



Corporate Report

NO: R213

COUNCIL DATE: OCTOBER 1, 2007

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 28, 2007**
FROM: **General Manager, Planning and Development** FILE: **0450-01**
SUBJECT: **Metro Vancouver Draft Regional Affordable Housing Strategy**

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information; and
2. Direct staff to forward a copy of this report to Metro Vancouver as Surreys response to the Draft Regional Affordable Housing Strategy, June 2007.

INTENT

The purpose of this report is to:

- Advise Council of Metro Vancouver's Draft Regional Affordable Housing Strategy, attached as Appendix "A" to this report, which is being circulated for public feedback; and
- Seek Council's approval to forward this report to Metro Vancouver as the City's comments on the Draft Strategy.

BACKGROUND

Over the past two years, Metro Vancouver (formerly the GVRD) has undertaken research and conducted workshops on the issue of housing affordability in Greater Vancouver and, specifically, on what can be achieved at the municipal and regional levels to respond to existing and emerging housing needs.

In November of 2006, the Metro Vancouver Regional Housing Committee referred a discussion paper on this matter to municipalities for information and comment. At its meeting of February 26, 2007, Council considered Surrey's comments and concerns with

regard to that document. Council approved the recommendations of Corporate Report No. R029 – Preliminary Proposals for a Regional Affordable Housing Strategy for Greater Vancouver-Comments on the GVRD Discussion Paper, attached as Appendix "B" to this report. Surrey's comments were forwarded to Metro Vancouver.

In commenting on the preliminary draft strategy, Surrey strongly supported recommendations that urge senior levels of government to take on an enhanced role in the provision and maintenance of affordable housing and related support services.

The Affordable Housing Strategy represents an important part of the Sustainable Region Initiative and sets the stage for a number of the policies, which will be brought forward in the ongoing review of the Liveable Region Strategic Plan (the Regional Growth Strategy for Metro Vancouver). The strategy proposes a number of roles that the region will take on or continue, and also proposes new requirements for all Metro Vancouver municipalities. The City generally supported the range of proposed actions for the region, with some concern or caution specifically expressed for three proposed actions.

- *Amending the Regional Growth Strategy to set targets for the number of new affordable owned and rental housing units, and requiring Regional Context Statements to demonstrate how municipalities will achieve these targets.*
 - While recognizing the merits of targets, Surrey commented that the proposed "requirements" for affordable housing targets represent a far more prescriptive approach than Metro Vancouver has taken in the past. If targets are included in the Liveable Region Strategic Plan, Surrey recommended that the list of mechanisms that municipalities might use to achieve targets be a "suggested" list of possible mechanisms and not a mandatory list. In addition, with regard to the setting of affordable housing targets and the related Regional Context Statements, Surrey noted that it is anticipated that there will be considerable further dialogue on this matter through the ongoing review of the Liveable Regional Strategic Plan.
- *Metro Vancouver would seek enabling legislation to waive regional (GVS&DD) development cost charges on social housing, and to reduce/waive regional DCCs on affordable housing.*
 - Surrey expressed some concern with regard to the waiving/reducing of GVS&DD DCCs and other DCCs for social and affordable housing units, as it would likely have implications on the cost of DCCs for other dwelling units and facilities.
- *Metro Vancouver would seek legislation for a surcharge on regional levies to enable the region to raise up to \$50 million per year for social housing projects.*
 - Surrey was not in support of using municipal sources of funding to create and grow a regional Affordable Housing Trust Fund, noting that the City of Surrey has already set up a Homelessness and Housing Society and Fund. In addition, Surrey cautioned that depending on how a proposed surcharge on fees would apply, it could result in additional costs to consumers of market housing or other regional services.

Fourteen municipalities submitted feedback on the draft strategy, and Board Directors representing 16 municipalities participated in a workshop held on March 9, 2007. Following this consultation process, Metro Vancouver staff prepared a revised document entitled "Draft Regional Affordable Housing Strategy" (Appendix "A").

At its meeting of July 27, 2007, the Metro Vancouver Board approved the release of the Draft Affordable Housing Strategy for public consultation. A public meeting was held on September 20, 2007, and Metro Vancouver is receiving written comments from community stakeholders until October 12, 2007. As well, the Board requested that the Provincial Housing Minister comment on the Draft Strategy and identify areas for collaboration.

DISCUSSION

Compared to the November 2006 draft, the revised July 2007 "Draft Regional Affordable Housing Strategy" is a more concise and easy to read document. For the most part, the content has remained the same; however, the most recent draft is much less detailed and, consequently, includes a reduced number of proposed actions. In other words, many of the proposed actions in the updated Draft Strategy are more general than those contained in the 2006 draft.

The following section indicates whether or not the recommendations in the preliminary draft for which Surrey expressed concerns have been changed. As well, significant additions and deletions in the July 2007 Draft Strategy are highlighted, together with comments.

How Surrey's Concerns are Addressed

The Background section of this report describes the three proposed actions in the Preliminary Draft Strategy that the City had concerns with. Below are comments related to how these actions are addressed in the 2007 Draft Strategy.

- *Amending the Regional Growth Strategy to set targets for the number of new affordable owned and rental housing units, and requiring Regional Context Statements to demonstrate how municipalities will achieve these targets.*
 - The revised 2007 strategy also includes this proposed action, with the added statement that targets will be set "in consultation with member municipalities".
- *The GVRD would seek enabling legislation to waive regional (GVS&DD) development cost charges on social housing, and reduce/waive regional DCCs on affordable housing.*
 - The revised 2007 strategy also includes this proposed action.
- *The GVRD would seek legislation for a surcharge on regional levies to enable the region to raise up to \$50 million per year for social housing projects.*

- The revised 2007 strategy does not include this proposed action.

Additions - Proposed Actions Added to the 2007 Draft

- **Housing Action Plan**: The new draft has added the requirement for municipalities, as part of the Regional Growth Strategy, to develop Housing Action Plans and Regional Context Statements setting out specific strategies and objectives for meeting established affordable housing targets. The strategy proposes that the Province make funding available to support the development of Housing Action Plans at the municipal level.
 - *Surrey supports the requirement for municipal Housing Action Plans as this process will enable municipalities to explore the range of regulatory and other options and select those that best fit with the unique context or circumstances in each municipality. Surrey also strongly supports the recommendation that provincial funding and support be provided in order for municipalities to undertake this additional activity.*
- **Metro Vancouver Community Outreach Initiative**: The new draft has added the proposed action for the GVRD to design and deliver a community outreach initiative to demonstrate the benefits of increased density and diversity to create modest cost housing.
 - *Surrey supports this action. Community acceptance of increasing housing density and diversity is needed throughout the region. Providing education and outreach programs, as well as technical research and analysis, is an appropriate and valued role for Metro Vancouver, as not all municipalities have the resources to undertake such initiatives. In undertaking this initiative, it is noted that the program must recognize the different context and circumstances of the various local municipalities and structure the program accordingly.*
- **Role of the Greater Vancouver Housing Corporation**: The new draft identifies an expanded role for the GVHC. The previous draft proposed that the GVHC "continue to provide social housing", whereas the latest version proposes that GVHC increase its portfolio by 5,000 units by 2015.
 - *Surrey supports this action, noting the GVHC waiting list of approximately 11,000 households.*

Deletions - Actions Proposed in the 2006 Draft and Not Included in the 2007 Draft

- **Surcharge on Regional Levies**: The revised draft does not include the proposal to seek a legislative enactment to permit a regional surcharge on various regional levies and charges to enable the regional district to raise funds for affordable housing.
 - *Surrey did not support this proposed action in the 2006 draft strategy so supports its deletion.*

- Using Municipal Sources of Funding to Create a Regional Housing Trust Fund: The new draft continues to propose the establishment of a Regional Affordable Housing Trust Fund, but does not specify using municipal sources of funding (e.g., DCCs or DCLs) for the Fund.
 - *Surrey is generally supportive of the creation of a regional fund that will leverage senior government funding for affordable housing projects, but does not support using municipal sources to create and grow this fund. Surrey has recently established the Surrey Homelessness & Housing Fund so strongly recommends that any additional revenues collected in Surrey for affordable housing be contributed to the Surrey Fund to address homelessness and housing issues in Surrey.*

CONCLUSION

In response to growing concerns about housing affordability and homelessness across the region, Metro Vancouver has prepared a Draft Regional Affordable Housing Strategy. The strategy's central role is to complement the actions of municipalities and provide a coordinated response at the regional level. It draws attention to local needs and priorities and signals the importance to senior levels of government.

A preliminary draft of the Regional Affordable Housing Strategy was released in November 2006. The City of Surrey provided comments on this document to the GVRD in February 2007. In July 2007, Metro Vancouver released a revised draft strategy and is now soliciting feedback. This report highlights and comments on the few substantive changes that have been made to the strategy.

Overall, the content of the preliminary strategy released in 2006 and the revised draft released in July 2007 are similar. The three goals remain to:

- increase the supply and diversity of modest cost housing;
- eliminate homelessness across the region; and
- meet the needs of low income renters.

The revised strategy is much more concise and provides considerably less detail. The most significant change to the strategy is the addition of the proposal to require municipalities, as part of the Regional Growth Strategy, to develop Housing Action Plans. Surrey supports this recommendation on condition that the Province provides funding to enable municipalities to undertake this activity. The development of a Surrey Housing Action Plan would provide the municipality and local stakeholders with an opportunity to explore the full range of regulatory and other options that can be used to address affordability issues and select those that best fit the Surrey context.

In general, Surrey supports the actions proposed in the July 2007 Draft Affordable Housing Strategy. However, to effectively address homelessness and affordable housing issues in Metro Vancouver, it will require a significant commitment of additional resources from the federal and provincial governments. The City of Surrey strongly supports and encourages Metro Vancouver to advocate, on behalf of the region, for

enhanced housing programs and a substantive increase in resources from the senior levels of government.

Jean Lamontagne
General Manager
Planning and Development

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Attachments:

Appendix "A" - Draft Regional Affordable Housing Strategy, dated July, 2007

Appendix "B" - Corporate Report No. R029 (without attachments)

Draft Regional Affordable Housing Strategy



July 2007



DRAFT Regional Affordable Housing Strategy

Housing and Sustainability

Housing is a central building block for healthy, sustainable communities with housing affordability playing an important role in supporting a competitive regional economy and in promoting the economic and social well-being of families and individuals.

While the majority of households across the region have access to housing that is in good condition, appropriate in size and affordable in relation to their income, for an estimated one-third of the region's households finding housing to rent or own that is affordable is a problem. Rental vacancy rates across the region have reached historic lows and the cost of rental housing is beyond the reach of many households. In addition, the loss of existing rental housing stock as well as diminished access to ownership opportunities for some households has resulted in increased competition for available units.

Delivering a sustainable affordable housing strategy for Greater Vancouver means ensuring that there is an adequate supply of housing to respond to the full range of incomes and needs across the region. This includes making better use of existing housing resources as well as identifying opportunities for increasing the supply of affordable units at key points along the housing continuum.

It is clear that the private market alone cannot deliver the full spectrum of housing needs. Purpose-built rental housing construction is virtually at a standstill. Funding from senior levels of government is essential in providing social housing, rental subsidies and necessary support services.

Local government also have a key role to play in providing affordable housing through their understanding of local needs, the land use regulation system and through the use of municipal assets. However, the regional and municipal role is limited due to funding and resource constraints.

At the regional level, modest gains are possible through intensifying the use of existing Greater Vancouver Housing Corporation assets and through the GVRD's role as the secretariat for the allocation of federal homelessness funds. The GVRD also has a key role as a participant, facilitator, and catalyst for collaborative action. This strategy helps articulate the region's housing needs, and amplifies the voice of local government on what needs are and are not being met by the private market and senior funding programs.

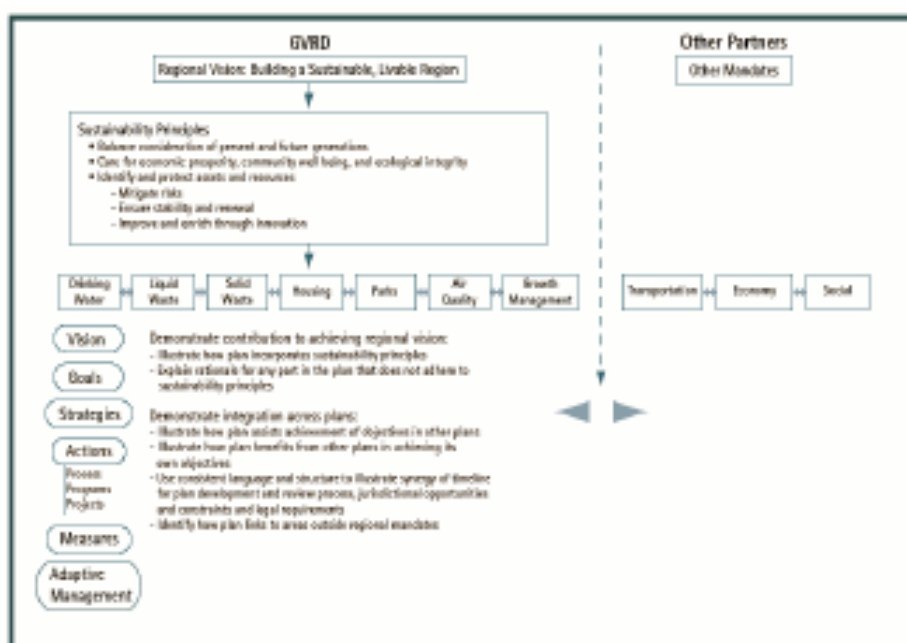
The strategy identifies regional and municipal actions to build effective partnerships with the housing supply sector, the non-profit housing sector and senior levels of government to improve the overall effectiveness and sustainability of housing provision. Key goals set out in this strategy include increasing the supply of modest cost housing at key points along the housing continuum, responding to the specific needs of low income renters and working to put into place lasting and permanent solutions to the problem of homelessness.

The Regional Role and Links to Other Regional Plans

This housing strategy represents an important part of the Sustainable Region Initiative with housing affordability playing a central role in shaping the quality, livability and sustainability of our communities. In addition, this strategy builds on the region's current role which includes:

1. Advocacy including working with senior levels of government and member municipalities to ensure that all families and individuals across the region have access to suitable and appropriate housing that they can afford.
2. The direct provision of housing through the Greater Vancouver Housing Corporation (GVHC) to more than 3,500 households with low to moderate incomes across the region.
3. Long-range planning and policy development to achieve housing objectives through the Regional Growth Strategy.
4. Research and support for addressing issues related to homelessness including acting as an "implementation partner" for the Regional Steering Committee on Homelessness.
5. Technical research and analysis in support of regional development including research into regulatory tools, macro-level trends and "best practices".

As set out in the diagram below, once adopted this strategy will form an integral part of the overall SRI planning framework along with other key strategies and initiatives, including the Regional Growth Strategy.



Sustainable Region Initiative—Framework for Regional Mandates

Key Goals, Objectives, Strategies and Actions

This section sets out the key goals and objectives which provide the foundation for the strategy. They include:

- Goal 1 Increase the supply and diversity of modest cost housing**
- Objectives** Increase the supply of affordable housing at key points along the housing continuum including:
- Entry-level ownership opportunities
 - Low end of market rental housing
 - Non-market housing; and,
 - Emergency and transitional/supportive housing
- Identify partnership opportunities to allow low income families and individuals to advance along the housing continuum
- Goal 2 Eliminate homelessness across the region**
- Objectives** Enhance the continuum of housing and supports for those who are homeless
- Improve the affordability of rental accommodation for low income renters as a means of preventing economic eviction and homelessness
- Goal 3 Meet the needs of low income renters**
- Objectives** Expand the supply of affordable rental housing
- Maintain the viability of the existing rental housing stock

Success in achieving these goals is dependent on a number of specific actions and directions - some which can be taken directly by the GVRD and others which are dependent on the commitment and support of key partners as well as senior levels of government.



	GOAL	1	Increase the supply and diversity of modest cost housing
	STRATEGIES	<p>Increase the supply of affordable housing at key points along the housing continuum including:</p> <ul style="list-style-type: none"> -Entry-level ownership opportunities; -Low end of market rental housing; -Non-market housing; and, -Emergency and transitional/supportive housing. <p>Identify partnership opportunities to allow low income families and individuals to advance along the housing continuum.</p>	

ACTIONS

Proposed GVRD Actions

- 1.1 As part of the Regional Growth Strategy, the GVRD will set targets in consultation with member municipalities for the number of new affordable housing units required by 2016.
- 1.2 Require, as part of the Regional Growth Strategy that municipalities develop Housing Action Plans setting out specific strategies and objectives for meeting established targets through such actions as:
 - Amending existing bylaws to permit increased density in areas appropriate for affordable ownership and rental housing.
 - Incorporating smaller more affordable housing design into neighbourhood planning including suites, smaller lots, coach houses, row houses, townhouses as well as higher density developments.
 - Adopting inclusionary housing policies or density bonus provisions as a means of securing additional affordable rental or ownership housing stock.
 - Reducing parking requirements for affordable ownership or rental housing for developments with good access to public transit.
 - Identifying City-owned sites which are appropriate for affordable housing and which could be leased at or below market value to non-profit housing organizations.
 - Identifying sites suitable for affordable housing in neighbourhood and area planning processes.
- 1.3 Design and deliver a community outreach initiative to demonstrate the benefits and opportunities of promoting increased density and diversity to create modest cost housing.
- 1.4 Identify sites across the region which are owned or controlled by the GVRD which are suitable for the development of affordable housing and make these sites available at or below market value.

Proposed Municipal Actions

- 1.5 Develop Official Community Plans, Regional Context Statements and Housing Action Plans which demonstrate the actions taken to increase the supply and diversity of affordable housing at key points along the housing continuum.

Proposed Provincial Actions


- 1.6 Make funding available to support the development and implementation of Housing Action Plans at the municipal level.

Proposed Federal Actions

- 1.7 Respond to the call from the Federation of Canadian Municipalities (FCM) for the development of a National Affordable Housing Strategy.

Proposed Actions for the Greater Vancouver Transportation Authority (GVTA)

- 1.8 Expand the opportunities for the development of affordable housing around major transit nodes and under-utilized sites.

	GOAL	2	Eliminate homelessness across the Region
	STRATEGIES	Enhance the continuum of housing and supports for those who are homeless Improve the affordability of rental accommodation for low income renters as a means of preventing economic eviction and homelessness	

ACTIONS

Proposed GVRD Actions

- 2.1. Continue to support the Regional Steering Committee on Homelessness.
- 2.2. Promote support for emergency shelters and transitional/ supportive housing across the region.
- 2.3. Advocate for increased funding from senior levels of government for the provision of 5,000 new supportive and transitional housing units across the region over the next 10 years.
- 2.4. Advocate for senior levels of government to ensure that appropriate services and supports are in place to help families and individuals who are homeless gain access to permanent stable housing.

Proposed Municipal Actions


- 2.5. Demonstrate through local Housing Action Plans and Regional Context Statements the specific actions taken to address homelessness.

Proposed Provincial Actions

- 2.6. Continue to provide funding for outreach services to connect those who are homeless to income, health and other supports as well as make funding available to increase the inventory of supportive/transitional housing units across the region.
- 2.7. Ensure that emergency shelters have access to sufficient funding and resources to move people from homelessness to permanent housing.
- 2.8. Through the Vancouver Coastal Health Authority and Fraser Health Authority develop a region-wide Mental Health and Addictions Strategy.
- 2.9. Establish a Provincial Rental Tax Credit similar to those in Ontario and Manitoba.
- 2.10. Increase the shelter component of income assistance to reflect the cost of housing in Greater Vancouver.
- 2.11. Regularly up-date provincial rent assistance programs to take into account inflation as well as to reflect local housing needs and market conditions.

Proposed Federal Actions

- 2.12. Continue to provide funding to address homelessness including make additional funding available to increase the inventory of supportive/transitional housing across the region.

	GOAL	3	Meet the needs of low income renters
	STRATEGIES	Expand the supply of affordable rental housing. Maintain the viability of the existing rental housing stock	

ACTIONS

Proposed GVRD Actions

- 3.1 Increase the GVHC portfolio to 5,000 units by 2015 through increasing the densification of existing properties, the management of units acquired through municipal processes and the creation of new supply subject to the availability of senior government funding.
- 3.2 Subject to municipal and GVHC agreement on financial feasibility, GVHC will manage properties acquired through municipal processes.
- 3.3 Develop partnerships to enable the provision of on-site services or linkage to support services in the community for GVHC tenants as well as explore potential opportunities to encourage entry-level ownership.
- 3.4 Establish and manage a Regional Affordable Housing Trust Fund.
- 3.5 Waive development cost charges for non-profit rental housing, supportive housing and other forms of rental housing where affordability is secured for a minimum of 20 years.
- 3.6 Revise the method of calculating regional development cost charges to account for variations in size with the purpose of reducing costs for smaller units and lots.
- 3.7 Include in the Regional Growth Strategy a requirement that municipalities adopt measures to prevent the loss of existing rental housing stock including strata conversion policies, replacement policies for loss of rental housing stock and legalization of secondary suites.

Proposed Municipal Actions

- 3.8 Demonstrate through local Housing Action Plans and Regional Context Statements the specific actions taken to expand the supply of affordable rental housing as well as preserve and maintain the existing stock.

Proposed Provincial Actions

- 3.9 Provide access to on-going stable funding for new affordable housing initiatives including a housing supply program for low income families and seniors.
- 3.10 Amend the Local Government Act to provide municipalities with the ability to collect a development cost levy for the purpose of creating affordable rental housing.
- 3.11 Amend the Local Government Act and GVS&DD Act to permit regional development cost charges to be waived for non-profit rental housing, supportive housing and affordable housing that is secured for a minimum of 20 years.

Proposed Federal Actions

- 3.12 Work with the Provincial government and other housing partners to develop a low income tax credit to stimulate the construction of new affordable rental housing.
- 3.13 Make operating surpluses from the operations of Canada Mortgage and Housing Corporation available to fund new affordable housing initiatives.
- 3.14 Reduce or eliminate taxes which act as a disincentive for new rental housing construction and/or which reduce affordability.
- 3.15 Make enhancement to the Rental Rehabilitation Assistance Program (RRAP) to improve access to these programs for high cost urban areas such as Greater Vancouver.

Performance Measures

This strategy focuses on working in partnership with member municipalities and other key stakeholders to increase the supply of modest cost housing at key points along the housing continuum. It also includes specific strategies targeted at addressing the needs of low income renters as well as strategies designed to put into place permanent solutions to the problem of homelessness. The success of the strategy will be evaluated on the following:

Goal 1 Increase the supply of modest cost housing

- The number of new affordable purpose-built rental housing units created
- The number of new subsidized housing units added
- The number of entry-level ownership opportunities created that are affordable to households at or below 120 per cent of the median income for the region

Goal 2 Eliminate homelessness across the region

- The number of households spending 50 per cent or more of their income on housing
- The number of people living on the streets or staying in emergency shelters
- The number of transitional/supportive housing units created

Goal 3 Meet the needs of low income renters

- The number of new GVHC units created
- The net new supply of affordable rental housing

Adaptive Management

Housing affordability is influenced by a broad range of social and economic forces including interest rates, inflation and income growth. It can also be affected by the decisions of senior levels of government related to taxation, immigration, the provision of housing assistance and other policies which make up part of the social safety net.

The specific strategies and actions set out in this document recognize these various interdependencies while focusing on specific steps and actions that the GVRD and member municipalities can take to move us closer to our vision of ensuring that there is an adequate supply of housing to respond to the full range of incomes and needs across the region. At the same time we recognize that our success will be dependent on our ability to build and maintain effective partnerships with the housing supply sector, the non-profit housing sector as well as senior levels of government.

Glossary

Assisted Living: Assisted living units are self contained apartments for seniors or people with disabilities who need some support but who do not need 24 hour facility care.

Co-operative Housing: A housing development where residents or members own and manage the building. Each member has one vote and members work together to keep their housing well-managed and affordable.

Core Housing Need: Core housing need is a measure of housing need in Canada. Core housing need reports on the number of households in a community who unable to find housing that is suitable in size, in good repair and affordable without spending 30 per cent or more of their income on housing.

Density Bonus: Legislative changes introduced in 1993 allow local governments to offer an incentive to developers in the form of increased density in exchange for providing affordable housing or amenities which benefit the community.

Emergency Shelters: Emergency shelters provide people with a place for people to sleep when they have no other housing options. While they play an important role in responding to homelessness they are not a long-term solution.

Housing Action Plans: Housing Action Plans are strategies which are developed at the community level which focus on responding to the diverse range of housing needs in the community. Housing actions plans can outline specific municipal strategies and actions including different forms of housing types and target populations.

Housing Continuum: The housing continuum provides an important organizing framework for understanding housing needs and the range of housing choices (rental and ownership) available to households in varying economic and social circumstances. In most cases the housing continuum can include emergency shelters, transitional/supportive housing, social housing, assisted living, market rental housing and ownership.

Inclusionary Housing Policies: Inclusionary housing policies are planning tools which require that new developments include a set percentage of affordable units.

Non-Market Housing or social housing refers to government-assisted housing which was built through one of a number of Federal/Provincial programs. This housing is typically managed by the non-profit or co-op housing sectors. Most non-market housing receives an operating subsidy.

Non-Profit Housing: Non-profit housing is housing that was developed under a mix of federal and provincial programs and is frequently referred to as social housing. Non-profit housing is owned and operated by community-based service providers who have a mandate to provide safe, secure and affordable housing to households with low to moderate incomes.

Private Market Housing: The private rental market provides the majority of low cost housing. This can include purpose-built rental housing as well as housing supplied through the secondary rental market including basement apartments as well as rented condo stock.

Social Housing: Social housing refers to housing built under Federal, Federal/Provincial or Provincial programs and is designed to accommodate households with low to moderate incomes in core housing need. It includes public housing as well as non-profit and co-op housing.

Transitional /Supportive Housing: Transitional housing is affordable housing with supports where people can remain for a limited period of time. The amount of time can vary from 30 days up to 2 or 3 years. Transitional housing is viewed as an interim step with residents moving to permanent housing once their situation has been stabilized. Supportive housing is affordable housing with no limit on the length of stay. Both transitional housing and supportive housing include access to support services.

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Corporate Report

NO: R029

COUNCIL DATE: February 26, 2007

REGULAR COUNCIL

TO: Mayor & Council DATE: February 21, 2007
FROM: Acting General Manager, Planning and Development FILE: 0450-01
SUBJECT: Preliminary Proposals for a Regional Affordable Housing Strategy for Greater Vancouver – Comments on the GVRD Discussion Paper

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information; and
2. Direct staff to forward this Report to the Greater Vancouver Regional District ("GVRD") in response to the Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver.

INTENT

The purpose of this report is to:

- Advise Council of the draft Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver (the "Discussion Paper"), which has been forwarded to municipalities by the GVRD for information and comment; and
- Seek Council approval to forward this report to the GVRD as the City's comments on the proposals contained in the Discussion Paper.

BACKGROUND

Over the past two years, the GVRD staff have undertaken research and conducted workshops on the issue of housing affordability in Greater Vancouver. In March of 2006, the Regional Housing Committee received a staff presentation on housing affordability in Greater Vancouver and requested that staff report back on potential regional actions to address affordable housing issues. In October of 2006, the Regional Housing Committee

further directed staff to include proposed regional actions which could build upon the newly announced provincial housing strategy, "Housing Matters BC".

A draft Discussion Paper (attached as Appendix I) was the subject of a Council of Councils meeting in November of 2006. It has since been forwarded to municipalities for information and comments. GVRD staff advise that the Discussion Paper will be on the agenda of a GVRD Board Workshop to be held on March 9, 2007, and have requested that comments from municipalities be received as soon as possible.

DISCUSSION

The Discussion Paper is intended 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 government and housing providers. It consists of three components:

- Sections 1 through 3 set out the background or context of the housing affordability issue in Greater Vancouver;
- Section 4 sets out the current public policy context for the provision of affordable housing, including the current roles of the federal, provincial, regional and municipal governments; and
- Section 5 sets out 25 specific proposals as part of the draft Regional Affordable Housing Strategy.

Housing Affordability Overview

The Discussion Paper maintains that the sustainability of the region depends on the provision of adequate housing. Safe and affordable housing is linked to health and quality of life and to the economic well-being of the region. "Affordable Housing" is defined as housing which has a market price or rent that does not exceed 30% of a household's gross income for households which have 80% or less than the median household income for the urban area in which they live. This comprises 34% of GVRD households. A "housing continuum", ranging from emergency shelters to home ownership, is required to house people through cycles in their lives and changing circumstances.

Shortfalls in the provision of Market Housing over the past decade, show that there has been:

- Insufficient construction of new purpose-build rental housing;
- Gradual loss of affordable housing stock; and
- A lack of sufficient modest-cost housing for first-time homeowners.

The Discussion Paper provides background information on issues of poverty, affordability, and homelessness in the region. It notes:

- A wait list of over 11,000 households for social housing units in October 2006;
- A requirement for 675 supportive housing to meet immediate needs to house unsheltered people, with 5,000 units of supportive housing needed to make substantial progress towards eliminating chronic homelessness; and
- A forecasted need for 70,500 additional rental units by 2021, or 3,525 per year.

While some units have been created through ad hoc and/or time limited programs (such as SCPI), the Discussion Paper notes that there is currently no supply program at any level of government that can consistently deliver units. BC Housing, as the primary provider of social housing, has produced units for frail seniors, but not for low-income individuals or families.

Public Policy for the Provision of Housing

The Discussion Paper identifies the current limited roles that the federal and provincial governments are playing in the provision of affordable housing, especially for families, and outlines regional and municipal roles.

The GVRD currently takes on the following roles:

- Through the Greater Vancouver Housing Authority (GVHA) manages 3,500 social housing units;
- Provides support to the Regional Steering Committee on Homelessness. The federal funding (SCPI), which supports this work runs out next month;
- Provides policies and general housing objectives in the Liveable Region Strategic Plan;
- Provides data and research through studies on secondary suites, ground-oriented medium density housing, etc.; and
- Provides input to senior levels of government based on input from local municipalities.

The Discussion Paper notes that local municipal roles vary widely, and include:

- Policy and regulatory actions, including OCPs, zoning, density bonusing, demolition and conversion control by-laws;
- Financial actions, including write-downs on municipal land, affordable housing reserve funds and homelessness trust funds; and
- Partnerships with senior levels of government on homelessness projects, or with non-profits and social housing providers on affordable housing projects.

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

The Preliminary Proposals are based on 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.

Each Goal is to be implemented through three key Strategies. Where applicable, these recommendations are broken down into:

- areas where the GVRD can take direct action (Direct Actions);
- areas where the GVRD can impose regulatory actions on municipalities (Regulatory Actions);
- areas where the GVRD could take fiscal action (Fiscal Actions); and
- areas where the GVRD can advocate to senior levels of government, the Health Authorities and others to take actions (Advocacy Actions).

The following section of this report summarizes the Discussion Paper's proposals under each of these strategies and provides comments with regard to Surrey's possible support for and concerns with these recommendations.

Strategy 1 - Make better use of existing and available government and housing industry resources.

Direct Actions

- 1.1 *The GVHC would continue to provide social housing, and would review opportunities to intensify/densify GVHC properties.*
- 1.2 *At the request of municipalities, the GVHC would manage market or non-profit rental housing which is acquired through affordable housing funds or other municipal development processes.*
- 1.3 *The GVHC would encourage new opportunities for home ownership for those in non-profit housing and market rental 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 home ownership using mechanisms such as the VanCity Springboard Mortgage.*

Comments

The GVHC now manages 611 units within Surrey and the continued management of these units by GVHC or a similar housing authority is supported. GVHC currently receives its funding from CMHC and supports housing for low income families. BC Housing's current programs do not include the development of new family housing, so GVHC is addressing an important need.

The redevelopment and increase in density of GVHC owned sites in order to provide for additional affordable rental units can be supported, subject to review through the normal development review processes to ensure that the new development fits within the context of the community and can be provided with the necessary services and amenities.

With regard to proposal 1.2, it is noted that Surrey staff are in the process of developing a policy for density bonusing for review by Council. Should Surrey pursue the creation of affordable/rental housing units through density bonusing provisions, it would be appropriate to explore the use of the GVHC as one of the possible options for the management of the scattered units. Given that the City of Surrey has no intention of becoming a social housing manager or operator, a housing authority or non-profit agencies are required to manage the units.

With regard to proposal 1.3, it is noted that the GVHC previously managed the administration of the Surrey Home Ownership Assistance Program, which provided second mortgages for first time home buyers with incomes below the average Surrey household income. The GVHC declined to continue to manage this program following the expiry of the most recent contract. Initiatives by the GVHC to work with other partners, such as financial institutions, to support and encourage GVHC tenants to move on to home ownership, thereby freeing those units for others in need housing, is supported. Surrey would encourage the GVHC to broaden this role to other renters who may also need support in accessing home ownership.

Regulatory Actions

1.4 *The GVRD is proposing to amend the Regional Growth Strategy to set targets with "suggested distribution by municipality and sub region for the number of new affordable owned and rental housing units required by 2011 and 2016".*

*The proposal would also **require** 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 a coach houses, rowhouses and conversions, townhouses and apartment style condominium housing;*
- *Implementing changes to regulations, processes and fees which may reduce the cost of housing;*
- *Identifying sites appropriate for affordable housing;*

- *Amending zoning and subdivision bylaws to densify 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 bonusing.*

1.5 *The Regional Growth strategy would **require** 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 by-laws related to rental vacancy rates;*
- *Replacement policies for loss of rental housing;*
- *Protection of mobile home parks.*

Comments

Including affordable housing targets in the Regional Growth Strategy will reflect the need for a regional response to the issue. In addition, it will support and stimulate the development of municipal affordable housing strategies. However, the proposed **requirements** for affordable housing targets in municipalities' Regional Context Statements represents a far more prescriptive approach than the GVRD has taken in the past.

Through the Regional Context Statement in a municipality's OCP, a municipality is required to show how the policies of the OCP implement the direction contained in the Regional Growth Strategy (the Liveable Region Strategic Plan or "LRSP"). The GVRD is currently undertaking a major review of the LRSP, which is expected to be available for review later this year. Amendments would be required to the LRSP to require municipalities to set or demonstrate how they would achieve these targets. The recommendation in section 1.4 and 1.5 of the Discussion Paper are premature until such time as the GVRD Board, in consultation with municipalities, has reviewed and amended the Regional Growth Strategy.

Should such targets be included in the LRSP, it is recommended that the list of mechanisms that municipalities might use to achieve targets is a "suggested" list of possible mechanisms and not a mandatory list. Not all of the suggested mechanisms would be appropriate for all municipalities. For example, while Surrey already provides a large proportion of the region's housing stock, in 2006, 1,010 of the 2,115 approved single family units were on small lots. As well, in 2006, 1,319 townhouse units, 1,427 apartment and 105 coach houses were approved. Surrey would not be prepared, however, to pre-zone sites for affordable housing in advance of receiving viable applications that would go through the application review process.

The recommendation to implement changes to regulations, processes and fees must recognize that Surrey already has an efficient process for development applications, and that fees are not a source of municipal revenue, but are required to cover the costs to the municipality of processing and servicing development.

The proposal indicates that the GVRD would **require** Regional Context statements to demonstrate how municipalities will meet targets for rental housing through **means such as** the upgrading of suites, demolition control, protection of mobile home parks, etc. Through these requirements, the GVRD appears to be stepping into areas of local planning control that go well beyond the current involvement of the GVRD at the local level.

Surrey currently has policies in place regarding rental conversion and for conversion or redevelopment of manufactured home parks.

Of note are the housing needs identified in The Plan for the Social Well-Being of Surrey Residents, adopted by Surrey Council in 2006:

- emergency shelter beds for youth (25-50 beds);
- emergency shelter beds for adults (100 additional year-round shelter beds);
- transitional housing units (300 units);
- supported housing units (200 units); and
- affordable housing for the homeless, families and singles (5,000 units).

Fiscal Actions

1.6 The GVRD would seek enabling legislation to waive regional (GVS&DD) development cost charges on social housing, and to reduce/waive regional DCCs on affordable housing secured for a minimum of 20 years. DCC calculations would be varied by unit and lot size, to reduce charges on smaller units and lots.

Comments

Local municipalities have supported and encouraged the GVRD to base its GVS&DD DCC calculations on unit size, as it is assumed that smaller units and smaller lots would generally have lower consumption of sewer and water services. DCC calculations for these services, based on unit size is supported.

It is noted, however, that the waiving of regional DCCs on social housing, and the reduction or waiving of regional DCCs on "affordable" housing will likely have implications on the cost of DCCs for all other dwelling units and facilities.

Advocacy Actions

1.7 The GVRD would work with municipalities and agencies to deliver workshops on best practices in addressing community opposition for shelter and supportive housing projects, and develop education and outreach.

- 1.8 *The GVRD would urge the province to undertake a variety of actions such as reduce barriers to access and provide increased outreach services to help connect people to income, health and support services; settlement programs for immigrants and refugees; review income supplement programs to ensure current market rents and income levels are used in calculation of eligibility criteria, and ensure housing and support services strategies include culturally sensitive components to address specific needs of homeless and at-risk Aboriginal persons.*
- 1.9 *The GVRD would urge the province to allocate some funding for assisted living units under Independent Living BC to supply programs for low income families, exempt affordable housing from PST and provide enabling legislation for municipalities and the GVRD to allocate some portion of the municipal DCCs to an affordable housing fund.*
- 1.10 *The GVRD would urge the federal government to continue a national homelessness initiative and funding programs for homelessness projects that use a community-based delivery model and integrate the homeless initiatives and immigration policies.*
- 1.11 *The GVRD would urge the federal government to develop a National Affordable Housing Strategy, exempt affordable housing from GST and identify tax incentives for the construction of new purpose-built rental housing.*

Comments

The City would support the above recommendations. As noted in the Discussion Paper, the issue of housing affordability cannot be dealt with on a municipality-by-municipality basis, but needs a regional response. The advocacy role of the GVRD with senior levels of government is supported.

In April 2007, the National Homelessness Initiative and its SCPI program will be replaced by the Homelessness Partnering Strategy (HPS). Surrey supports urging the federal government to use a community-based delivery model similar to that used by SCPI that involved the three levels of government and service providers in responding to local homelessness issues. The former SCPI program funded projects in Surrey, including the development of the new Phoenix Centre and Hyland House, and the operation of Gateway Shelter and Cwenengitel Aboriginal Society. SCPI funds also supported the Surrey Homelessness and Housing Task Force's efforts in developing the 2003 Surrey Homelessness Plan.

Surrey also supports integrating the HPS with federal government immigration policies. Surrey receives a significant number of government-sponsored refugees so ensuring there is appropriate and affordable housing for these new residents is critical.

Measures on Homelessness Actions

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

- 1.13 *The Strategy will include targets with suggested distribution by municipality and subregion for housing types (including shelter beds, transition housing, treatment and recovery houses) to provide services to people in their own communities, in consultation with municipalities, the RSCH and other partners.*

Comments

Surrey sits as a member of the Greater Vancouver Regional Steering Committee on Homelessness. This Committee's vision is to "eliminate homelessness in Greater Vancouver through the full implementation of the Regional Homelessness Plan: Three Ways to Home". The Regional Steering Committee has been a strong voice in homelessness issues in the region.

Municipal and sub-regional targets for the continuum of shelter and housing required to address homelessness will ensure that there is a regional response to the issue. The targets will also assist the GVRD, municipalities and non-profit agencies in advocating to senior levels of government for additional resources. Surrey's Social Well-Being Plan already includes some targets for Surrey, as noted earlier in this report.

In February 2006, Council authorized staff to proceed with the Surrey Urban Enrichment Initiative (SUEI). The intent of SUEI is to create a process and partnerships to support the implementation of Surrey's Social Plan. SUEI brings together representatives of the three levels of government with community agencies to identify and develop solutions to priority social issues. One of the three initial priorities to be addressed by SUEI is homelessness.

Strategy 2 - Secure additional stable funding to meet affordable housing needs.

Fiscal Actions

- 2.1 *The GVRD will seek legislation for a surcharge on regional levies to enable the region to raise up to \$50 million per year, to be matched at a 2:1 ratio by both the provincial and federal government, to increase the supply of social housing in Greater Vancouver.*
- 2.2 *The GVRD will establish a Regional Affordable Housing Trust Fund from which funds will be allocated to construct social housing.*
- 2.3 *The GVRD will identify GVRD controlled land across the region suitable for the development of affordable housing and provide these sites to developers at less than market value.*
- 2.4 *The GVRD will request the GVTA to identify surplus lands suitable for affordable housing, possibly combining park and ride sites with housing developments.*

Comments

With regard to the establishment of a trust fund, it is noted that in early 2006, Surrey's Mayor appointed a Task Force focused on establishing a Homelessness and Housing Foundation or other mechanism to raise and distribute funds to projects and programs targeted at addressing homelessness in Surrey. In July of 2006, Council approved, in principle, the establishment of a fund within an existing foundation and authorized using the City's Affordable Housing Reserve Fund (approximately \$8.4 million) to address homelessness and housing related issues by:

- Raising monies and investing them wisely;
- Providing a mechanism for business and community members to make charitable donations;
- Leveraging private, senior government and other monies;
- Facilitating collaborative partnerships; and
- Distributing funds to projects and programs that assist or enable individuals to exit or avoid homelessness.

While the creation of a further fund for the supply of affordable housing, and the use of the fund to leverage contribution from senior levels of government is supported, Surrey would not support using municipal sources to create and grow the regional fund. The City of Surrey's efforts will be focussed on growing the Surrey Homelessness Fund. To date, there has been unanimous support for the establishment of this local Fund.

Depending on how the proposed surcharge on GVRD fees would apply, it is cautioned that a surcharge on regional levies will result in additional costs to GVRD consumers of market housing or other regional services.

Surrey would urge that the GVRD consult with the host municipalities before making land available to developers at below market rates for affordable housing sites, to provide for coordination and to ensure that the redevelopment of these sites can be successfully undertaken in a manner that is consistent with municipal plans and community context.

Advocacy Actions:

2.5 *The GVRD will urge the province to*

- *Allocate a portion of 45% of the Provincial revenue generated from the property transfer tax in the GVRD to regional housing programs in the GVRD;*
- *Increase the shelter component of Income Assistance rates to reflect the high costs of housing in Greater Vancouver;*
- *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 a portion of the \$5.7 billion reserve funds held by CMHC to build new social housing;*
 - *Reduce or eliminate taxes which act as a disincentive for the provision of affordable housing;*
 - *Improve ability for existing affordable housing to be maintained through increasing funding for the Residential Rehabilitation Assistance (RRAP) and Home Adaptation for Seniors Independence (HASI) programs and revising eligibility criteria for RRAP to increase access in high cost markets.*
- 2.7 *The GVRD will urge senior governments to provide municipalities with early opportunities to purchase "surplus" federal or provincial lands at less than market value.*
- 2.8 *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 without homes into permanent affordable housing connected with the supports they need.*

Comments

It is noted that the provision of affordable housing is primarily a responsibility of the senior levels of government and Surrey supports these recommendations and strongly supports the GVRD's role in advocating for increased involvement and resources from the federal and provincial governments in the provision of affordable housing.

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 GVHC will link its tenants to support services, to develop partnerships with provincial agencies and non-profit societies to provide on-site support services, or linkages to services in the community for tenants.*

Comments

This recommendation is supported.

Advocacy Actions

- 3.2 *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.*
- 3.3 *The GVRD will urge the provincial government and Health Authorities to increase the number of outreach teams to 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 province to provide an interdepartmental policy framework and funding for the Health Authorities and other key partners to develop a Regional Addictions strategy to address supportive housing needs in Greater Vancouver.*

Comments

Surrey supports the GVRD's call to the senior levels of government and the Health Authorities for funding the construction as well as for operating costs for these facilities.

The success of outreach workers has recently been demonstrated in Surrey through the provision of BC Housing's Homelessness Outreach Workers. Since September 2006, Surrey has had 1.5 FTE workers who are using a "client centred" approach and connecting homeless individuals with housing. Surrey strongly supports an increase in the number of outreach teams to assist homeless people to connect with support services and housing.

CONCLUSION

GVRD staff have prepared a "Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver" that is intended 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 government and housing providers".

The 25 recommendations of the Discussion Paper are summarized above and this report makes comments on the recommendations from Surrey's perspective. The Discussion Paper offers an extensive range of recommendations, ranging from direct actions that the GVRD should take, the imposition on new requirements on municipalities and advocacy actions to encourage senior levels of government to participate in the production of affordable housing units and to fund a variety of supporting services.

Ultimately, it is recognized that the delivery of social programs, including health, welfare, social assistance and housing are the responsibility of senior levels of government. There has been a long standing concern that these senior levels have "walked away" from their roles in the provision of affordable housing. While it is admirable that the GVRD is exploring options for stepping in to determine what role the local levels of government can reasonably play in the realization of a continuum of

housing needs in the region, it is a concern that these initiatives will lead to the continuation of the downloading of the responsibility of such roles on local levels of government that are not equipped with the resources to take on these tasks.

While municipalities may create targets for the provision of affordable housing and may attempt to require and persuade the development industry to create affordable units and retain current affordable stock, these efforts will only succeed if there is a strong commitment from senior levels of government to be involved in programs for the funding and creation of affordable units and support for social programs.

Surrey supports the recommendations in this report that urge senior levels of government to take on an enhanced role in the provision and maintenance of affordable housing.

With regard to the "requirements" related to Regional Context Statements, it is anticipated that there will be considerable further dialogue on this matter through the ongoing review of the Regional Growth Strategy.

Original signed by

How Yin Leung
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Planning and Development

JMcL:saw

Attachment:

Appendix I Draft Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver