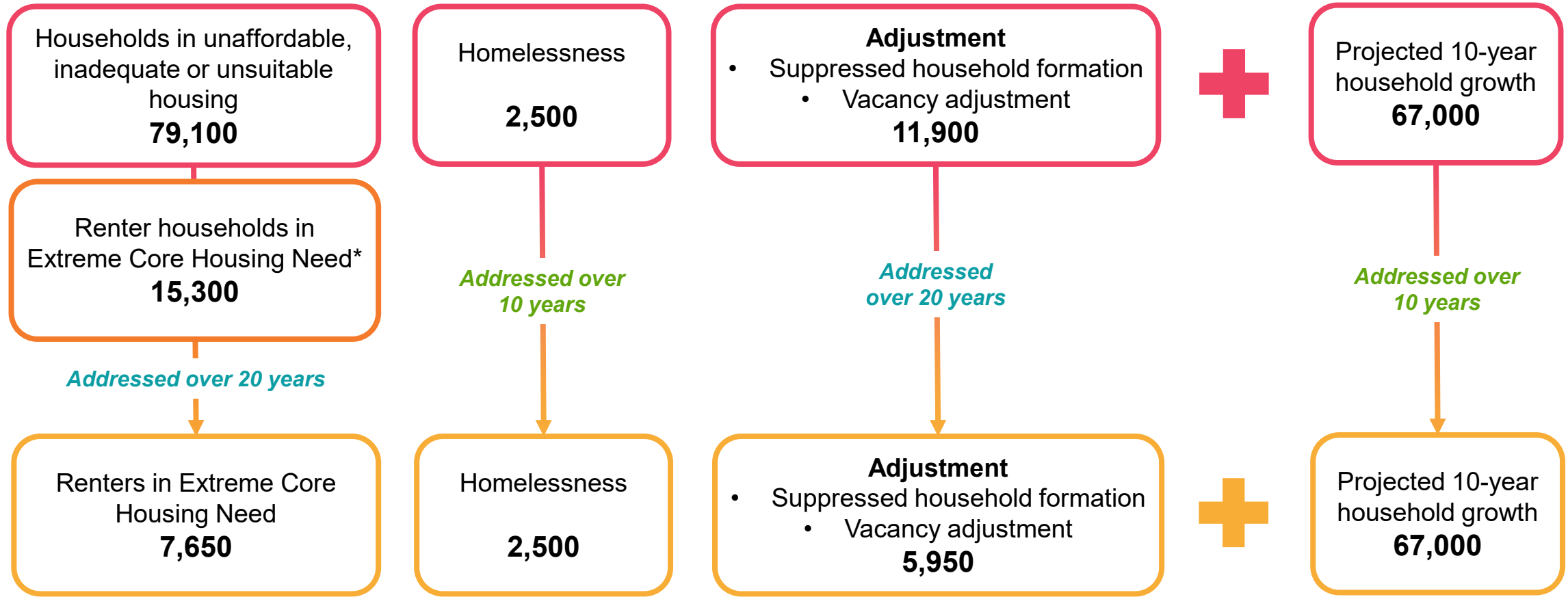


Projected 10-year
household growth
67,000

Housing needs are not targets

- Policy levers other than new supply (e.g. rent supplements)
- Vacancies created in the existing stock
- Policy intentions and growth plans
- Development capacity in a given timeframe
- SROs not net new + addressed separately in SRO investment strategy

Translating Housing Needs into a Target



83,000 HOUSING UNITS OVER 10 YEARS

**SRO replacement not net new
+ addressed separately**

*Households in CHN who spend over 50% of income on shelter costs. This is the variable used by the Province in their needs assessment for the Targets Order.

Breaking Down the New Target

Updated Housing Vancouver Draft 10 Year Target (2024 -2033)

BELOW-MARKET HOUSING

Rental Housing

Supportive Housing

1,500 units
(2%)

Non-Profit Social / Co-op

8,500 units
(10%)

Purpose-Built Below-Market Rental

5,500 units
(7%)

Purpose-Built Market Rental

30,000 units
(36%)

Laneway Housing

4,000 units
(5%)

MARKET HOUSING

Ownership Housing

Strata Condos

26,500 units
(32%)

Townhouses, Multiplexes, Coach Houses, Duplexes

7,000 units
(8%)

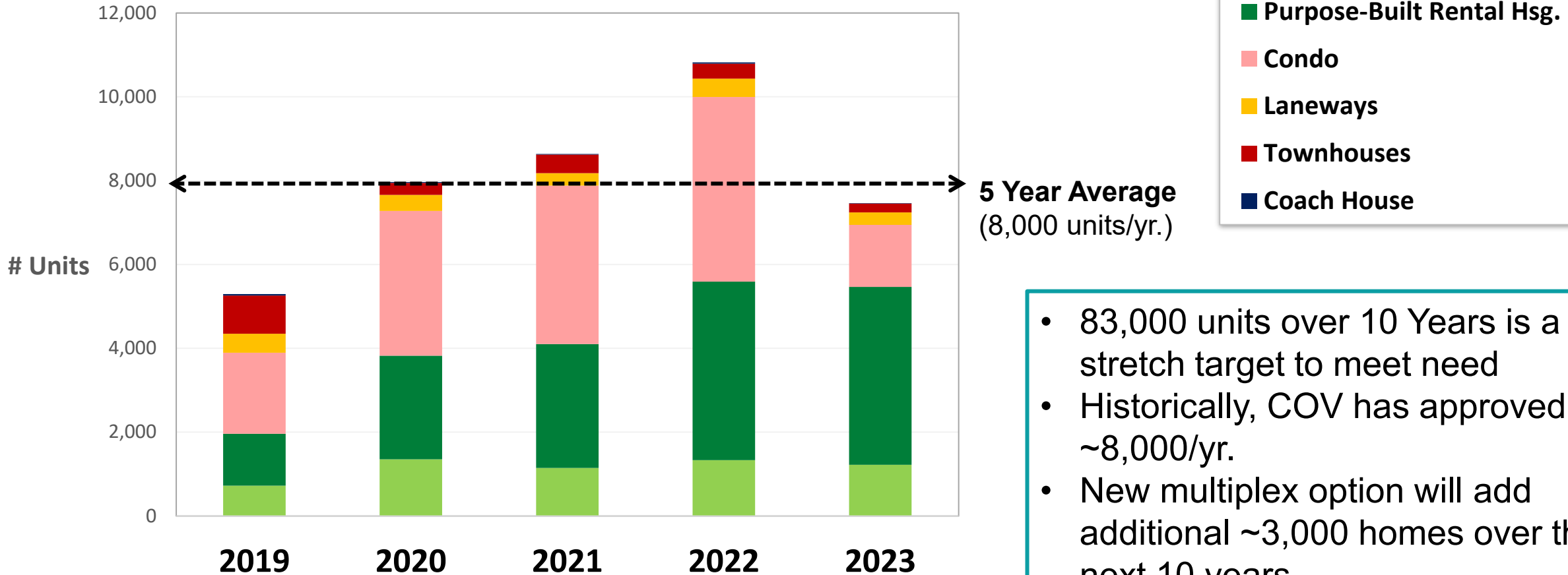
83,000 HOUSING UNITS OVER 10 YEARS

- Total of 2,500 of new homes (61,600) will serve renter households (primary and secondary rental)
- Increase in low-density ground-oriented ownership options
- 15,500 units (19%) will be at below market rental rates
- 40% of new homes with two bedrooms or more

Capacity to Meet Targets

High Approvals in Recent Years

Housing Approvals Over the Last 5 Year, 2019 - 2023



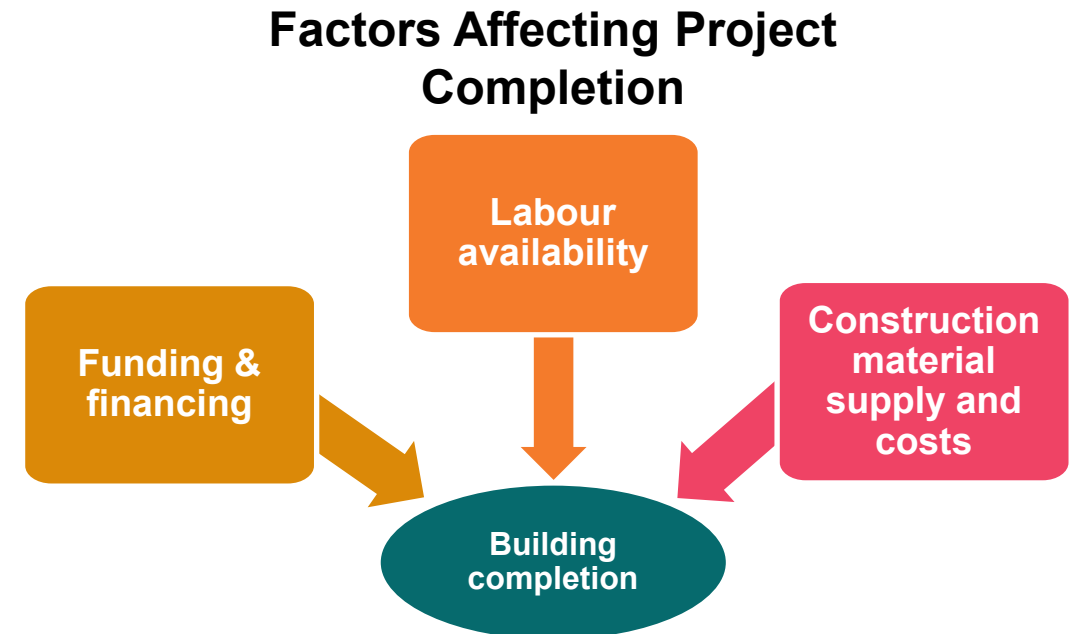
- 83,000 units over 10 Years is a stretch target to meet need
- Historically, COV has approved ~8,000/yr.
- New multiplex option will add additional ~3,000 homes over the next 10 years
- New policies will create additional opportunities to increase supply

*Targets are a measure of project approvals at public hearing for developments requiring a rezoning, or development permit issuance for projects that do not require a rezoning.

Comparison with Provincial Targets – Key Differences

Comparison of Provincial HTO and Updated Housing Vancouver Targets

	Provincial HTO	Updated Housing Vancouver + Rationale
Time frame	5 years	10 years To align with capital planning time horizon for strategic planning
Unit of Measure	Completions	Approvals Municipalities have the most responsibility and control over approvals

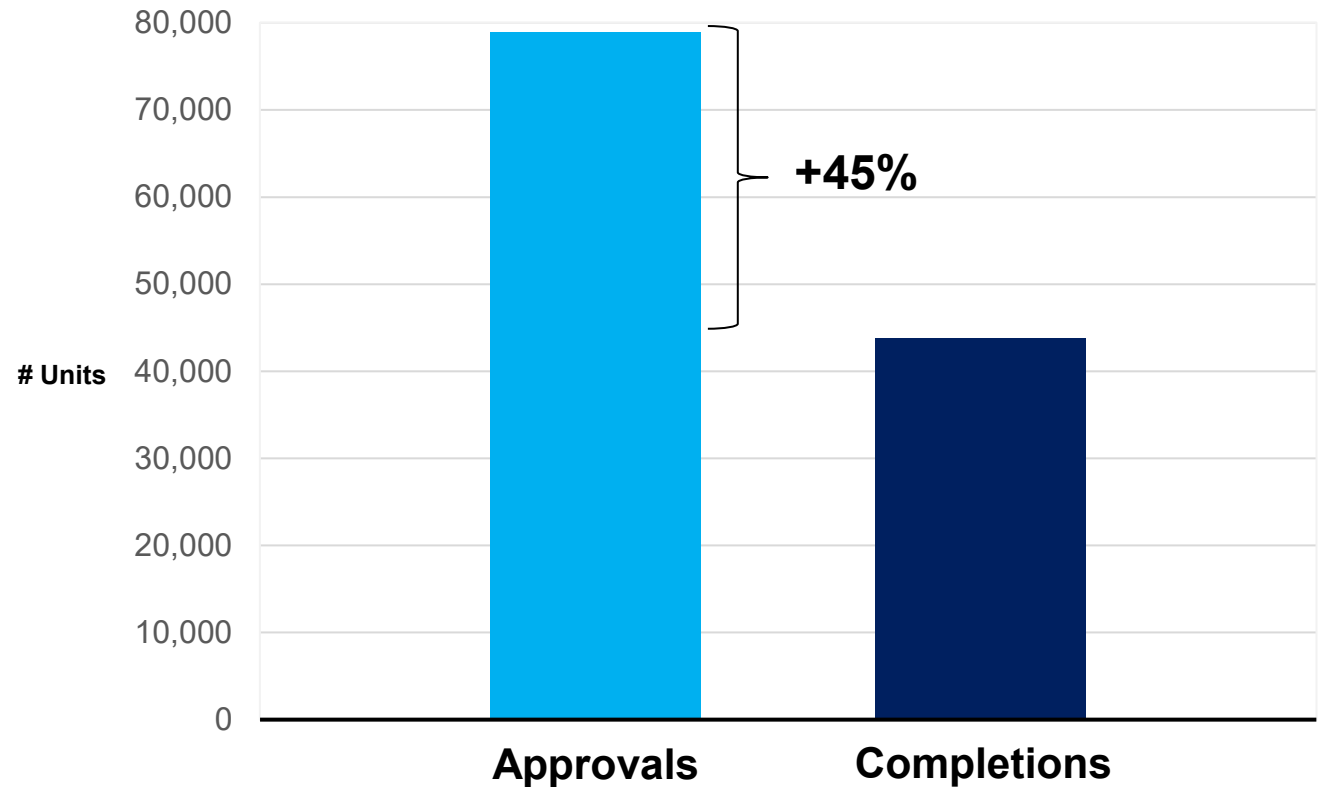


A higher approvals target is needed to meet provincial targets for completions

The new CoV targets builds in a “buffer” to account for the time period between approval and completion times

- New COV target is over 40% higher than the Province’s completion target

Approvals Vs. Completions over the last 10 Years (2014-2023)*



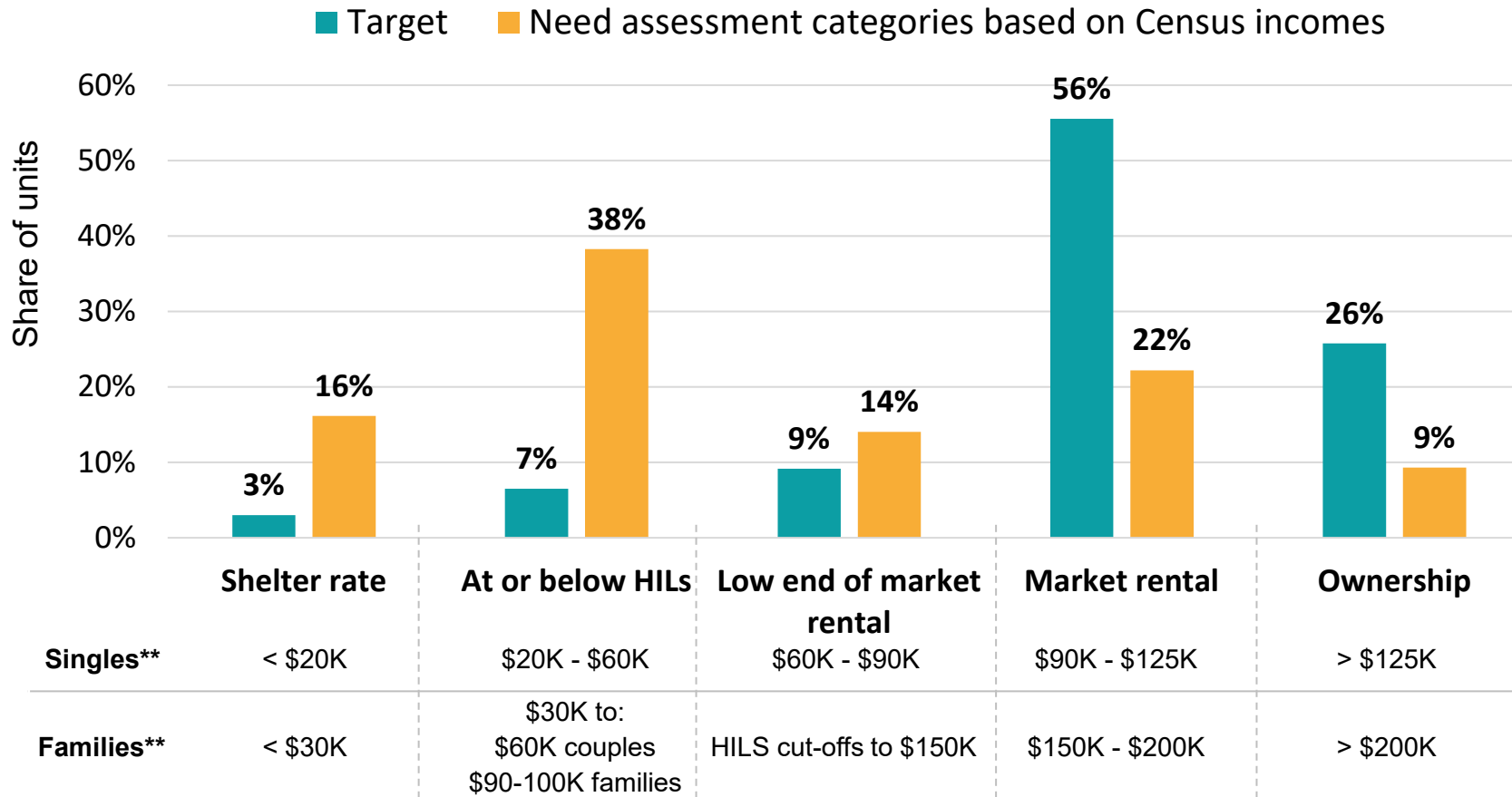
**Note that the comparison between approvals and completions are gross units, excluding single-family dwellings*

Capacity to meet and exceed the overall target

- Province also included guidelines for tenure, affordability, supportive housing units and bedroom mix.
- We have capacity to meet the guidance for tenure (rental), but are unable to meet the following:
 - **22% 3-bedroom mix** – not economically viable in rental projects
 - **~40% of units to be affordable at or below HILS rates** – not achievable without significant increases in senior government funding
 - **Supportive housing** delivery is highly dependent on senior government funding

Mismatch in Affordability & Incomes Served Compared to Housing Need

Target affordability compared to need assessment and household incomes*



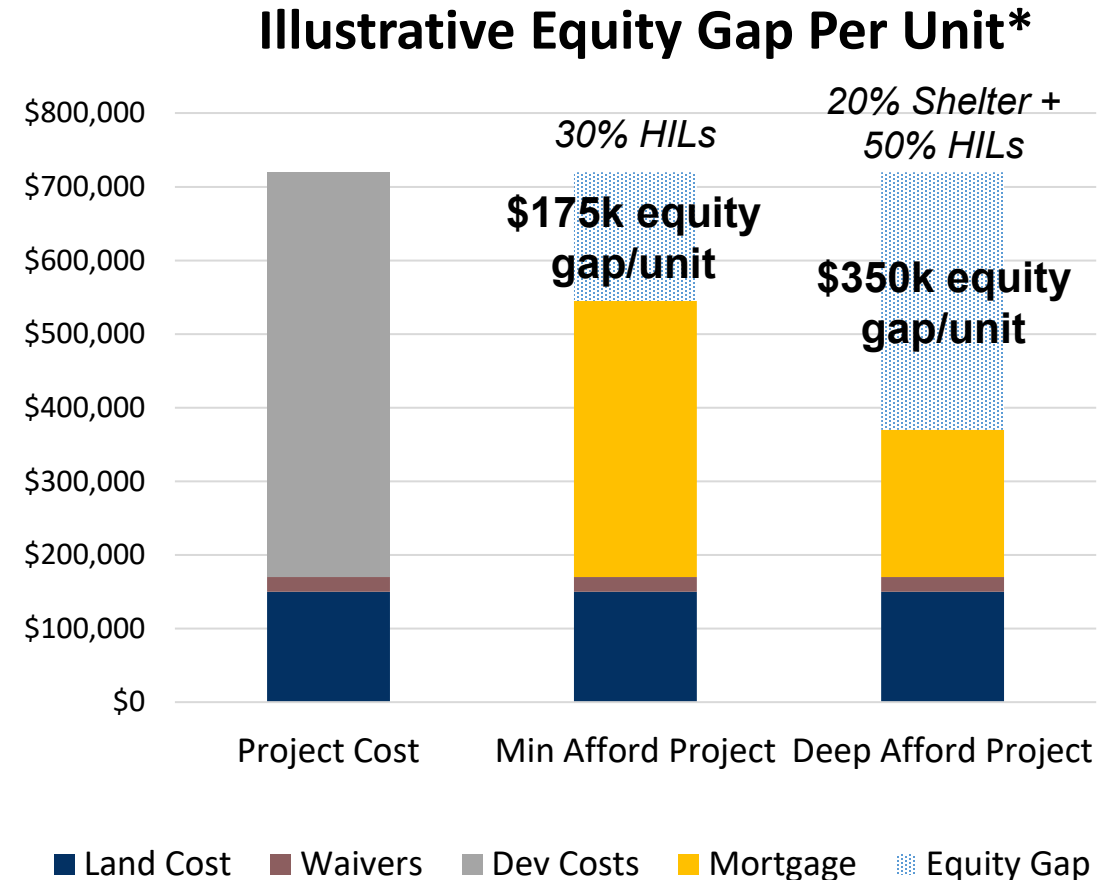
- Majority of housing needs from singles <\$90K and families <\$150K
- Target not meeting affordability needs in below-market rental
- Affordability challenge consistent with HVS progress to date

*Household total income distribution in 2021 Census by household type and need assessment category

**Income cut-offs based on income assistance estimates, BC's Housing Income Limits, City's below-market rental policy, CMHC's Rental Market Report and MLS average sale prices for the City of Vancouver with assumptions of unit size needed by each household type. Affordability assumed at 30% of income

Challenging to Build Social and Co-op Housing

- A nominal land lease and low-cost financing is not enough to make a social housing project viable
- Navigating through an uncoordinated patchwork of senior government funding programs is challenging and adds uncertainty & time



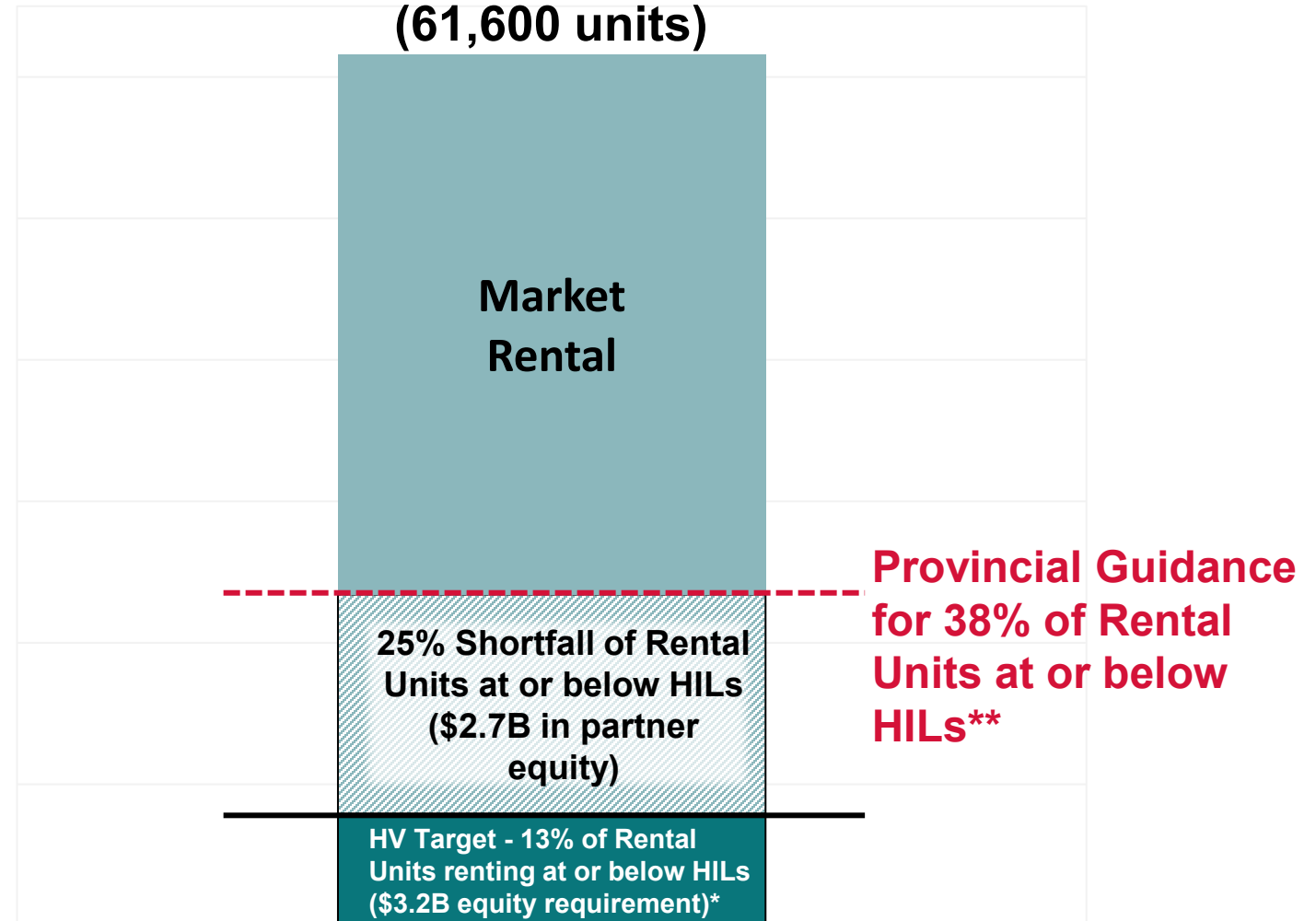
*Illustrative example of a social housing project assuming concrete residential construction costs in 2023. Land costs are excluded from cost estimates.

Shortfall to Achieve Provincial Guidance for Affordability



- An equity investment of \$3.2 billion* is required in order to achieve the affordability proposed in new COV targets (includes 13% of rental units renting at or below HILS)
- An additional \$2.7 billion in partner equity is required to achieve the Provincial Guidance of 38% of total rental units renting at or below HILS

New COV Target For Rental Housing (61,600 units)

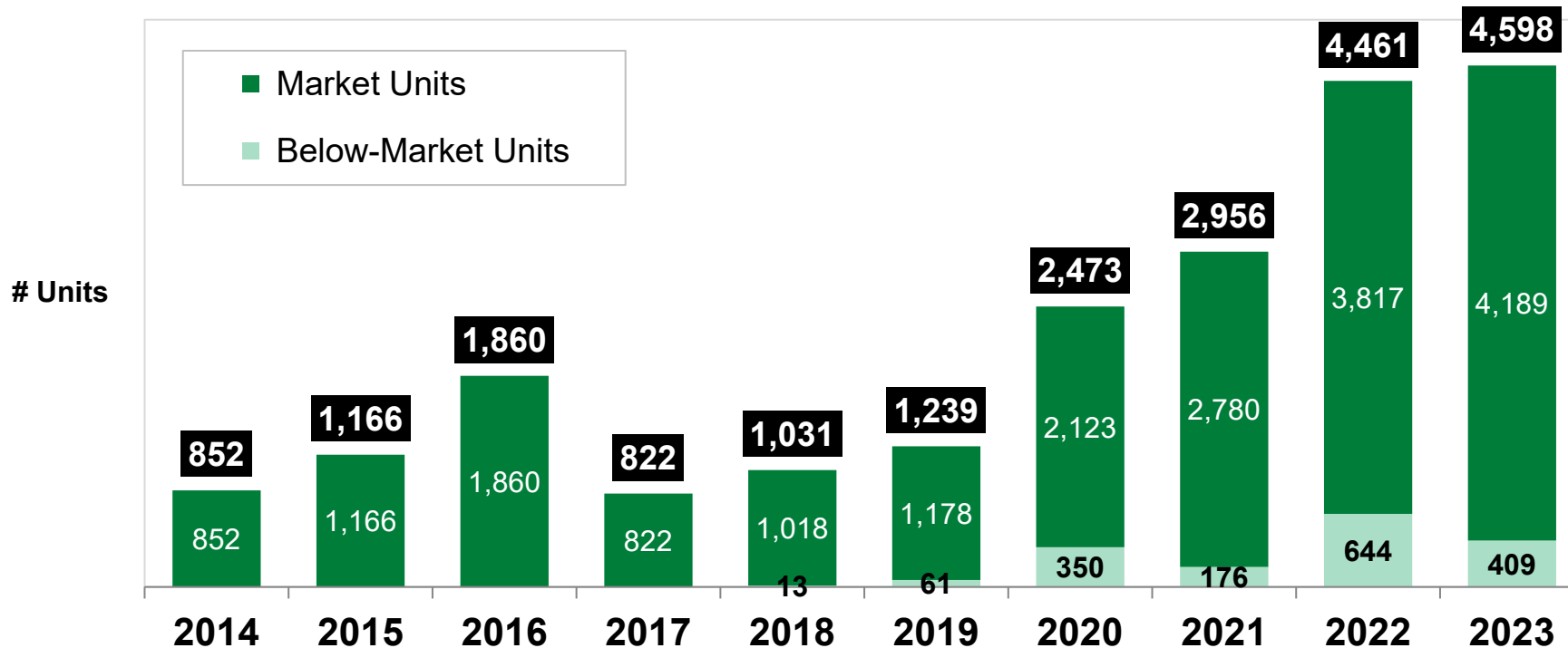


*Assumes that 30% of social housing rent (as per COV social housing requirements) and singles units under the COV Below-Market Rental program rent at or below HILs

**Assumes HTO guidance on the share of Below-Market Rental (units at or below HILs) remains constant over 10 years.

Shift Towards Market and Privately-Owned Below-Market Rental

Increase in Private Below Market Rental Approvals in Recent Years



New Purpose-Built Rental Targets

Market Rental: 30,000 units
Below-Market: 5,500 units

- More capacity to increase purpose-built rental supply from recent city policies
- May need additional incentives to reach new targets

Will Proposed COV Targets Meet Demand?

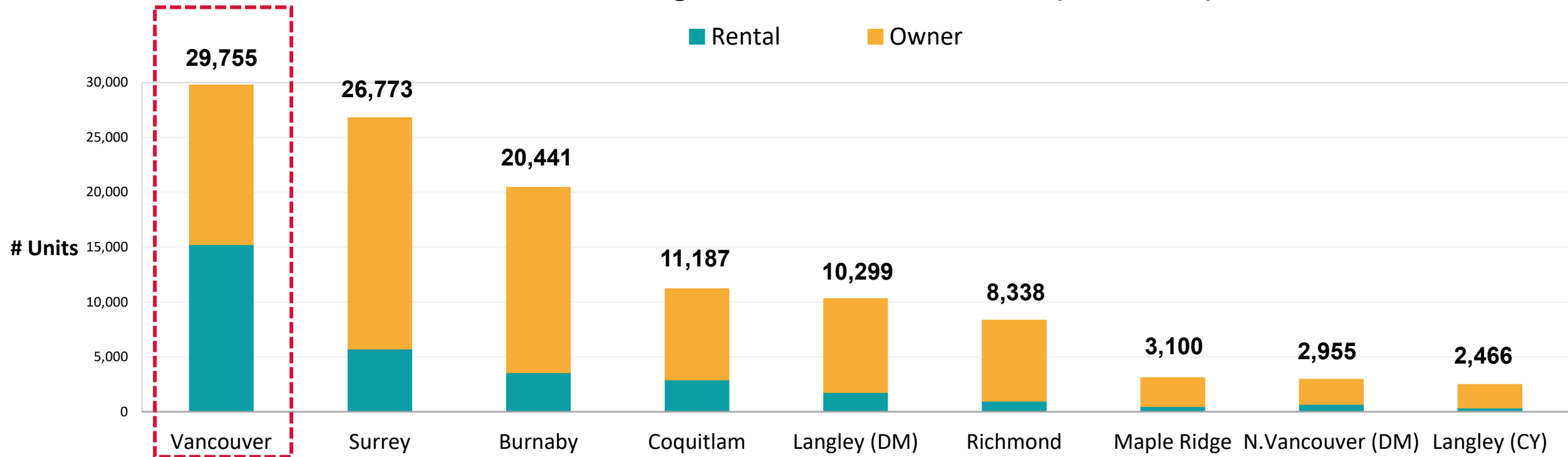
- Notwithstanding affordability, new COV target is high enough to meet projected growth in households over next 10 years
 - Based on BC stats projections for growth, including immigration
- Meeting existing unmet needs will take time (beyond 10 years)
- Housing markets are regional in nature; meeting demand requires all municipalities to do their part



Vancouver Leading the Region in Overall Construction and Rental Starts

- Municipalities accelerating housing construction across the region
- Vancouver leading the region in overall construction and rental housing with almost 40% of the regional rental starts

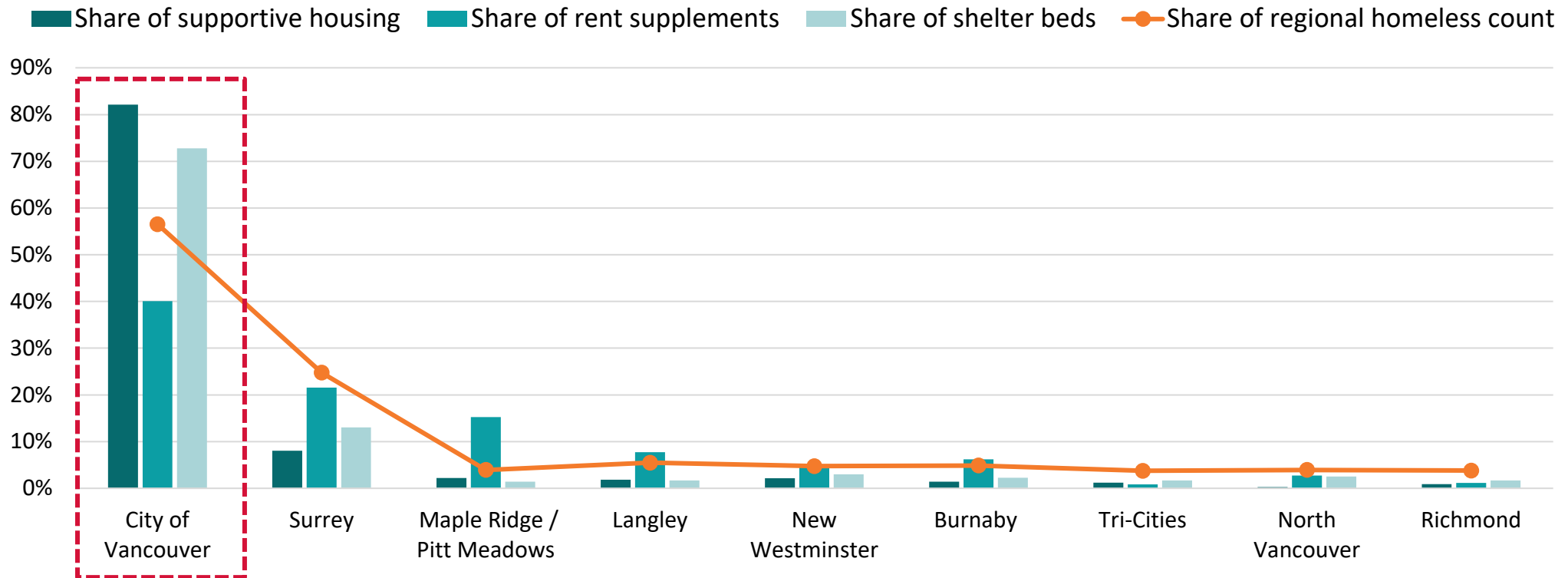
Cumulative Housing Starts in the last 5 Years (2019-2023)



Vancouver Leading the Region in Housing with Supports

- Vancouver carries bulk of supportive housing and homelessness services in the region in 2023

Metro Vancouver Municipalities and Homelessness Services (share of regional totals)

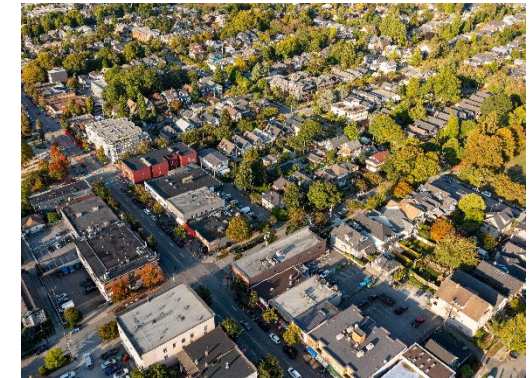
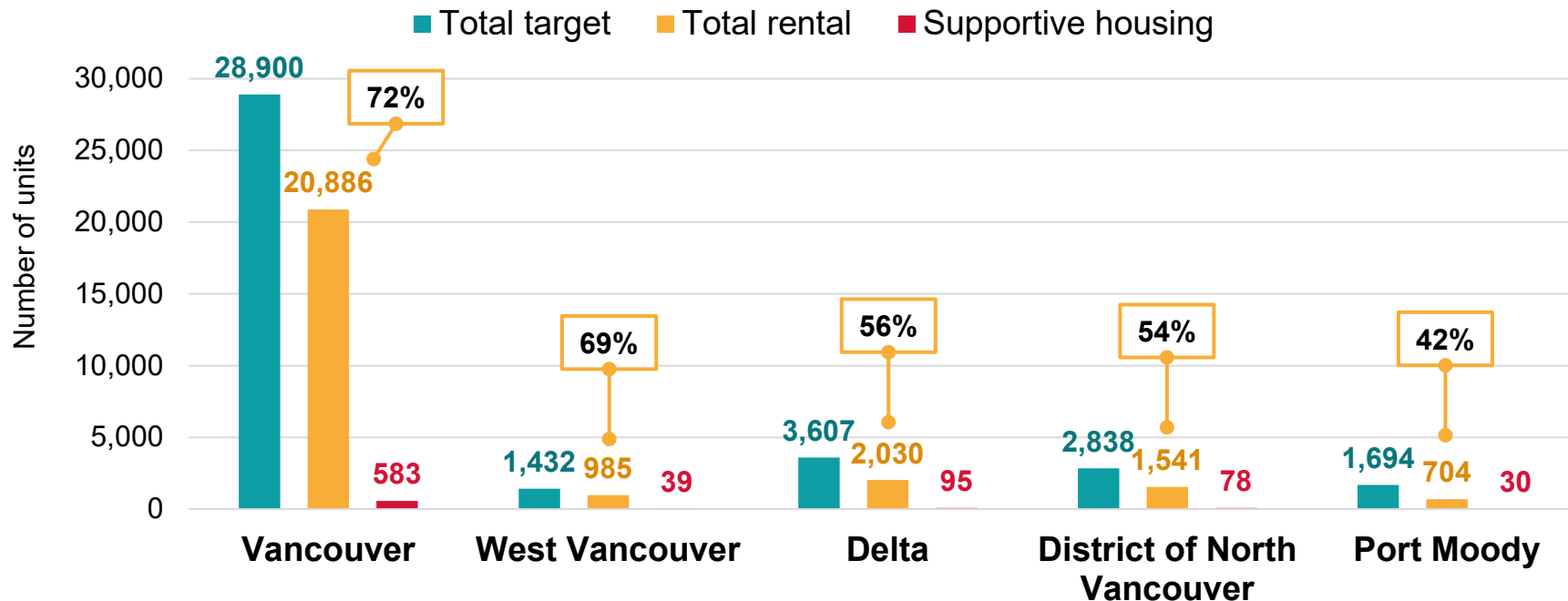


Source: Homeless Count 2023, Metro Vancouver Housing Databook 2023 with data from BC Housing; City of Vancouver; 2021 Census of Population
Shelter bed count for City of Vancouver sourced from internal metrics as of March 31, 2023.

Improving Regional Distribution of Rental Housing

- Provincial rental targets introduce real shift towards rental
- Target Orders should lead to a more even regional distribution of rental, affordable and supportive housing

Comparison of Metro Vancouver Municipalities with Target Orders



20 Additional Municipalities to Receive Housing Targets



In total, **30 municipalities** will have target orders issued by the end of June

All municipalities required to do their part to increase housing supply

Three-Year Action Plan



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Advancing an Equitable Housing System

- The Housing Vancouver Three-Year Action Plan (2024 – 2026) is shaped by:
 - Refreshed Housing Targets
 - Vancouver Plan
 - Council priorities and motions
- Works alongside Permit Improvement Process to increase housing supply
- Supports new Provincial legislative changes

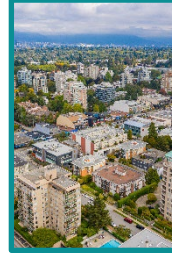


Grouped into Seven Key Directions



Housing Needs

Plan for and accommodate existing and future housing need across the continuum.



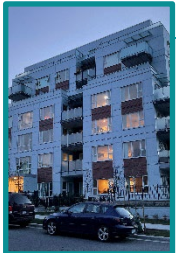
Geographic Equity

Ensure opportunities for inclusion of low and moderate-income households and diversity the housing stock across all residential areas.



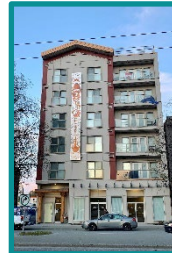
Addressing Homelessness

Address homelessness by ensuring every person has access to permanent secure housing with a range of diverse supports.



Community Housing

Significantly increase the supply of social and supportive housing and support the growth of the community housing sector.



Indigenous Housing

Work with Musqueam, Squamish, and Tsleil-Waututh Nations and urban Indigenous partners to support Indigenous housing models and wellness.



Rental Housing

Become a city for renters that provides more secure rental housing options and mitigates displacement.

Foundational Principles



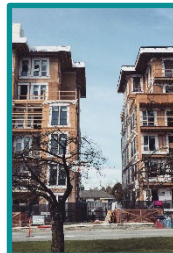
Reconciliation



Equity



Resilience



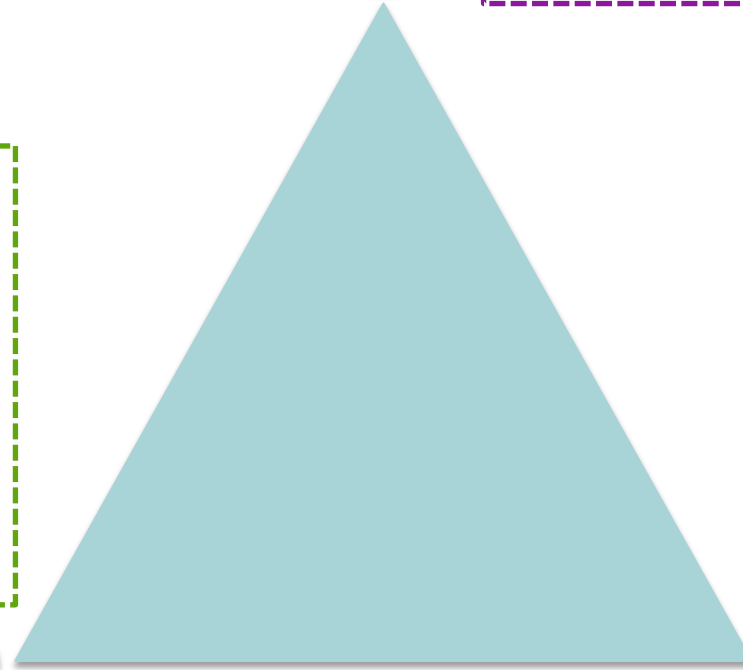
Speculation

Continue to address speculation to ensure new and existing housing serves people who live and work in Vancouver.

“Municipal Tool Kit”

Invest	I
Regulate	R
Advocate/Partner	A

- Acquire and provide land for affordable housing projects
- Provide grants to support affordable housing projects and homelessness services
- Operate non-market housing and emergency response



- Identify local needs and investment or partnership opportunities for Provincial and Federal Governments
- Work with and support the community housing sector

- Prioritize and expedite affordable housing projects
- Develop policy, and incentives to enable development
- Create regulations to support other housing objectives such as tenant protections



1. Address Housing Need

Plan for existing and future housing need across the continuum

Highlights

- R** Provincial Housing Targets and Housing Vancouver Targets Refresh
- R** Vancouver Official Development Plan
 - Population-based strategies*
 - R** Seniors Housing Strategy
 - R** Accessibility Strategy Phase 2
 - R** Enable Delivery of Student Housing

Other Actions

- R** Housing Targets on City-owned Land
- R** Regional Context Statement update
- A** Advance Addressing Anti-Black Racism and Cultural Redress Housing Policies
- A** Explore Below-market Home Ownership Opportunities with the Province



2. Geographic Equity

Ensure opportunities for inclusion of low- and moderate-income households and diversity in all areas

Highlights

- R** Implement Transit-Oriented Areas Provincial Legislation
- R** Rupert and Renfrew Station Area Plan
- R** Simplified Apartment District Schedules
- R** Downtown Eastside Plan: Housing Policies Implementation
- R** Vancouver Plan Villages Implementation



Other Actions

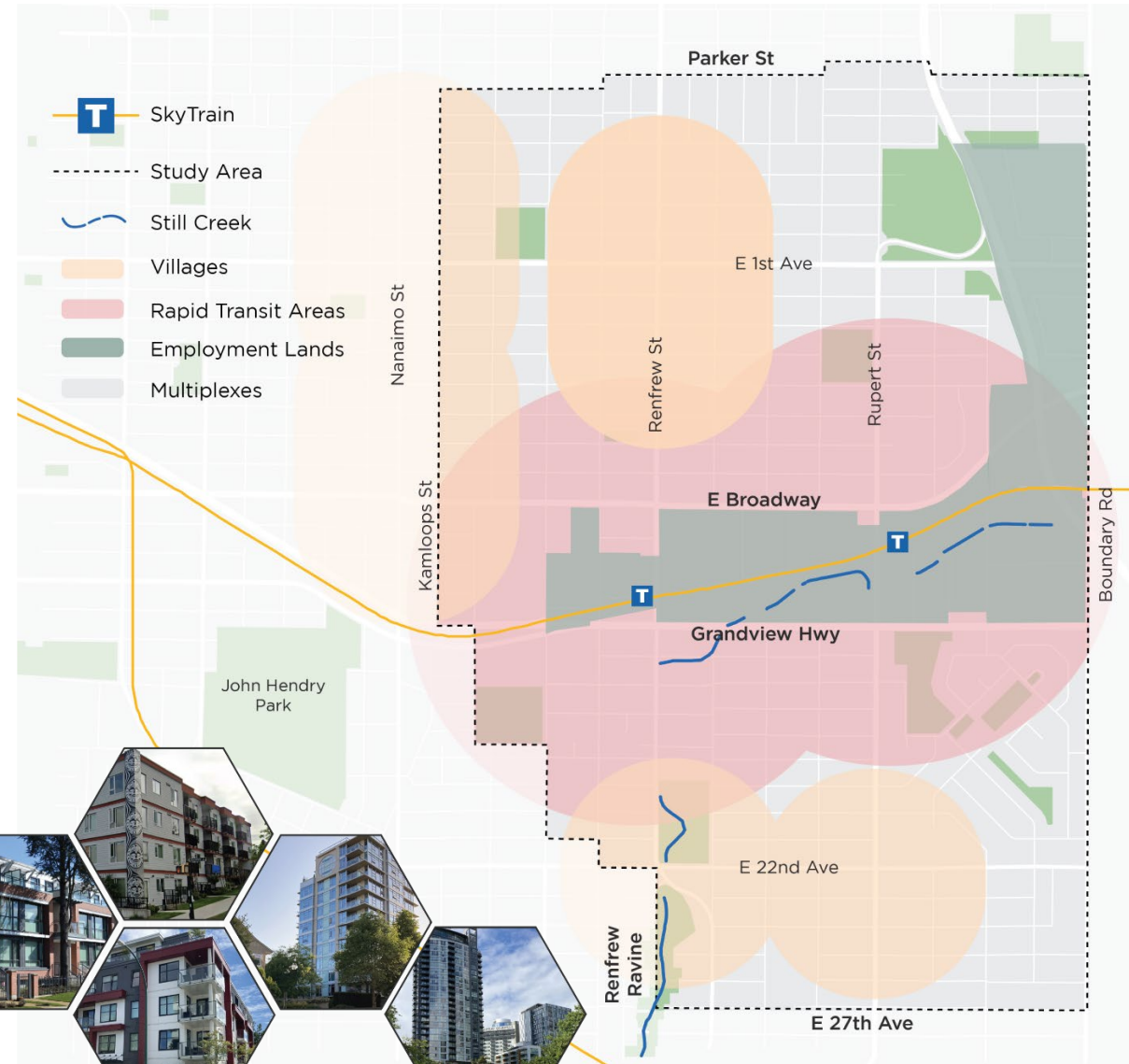
- R** Implement Small-Scale Multi-unit Housing Provincial Legislation
- R** Citywide Development Guide Project
- R** UBC Extension Area Plan

Action Highlight: Rupert & Renfrew Station Area Plan

Rupert and Renfrew Station Area Plan

Increase housing close to commercial services and transit, including rental, below-market rental, and social housing apartment buildings, as well as multiplexes and townhomes.

First implementation of the Vancouver Plan land use framework, providing important learning opportunities for future Villages implementation.



3. Addressing Homelessness

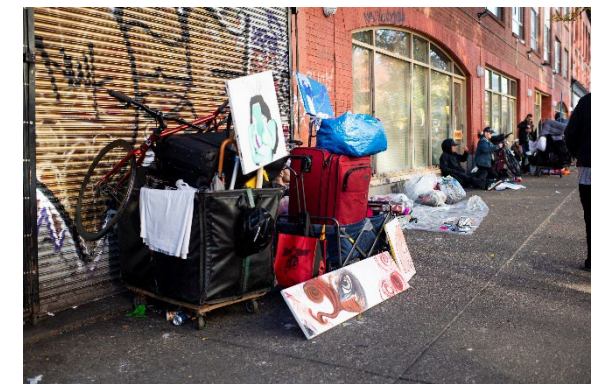
Address homelessness by ensuring every person has access to permanent, secure housing options with a range of diverse supports

Highlights

- A** Responding to Encampments and the Impacts of Unsheltered Homelessness
- A** SRO Intergovernmental Investment Strategy
- A** Regional Response to Homelessness
- I** Supportive Housing and Homelessness Services Grants
- A** Shelter Expansion and Replacement
- I** Homelessness Services Outreach Program

Other Actions

- A** Deliver Additional Supportive Housing with Senior Governments
- A** Develop Complex Care Housing Phase 2 Sites

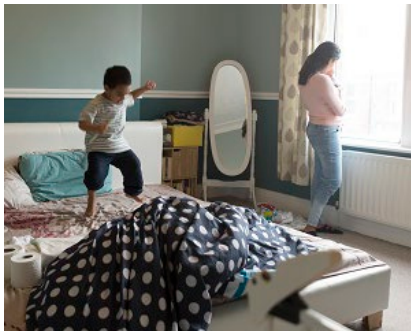


4. Community Housing

Significantly increase the supply of social and co-op housing and support the growth of the community housing sector

Highlights

- R** Vancouver's Social Housing Initiative
- R** Develop Inclusionary Housing By-law to Implement Provincial Legislation
- I** Explore Opportunities to Build New Co-op Housing on City-owned land
- I** Continue Advancing and Initiate New Projects on City-owned Land
- I** Capital Granting programs e.g. CHIP



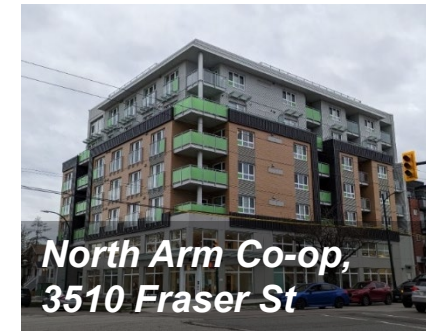
Other Actions

- I** Chinatown Housing Partnership Grant Program
- I** Review and Update Operating Models for Turnkey Social Housing
- A** Explore Opportunities to Support Building Acquisitions by Non-profits
- R** Continue Expediting Community Housing
- A** City Portfolio Planning with Senior Government Partners
- A** Proactive Discussions with Co-op and Non-profit Housing Partners to Renew Expiring Leases and Explore Redevelopment

Vancouver's Social Housing Initiative

Allow mixed-income social and co-op apartment and towers to be **built without a rezoning** in all Vancouver neighbourhoods.

The change will **speed up** the approval of housing that supports a **diverse range of households and incomes, including singles, couples, seniors, and families with children** who are essential for our city to remain vibrant, culturally rich, and economically prosperous.



Continue Advancing and Initiate New Projects on City-owned Land

Over the next three years, there are plans to complete **over 3,000 social and supportive housing units** on City-sites.*

**Subject to availability of senior government funding, regulatory approvals and final construction schedules*



406-1410 E King Edward Ave
109 permanent supportive units under construction.



525 Powell St
158 social units under construction with ground floor retail.



2009-2037 Stainsbury Ave
123 units of social housing with Passive House certification

5. Indigenous Housing

Work with x^wməθk^wəyəm (Musqueam), Skwxwú7mesh (Squamish), səlilwətał (Tsleil-Waututh), and urban Indigenous partners to support Indigenous housing models and wellness

Actions

- I Develop an Indigenous-led Supportive Housing and Wellness Centre
- R Jericho Lands Official Development Plan and Phase 1 Rezoning
- A UNDRIP Strategy
 - Action 1.2B Prioritize Nation-led projects
 - Action 2.7 Support on reserve projects
 - Action 2.8 Prioritize housing for Nation members
- A Indigenous Healing and Commemoration of Sites of Community Significance
- I Support Existing Indigenous-led Projects and Initiate New City Sites as Indigenous-led Projects



6. Rental Housing

Become a city for renters that provides more secure rental housing options and mitigates displacement

Actions

- R** Continue to Prioritize and Accelerate Secured Rental Housing
- R** Seismic Risk Assessment Report and Framework
- A** Streamlining the Delivery of Rental Housing through Pre-approved Plans and Off-site Construction
- I** Middle-Income Housing Delivery on City-owned land
- I** Non-profit Resilient Retrofit Pilot Program
- I** Retrofit Project with Landlord BC
- R** Monitor Outcomes of Enhanced Tenant Protections and Explore Opportunities to Expand Protections



Middle-income Housing Delivery on City-owned Land

The newly formed Vancouver Housing Development Office's (VHDO) mission is to unlock housing delivery for middle-income households on City-owned land and generate revenue to support City priorities, with the goal of delivering **4,000 rental homes**.



7. Speculation

Continue to address speculation and take steps to promote equitable treatment of renters and homeowners

Actions

- A** Short-term Rental Regulations Work with Provincial Government
- R** Empty Homes Tax
- R** Continue Development Contribution Expectation Policy





Investment in New Affordable Housing

- Funding required to enable new social and supportive housing supply, deepen affordability in new supply, and enable SRO replacement
- Funding for infrastructure required to accommodate growth and for increased construction and operational costs



Preserve and Deepen Affordability in Existing Stock

- Increase shelter rate of income assistance and disability assistance, and rent supplements including RAP and SAFER
- Make home supports more available and affordable, including for seniors so they can age in their homes

*Higher housing targets, actions aimed at increasing housing supply, and the shift towards rental will cause **significant increases in infrastructure cost** with limited sources of funding.*

Requires:



Additional investment from senior government – continued advocacy to modernize the municipal growth framework



City to explore new municipal financing tools and opportunities to generate long-term non-tax revenue



Rental Housing on City-Owned Land – Public Benefits Pilot Rezoning Policy

INTENT

Support the delivery of middle-income housing on City land and *pilot a new approach to the delivery of public benefits through the generation of non-tax revenues* for the City.

The Pilot

Up to 5 rezoning applications to be considered by Council that can be exempted from the CAC Policy for Rezonings in recognition of long-term public benefits delivered, provided that the:

- Residential portion of the project is 100% rental housing;
- Non-tax revenue is secured for the City for 60 years or the life of the building or remain in City ownership.

Policy

Rental Housing on City-Owned Land – Public Benefits
Pilot Rezoning Policy

Feedback from the community housing sector, City advisory committees, Indigenous partners, academics and researchers, housing developers, and senior levels of government:



Housing Targets

- Support for the updated targets, with some calling for higher targets
- Additional staff capacity is important to support more housing projects reaching completions
- Achieving deeper levels of affordability requires increased senior government funding

Three-Year Action Plan

- Support for the Three-year Action Plan overall
- Pleased with actions undertaken to protect renters, address housing speculation, and increase supply
- Support for further increasing affordable housing, enabling more housing city-wide across neighbourhoods, and streamlining zoning and development

2024 Key Actions

- Provincial Housing Targets and Housing Vancouver Targets Refresh
- Seniors Housing Strategy

Housing Needs



- Implement New Transit-oriented Areas Provincial Legislation
- Implement Small-Scale Multi-Unit Housing Provincial Legislation

Geographic Equity



- Responding to Encampments and the Impacts of Unsheltered Homelessness
- SRO Intergovernmental Investment Strategy

Addressing Homelessness



- Short-term rental regulations increased enforcement
- Empty homes tax

Speculation



Community Housing

- Review and Update Operating Models for Turnkey Social Housing
- Continue Advancing and Initiate New Projects on City-owned Land



Indigenous Housing

- UNDRIP Strategy
- Support Existing Indigenous-led Projects and Initiate New City Sites as Indigenous-led Projects



Rental Housing

- Continue to Prioritize and Accelerate Secured Rental Housing
- Seismic Risk Assessment Report and Framework

- Housing Targets for 83,000 new homes over 10 years
- 50+ Actions to be delivered over three years to advance an equitable housing system
- VHDO to pilot 5 sites and kickstart the delivery of middle-income rental housing on City-owned land
- Recent Provincial legislation will increase supply and advance regional fair share in municipalities across BC
- Significant senior government partnerships required for projects to reach completions, achieve deeper levels of affordability and fund growth related costs



Thank you!



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VANCOUVER**

**HOUSING
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