



City of Richmond

Report to Committee

To: Planning Committee **Date:** October 14, 2016
From: Cathryn Volkering Carlile **File:** 08-4057-05/2016-Vol
01
Re: **Metro Vancouver Regional Affordable Housing Strategy**


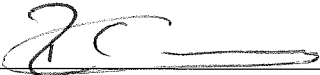
Staff Recommendation

That the Metro Vancouver Regional Affordable Housing Strategy, as detailed in the staff report titled "Metro Vancouver Regional Affordable Housing Strategy", dated October 14, 2016 from the General Manager, Community Services, be endorsed as a collaborative approach to addressing regional housing needs.



Cathryn Volkering Carlile
 General Manager, Community Services
 (604-276-4068)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Intergovernmental Relations & Protocol Unit	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: DW	APPROVED BY CAO (Acting) 

Staff Report

Origin

This report supports Council's 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.

2.2. *Effective social service networks.*

This report supports Council's 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

3.4. *Diversity of housing stock.*

This report supports Council's 2014-2018 Term Goal #5 Partnerships and Collaboration:

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

5.1 *Advancement of City priorities through strong intergovernmental relationships..*

Background

On May 27, 2016, the Greater Vancouver Regional District Board adopted the updated Metro Vancouver Regional Affordable Housing Strategy and requested that member municipalities endorse it as a collaborative approach to addressing regional housing issues.

The Regional Affordable Housing Strategy (Attachment 1) as presented is an update of the previous strategy, which was first adopted in 2007. The Regional Affordable Housing Strategy aims to provide leadership and collaboration for meeting the region's critical housing issues and advance the goals of the Regional Growth Strategy - "*Metro Vancouver 2040 – Shaping Our Future (Metro 2040)*" including the creation of complete communities.

The Regional Affordable Housing Strategy includes a renewed vision, goals, strategies and recommended actions for key housing stakeholders including Metro Vancouver, Metro Vancouver Housing Corporation, member municipalities, senior governments, private and non-profit sectors, TransLink and local health authorities. While recognizing that a variety of rental and homeownership options in a variety of forms and prices are important to support economic growth and the development of complete communities, the Regional Affordable Housing Strategy focuses primarily on:

- rental housing (both market and non-market); and
- the housing needs of very low income households (earning less than \$30,000 a year) and low income households (earning between \$30,000 and \$50,000 a year).

The Regional Affordable Housing Strategy also recognizes the important connection between housing affordability and proximity to transit. The Strategy notes that renter households (particularly households that are low income) have a greater dependence on the transit system, and includes strategic direction to increase affordable housing, particularly rental housing, in close proximity to the region's Frequent Transit Network.

Specifically, the Regional Affordable Housing Strategy's five goals are:

1. Expand the supply and diversity of housing to meet a variety of needs;
2. Expand the rental supply and balance preservation of existing stock with redevelopment while supporting existing tenants;
3. Meet housing demand for very low and low income earners;
4. Increase the rental supply along the Frequent Transit Network; and
5. End Homelessness in the region.

The Regional Affordable Housing Strategy was developed through a comprehensive process involving both a technical analysis of issues and trends and stakeholder consultations. Richmond was involved in the update process through Council's participation on the GVRD Regional Housing Committee and staff involvement on the Regional Planning Advisory Committee as well as its Housing Sub-Committee.

A draft Regional Affordable Housing Strategy was distributed for stakeholder review in late 2015. At its regular meeting held on January 25, 2016, Council received a staff report summarizing feedback on the draft Regional Affordable Housing Strategy. This feedback was incorporated into the draft Regional Affordable Housing Strategy, which was revised in June 2016.

Analysis

Staff have reviewed the final Regional Affordable Housing Strategy and recommend Council endorsement.

The Regional Affordable Housing Strategy goals and strategies align closely with policy directions in both Richmond's Official Community Plan (OCP) and the existing Affordable Housing Strategy. Key areas of alignment include:

- *Support for a diverse range of housing types, tenure and affordability:* Richmond's OCP encourages a mix of housing types and densities to accommodate the diverse needs of residents, particularly in areas in close proximity to transit, parks, schools and community centres.

- *The use of incentives to improve housing choice and affordability:* Richmond makes use of density bonusing, inclusionary zoning, parking reductions near transit and the City's Affordable Housing Reserve Funds to facilitate the development of affordable housing projects.
- *Expanding rental supply and preservation of existing rental stock:* OCP policies seek to limit demolition or conversion of existing rental units and encourages a 1:1 replacement of affordable rental units during redevelopment. Recent redevelopment of older rental properties in Richmond (Kiwaniis Towers) has exceeded this ratio. City staff are currently developing a policy to preserve the existing purpose built rental stock and encourage the development of new purpose built rental housing, including requiring tenant relocation support in the event of redevelopment of existing rental housing.
- *A focus on affordable rental housing and the housing needs of very low and low income households:* Top priorities of the City's existing Affordable Housing Strategy include subsidized rental housing (targeted to households with annual incomes less than \$34,000) and low-end market rental housing (targeted to households with annual incomes less than \$57,500). Since 2007, the City's inclusionary zoning approach combined with density bonusing have been instrumental in the creation of 336 low-end market rental units in Richmond aimed at low income households (as of August 2016);
- *Importance of partnerships to effectively address affordable housing issues:* The Regional Affordable Housing Strategy recognizes the complexity of affordable housing issues and the need for greater collaboration among senior and regional government, local municipalities, the private and non-profit housing sector, community agencies and local health authorities. While Richmond has had an active role in addressing affordability, the City cannot address these issues alone, but can participate in collaborative solutions with other partners. Staff note that the recommended municipal actions in the Regional Affordable Housing Strategy are reasonable and respect local authority.

The Regional Affordable Housing Strategy also addresses key points raised in the City of Richmond's earlier feedback on the draft version of the Strategy including:

- The need for continued advocacy to senior governments to increase their role and funding for a wide range of affordable housing initiatives, including capital and operating funds, improved outreach support, and increasing the shelter component of income assistance;
- Support for municipal policies that encourage increased supply of rental housing including purpose built rental housing;
- Support for the renewal of expiring non-profit and cooperative housing agreements; and
- Support for Metro Vancouver Housing Corporation to consider management of affordable housing units secured through municipal inclusionary zoning policies.

Next Steps

The City's 2007 Affordable Housing Strategy is currently being updated, with anticipated completion in summer 2017. The updated Affordable Housing Strategy will continue to provide guidance and direction for Richmond's response to housing affordability issues. As demonstrated below, the Regional Affordable Housing Strategy provides updated housing demand targets from 2016 – 2026 for Richmond.

Figure 1: Richmond's Housing Demand Estimates, 2016 - 2026

Richmond Housing Demand Estimates 2016 - 2026		
Types of Housing	Annual	10 Year
Very Low-Income Rental	130	1,300
Low-Income Rental	70	700
Moderate Income Rental	60	600
Above Moderate Market Rental	30	300
High Income Market Rental	30	300
<i>Total Rental</i>	<i>320</i>	<i>3,200</i>
<i>Ownership</i>	<i>1,080</i>	<i>10,800</i>
Total Demand	1,400	14,000

Source: Metro Vancouver, 2016.

Staff will incorporate these demand estimates and other strategic directions of the Regional Affordable Housing Strategy into Richmond's Housing Action Plan, which is a required element of municipal Affordable Housing Strategies under the Regional Growth Strategy, to identify local housing priorities and implementation measures to meet housing demand targets. It is anticipated that staff will present a report of housing policy options in early 2017 for Council consideration that will help address these housing demand estimates.

Financial Impact

None.

Conclusion

Staff recommend that Council endorse the Metro Vancouver Regional Affordable Housing Strategy as it represents a well-balanced, strategic framework to address Metro Vancouver's critical housing affordability issues. The Regional Affordable Housing Strategy goals and strategies align closely with policy directions in both Richmond's OCP and the existing Affordable Housing Strategy and provides a timely framework for the update of the Affordable Housing Strategy. The strategy clearly recognizes the need for healthy partnerships, and from a local government perspective it respects the unique role and authority that municipalities play in addressing housing affordability issues.

October 14, 2016

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A handwritten signature in black ink, appearing to be 'JR' with a long horizontal flourish extending to the right.

Joyce Rautenberg
Affordable Housing Coordinator
(604-247-4916)

Att. 1: Regional Affordable Housing Strategy (2016)

metrovancouver



Regional Affordable Housing Strategy



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PART ONE: INTRODUCTION

1.1. WHY A REGIONAL AFFORDABLE HOUSING STRATEGY?

An affordable and diverse housing supply is an important foundation for meeting the needs of a growing population. In a region with high and rising housing costs like Metro Vancouver, an affordable and diverse housing supply is also critical to the region's future prosperity. Housing choices that include a mix of homeownership and rental opportunities across housing types, sizes and price points are essential to accommodate a diverse workforce and to create a future for all regional residents. The Greater Vancouver Regional District Board has adopted the *Regional Affordable Housing Strategy (RAHS)* to provide leadership on regional housing needs, and to advance the complete community goals of *Metro Vancouver 2040: Shaping Our Future (Metro 2040)*, the regional growth strategy adopted in 2011. This is the second iteration of the Regional Affordable Housing Strategy; the first was adopted by the Board in 2007.

This *Regional Affordable Housing Strategy* provides a renewed vision, and shared goals, strategies and actions for tackling the housing affordability challenge in Metro Vancouver. As a federation of twenty one municipalities, a treaty First Nation and an electoral area, the region shares an economy and housing market. While the market does a good job of housing most residents, and in fact 95% of all Metro's housing stock is provided through the market, it is not able to do so at a price everyone can afford. This fact is particularly true for very low and low income households earning under \$50,000 per year. Past experience shows that senior levels of government must play a role if there is to be a greater supply of housing that is within the means of this population group. Now the problem of affordability has spilled over to residents with higher income levels, including those seeking entry-level homeownership

1.2. ROLES AND RESPONSIBILITIES

This strategy recognizes that increasingly complex housing issues demand more innovative strategies and greater collaboration. The strategy outlines actions for Metro Vancouver and recommended actions for other key housing stakeholders such as local, provincial and federal governments, private and non-profit developers, health authorities and TransLink.

Government policy at all three levels influences the housing system. The provincial mandate for housing policy, land management, transportation, social welfare, and health services and the federal government responsibility for immigration, fiscal and monetary policies mean both are key influencers of housing demand and supply. In addition, provincial and federal housing and homelessness funding programs have traditionally had a significant bearing on the production of new housing that is affordable

for very low and low income households. In recent years, there has been limited senior government funding for new affordable housing supply, which seriously impacted the region's ability to meet estimated housing demand for very low and low income households. As of spring 2016, both the provincial and federal governments have committed to re-investing in new affordable housing, providing welcome resources.

Local governments' chief role lies in ensuring an adequate supply of residential land to meet housing demand through the land use planning and regulatory process, within the context of local and regional housing demand. There are other opportunities for municipal action to address housing affordability, for example, through advocacy and incentives to the private market. And, it is recognized that local



conditions vary from one municipality to another in the region and that local governments have the authority to determine the appropriate response.

Metro Vancouver, as the federation of 21 municipalities, one Electoral Area and one Treaty First Nation, employs the following roles to advance regional goals and strategies and to support its members to achieve their goals.

- *Provide mixed income housing* through Metro Vancouver Housing Corporation (MVHC), a separate wholly owned non-profit housing organization.
- *Set policy direction* through the regional growth strategy *Metro 2040* and the *Regional Affordable Housing Strategy*.
- *Research, collect and analyse data* to support regional and municipal housing policy goals and promote best practices.
- *Convene* municipal politicians and staff on housing issues of regional and local concern.
- *Advocate* to senior governments for tools, policies and resources to support regional housing needs.
- *Use fiscal measures* such as the waiver of Greater Vancouver Sewerage and Drainage District Development Cost Charges for affordable rental housing.

TransLink's mandate is to provide a regional transportation system that moves people and goods and supports the regional growth strategy, as well as provincial and regional environmental objectives and the economic development of the region. TransLink works with partner agencies toward integrated land use and transportation planning and policy, and ensuring the system is physically and financially accessible. The *Regional Transportation Strategy Strategic Framework* recognizes that the transit system is essential to providing affordable access to opportunity and services for all regional residents, including those with the least means (Policy 2.4). In addition, by aligning the locations of transit with the location of people and jobs, overall household transportation costs can be better managed. The Strategic Framework encourages affordable and rental housing along the Frequent Transit Network (Policy 3.1).

Reflecting the collaborative nature of the Metro Vancouver federation, Metro Vancouver staff have worked with member municipalities through the Regional Planning Advisory Committee and its Housing Subcommittee to update the *Regional Affordable Housing Strategy*. This process included broad stakeholder consultation with the private and non-profit housing sectors, community agencies, TransLink, and provincial and federal governments at key points in the update process.

1.3. WHAT HAS BEEN ACCOMPLISHED SINCE THE FIRST STRATEGY?

Since the original *Regional Affordable Housing Strategy* was adopted in 2007, some progress has been made. There is an enhanced collective awareness of the housing affordability issue, and regional and local governments have taken some important steps to address it. For example, Metro Vancouver has:

- Advanced awareness of the importance of rental housing through the Rental Housing Supply Coalition.
- Adopted housing policies and regional and municipal housing demand estimates within *Metro 2040* (2011).
- Completed foundational research on rental housing to ensure there is a good understanding of the purpose built rental housing inventory, and the risk of redevelopment.
- Completed *Metro 2040 Implementation Guideline #3: What Works: Affordable Housing Initiatives in Metro Vancouver Municipalities*, providing guidance on the use and effectiveness of municipal measures for affordable housing.
- Created provisions to waive Greater Vancouver Sewerage and Drainage District Development Cost Charges for affordable rental housing developments.
- Achieved rezoning approval to redevelop Heather Place, an existing Metro Vancouver Housing Corporation housing site in Vancouver. It will create an additional 150 units of mixed-income housing.
- The *Metro Vancouver Housing and Transportation Cost Burden Study: a New Way of Looking at Affordability*, research that broadens the dialogue about affordability.

Municipalities have:

- Adopted Housing Action Plans that demonstrate how municipalities plan to achieve the estimated local housing demand, including that for low and moderate income households.
- Implemented zoning measures in support of housing diversity and affordability, such as permitting secondary suites and/or laneway houses in single-family zoned areas subject to certain conditions, allowing accessory dwelling units in duplexes, reducing parking requirements in areas close to transit, and providing small lot zones, etc.
- Facilitated new supportive and transitional housing for vulnerable populations by providing municipal land at low or no cost through Memorandums of Understanding with the province .
- Used housing reserve funds to lever the development of new non-profit housing by providing grants, purchasing land for non-profit use, and reducing or waiving permit fees.
- Granted additional density to residential developers in exchange for either on-site affordable housing units or fees in lieu of these units.
- Set targets for market rental housing and affordable housing, including preservation of existing affordable housing, in transit corridors.
- Set strategic expectations for transit station areas to accommodate a mix of land uses and housing types, and, on larger sites, new on-site purpose built rental housing units.
- Offered incentives to owners and developers to retain, renew, and enhance the purpose built market rental housing supply.

1.4. METRO 2040 AND THE REGIONAL AFFORDABLE HOUSING STRATEGY

Metro 2040 provides the overall growth management framework for the region and for the Regional Affordable Housing Strategy. *Metro 2040* coordinates and aligns regional land use and transportation planning, and directs growth to Urban Centres and in Frequent Transit Development Areas (FTDAs). The plan calls for over two-thirds of residential and employment growth to occur in these transit rich locations. Importantly, TransLink’s plans and strategies reinforce this concentration of growth for efficient transit service. Goal 4 of *Metro 2040* aims to create complete communities, and one of the strategies for doing this is through policy support for an affordable and diverse housing supply. RAHS is a strategy focused on a single component of growth – housing – and it is intended to provide further direction to implement *Metro 2040*.

The RAHS relies on Regional Context Statements (RCSs) as one means of implementation. RCSs are the link between Official Community Plans and the regional growth strategy; they are developed by municipalities in collaboration with Metro Vancouver, adopted as part of Official Community Plans and accepted by the Metro Vancouver Board. RCSs demonstrate how local aspirations as expressed in municipal plans align with and support the vision for the future of the region as expressed in *Metro 2040*.

Specifically, RCSs identify what local policies and strategies are in place to address housing needs, as well as confirm the intent to complete and implement a Housing Action Plan. Housing Action Plans, or their equivalents, direct municipal action to address local priorities for housing supply, diversity and affordability within their jurisdiction.

1.5. A RENTAL HOUSING FOCUS

The housing continuum depicts the main elements of the housing supply, including different housing types, tenures and presence of support services (if any) (Figure 1). It also reflects a range of incomes or affordability levels. The main focus of the *Regional Affordable Housing Strategy* is on rental housing – non-market rental and market rental housing – the central part of the housing continuum, as this is the part of the continuum that the market is unable to address adequately. While some regional coordination on homelessness has occurred in the past, this role is presently being redefined by a leadership group of homeless agencies and funders. It is expected that they will seek to coordinate resources around the left side of the continuum for homeless or formerly homeless persons. This strategy also addresses the homeownership part of the continuum, where there are now significant affordability concerns. The *Regional Affordable Housing Strategy*’s strategic focus for homeownership is to encourage housing diversity and choice, particularly for entry-level home ownership options.

FIGURE 1: HOUSING CONTINUUM AND RENTAL HOUSING FOCUS



1.6. VERY LOW AND LOW INCOME HOUSEHOLDS

Affordability is a measure of the ability to pay for housing. It relates the price or cost of housing to household income. Housing is considered affordable when monthly housing costs (rent or mortgage payments including property taxes, strata fees, and heating costs) consume less than 30% of before tax (gross) household income. Housing affordability concerns are invariably associated with households that have very low and low incomes as they face difficulties affording market rates. Households with higher incomes may choose to pay more than 30% and still live comfortably.



Metro Vancouver's regional median household income (RMHI) in 2011 was \$63,000 per year. Half of regional households had incomes above \$63,000, and half of households' incomes were below it. Of the six largest metropolitan regions in the country, Metro Vancouver has the second lowest median household income, trailing Calgary, Edmonton, Ottawa and Toronto.

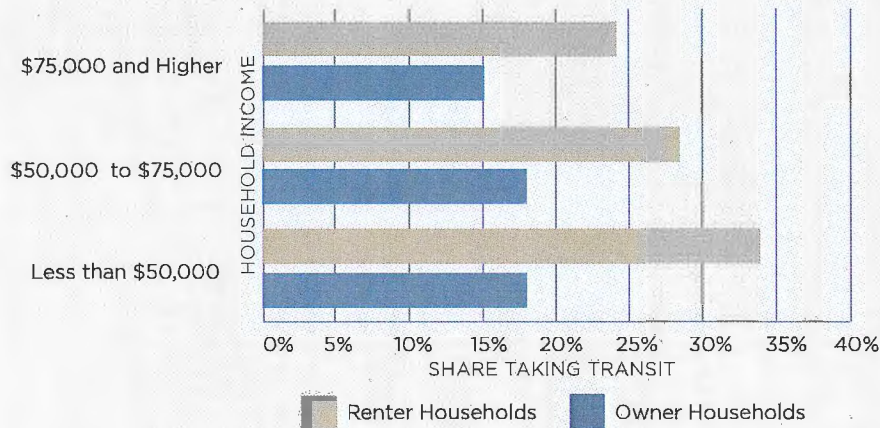
The Strategy focuses on the housing needs of very low and low income households recognizing that the market generally does not do so. Very low income households are those earning 50% or less of the regional median, approximately \$30,000 per year. Low income households earn between 50 and 80% of RMHI or between \$30,000-50,000 per year and moderate income households earn 80-120% of RMHI. Table 1 shows the amount that each household income segment can afford to pay for housing. Different household types and sizes will have different incomes and housing costs; for example a family household will have higher housing costs than a single person household.

TABLE 1: HOUSEHOLD INCOME CATEGORIES METRO VANCOUVER

Household Income Categories	Share of regional median household income RMHI (\$63,000)	Annual household income range	Affordable monthly housing payment
Very low income households	<50% RMHI	<\$30,000/yr	Less than \$750/mo
Low income households	50%-80% RMHI	\$30,000-\$50,000/yr	\$750-1,250/month
Moderate income households	80% -120% RMHI	\$50,000-\$75,000/yr	\$1,250-1,875/month
Above moderate income households	120% - 150% RHMI	\$75,000-\$100,000	\$1,875 - \$2,500/month
High income households	150% RHMI plus	\$100,000 plus	\$2,500/month plus

Source: Metro Vancouver Housing Demand Estimates 2016-2026. Dec 2015.
Income based on 2011 National Household Survey.

CHART 1: SHARE OF HOUSEHOLDS USING TRANSIT BY HOUSEHOLD TENURE AND INCOME IN METRO VANCOUVER



Source: NHS 2011.

1.7. THE AFFORDABLE HOUSING AND TRANSIT CONNECTION

While households choose where to live for all kinds of reasons, the housing affordability and transit connection is an important consideration. For many working households, transit is a necessity to get to work. Chart 1 shows the relationship between transit use, housing tenure and household income in Metro Vancouver. In general, renters are more likely than owners to take transit to work. In particular, renter households earning less than \$50,000 per year depend on transit the most. Ideally then, affordable rental housing should be located near frequent transit.

Transit-oriented development is viewed as one of the top policy approaches for making land available for affordable housing “at the right location”³; for example, where access to public transit links residents to employment and services. Good locations for affordable housing should include access to transit. While transit service levels vary across the region and access to any level of service can be beneficial, the highest quality access is provided by TransLink’s Frequent Transit Network (FTN) (Figure 2).



3 McKinsey Global Institute. October 2014. A blue print for addressing the global affordable housing challenge.

For the purposes of this Strategy, a good transit location is defined as being located within walking distance of the FTN. For rapid transit FTN, this is generally defined as locations within 800 metres walking distance of a rapid transit station. For non-rapid transit FTN, this is generally defined as a location within 400 metres distance of an FTN bus stop. Figure 3 illustrates this concept.

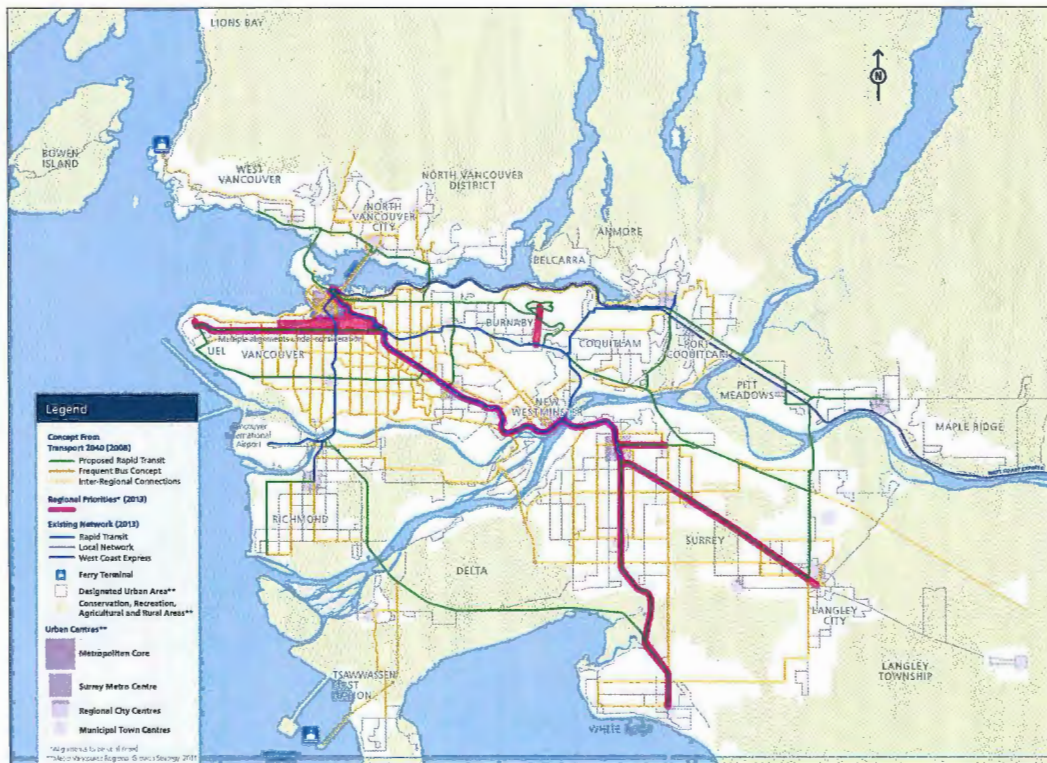
But the region is diverse. Walkability and transit service levels (frequency, coverage and vehicle capacity) can vary greatly within a municipality. Good transit locations for affordable housing in some neighbourhoods and communities may need to be defined more broadly to recognize the variations and permit flexibility.

Generally, being in close proximity to transit stations and stops translates to better access and convenience for residents. But the competition for access can

drive up the land value for parcels near these transit passenger facilities, making affordable housing development financially unfeasible. This is particularly the case for parcels near FTN rapid transit stations, more so than near FTN bus stops. The challenge for public policy is to maintain a broad and realistic outlook for new housing opportunities within reasonable proximity to the FTN.

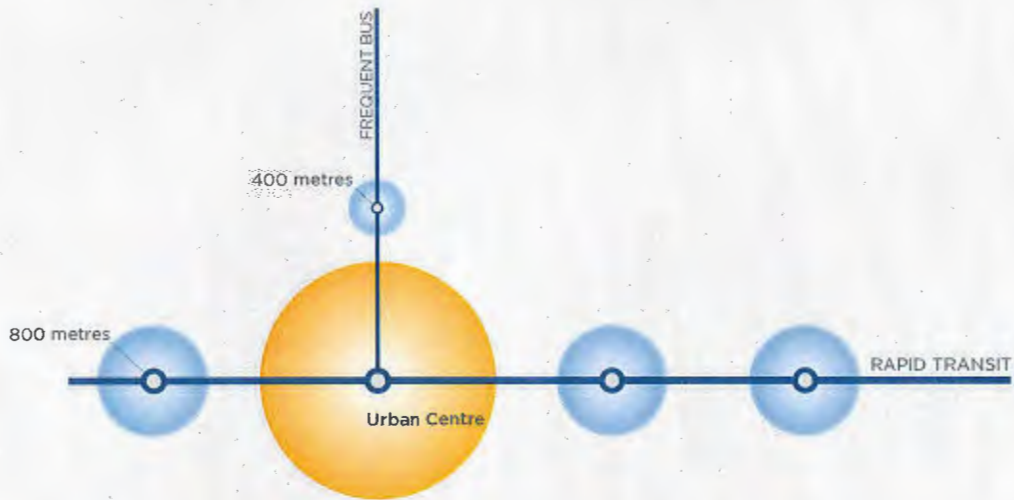
The Frequent Transit Network is the region's network of corridors where transit service runs at least every 15 minutes in both directions throughout the day and into the evening, every day of the week. Rapid transit Frequent Transit Network operates in an exclusive right of way and is typically rail (though can be bus); whereas non-rapid transit Frequent Transit Network (typically bus) operates in mixed traffic.

FIGURE 2 : REGIONAL TRANSPORTATION NETWORK, 30-YEAR CONCEPT FROM TRANSPORT 2040 (2008) WITH REGIONAL PRIORITIES (2013) TO BE CONFIRMED IN THE RTS IMPLEMENTATION PLAN



Note: Following completion of the Implementation Plan, these investment maps will be updated to show additional agreed-upon regional priorities. © South Coast British Columbia Transportation Authority doing business as Translink. All rights reserved.

FIGURE 3 : PROXIMITY TO FREQUENT TRANSIT NETWORK



Given that they are often a focus for FTN services, Urban Centres as defined in *Metro 2040* – Metro Core, Surrey Metro Centre, Regional City Centres

and Municipal Town Centres - are good locations for affordable housing, as are Frequent Transit Development Areas.



2. PART TWO: THE CHALLENGE

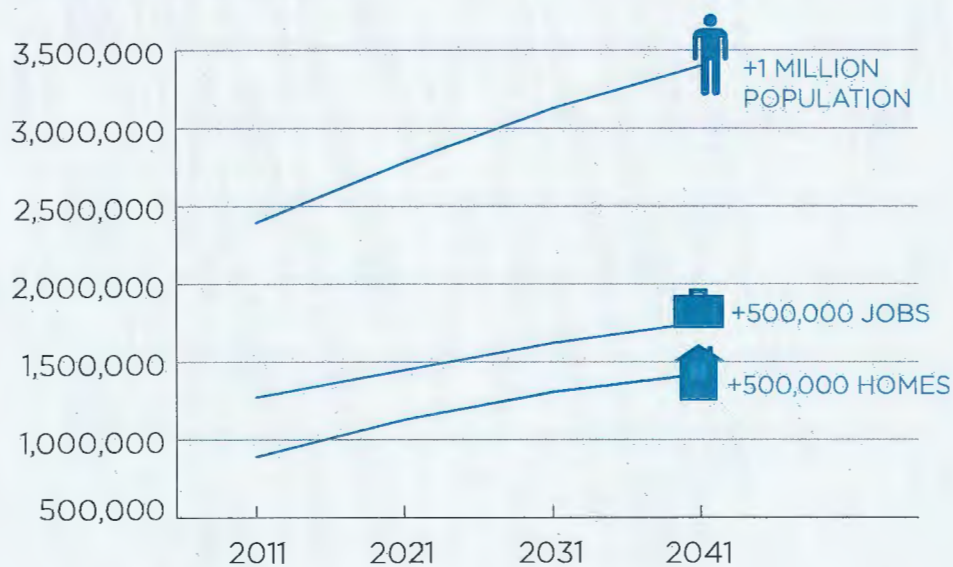
2.1. REGIONAL GROWTH TRENDS

Metro Vancouver is growing rapidly. The region is a destination for nearly 35,000 additional people per year, or another 1 million people by 2040. This reality means a growing demand for new homes, roughly 500,000 additional homes over the next 30 years.

Given present trends, the future population will be increasingly diverse and it will become older. As well, the aboriginal population is one of the fastest growing populations in the region, with many people moving to urban areas to pursue employment, education and city life.



CHART 2: A GROWING REGION



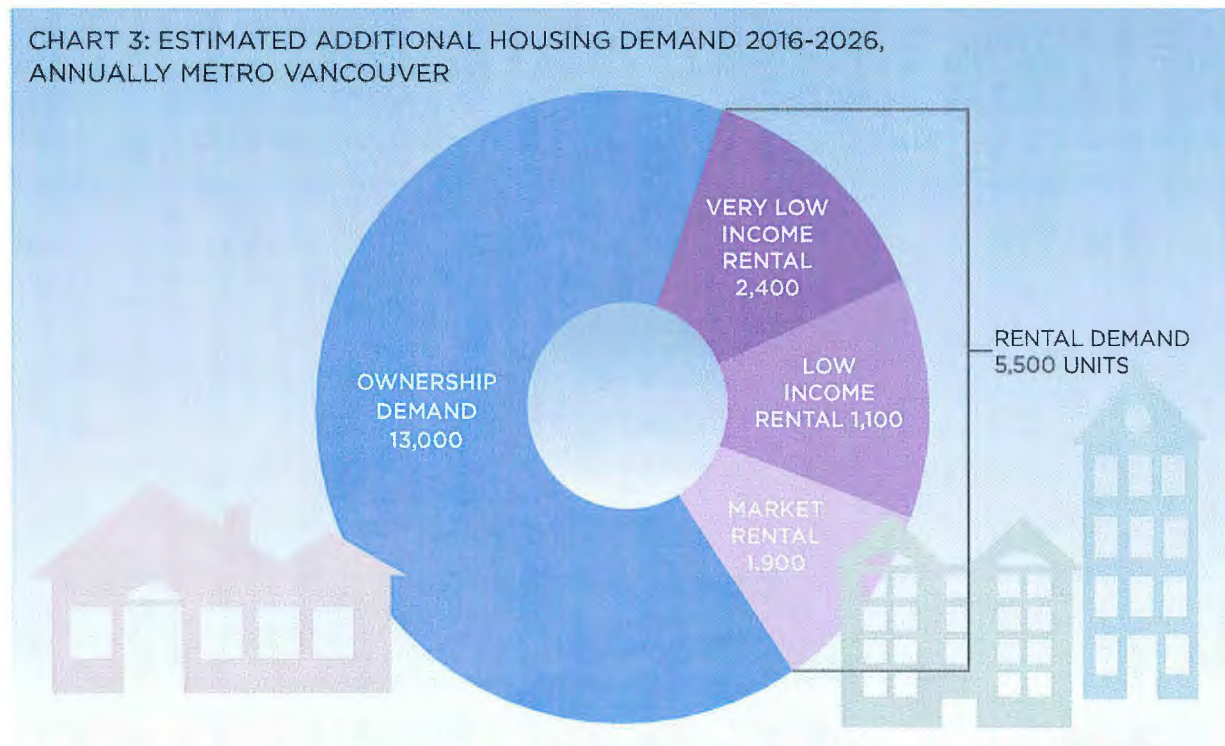
Source: Metro 2040, Appendix A, Table A1.

2.2. ESTIMATED REGIONAL HOUSING DEMAND

To meet this population growth, Metro Vancouver forecasts additional housing demand of approximately 18,000 units per year over the next ten years. It expects that based on past trends, about two thirds or 13,000 households every year will continue to be able to make the necessary trade-offs to buy a home. Rental housing demand is estimated at 5,500 new units each year over 10 years. Of these rental units, about two thirds are estimated to be for very low and low income

households or 3,500 units per year. The remaining demand is for 1,900 rental units per year for moderate and higher income households who can afford to pay market rents.⁴

⁴ Metro Vancouver has prepared updated housing demand estimates for the period 2016-2026 in consultation with municipalities using recent Census and National Household Survey data and a cohort survival model. See Metro Vancouver Regional Planning. Metro Vancouver Housing Demand Projections – Overview of Assumptions and Methodology. Dec 2015.



2.3. MISMATCH BETWEEN RENTAL HOUSING DEMAND AND SUPPLY

The market is largely meeting the estimated demand for ownership housing, but prices are rising, particularly for desirable single-detached homes. Purpose-built market rental supply is also beginning to grow once again, thanks to changing market conditions and innovative municipal incentive programs, but this has not been able to catch up to the significant unmet demand. The secondary rental market also continues to expand (i.e. investor owned rented condominiums, secondary suites, and laneway houses), but more is needed, as vacancy rates remain low. Not unexpectedly, given high land and construction costs and lack of government funding, there has been less progress in achieving estimates for additional housing affordable for very low income and low income households.

thirds of the estimated rental housing demand for households earning under \$50,000/year, was met with new supply.⁵ This is the overall regional picture; the situation in each municipality may be different.

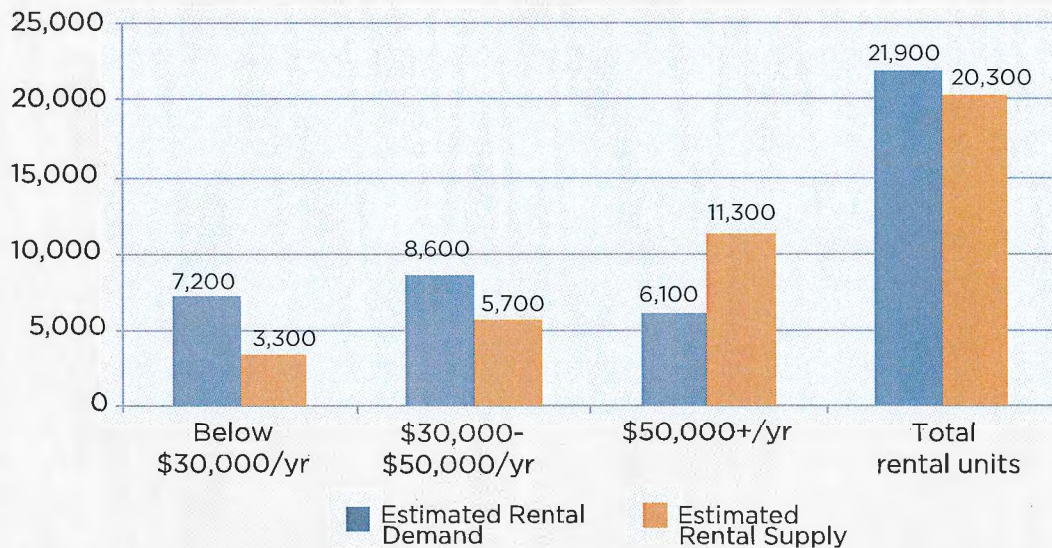
Provincial government rent supplements help to make existing rental housing more affordable for some low income households. Between 2011 and 2014, the province added almost 2,700 new rent supplements for low income households in Metro Vancouver mainly through the Rental Assistance Program (RAP) for families and Shelter Aid for Elderly Renters (SAFER) for seniors.⁶ These programs help low income households meet their rental housing needs in the market place by providing them with additional income to pay market rents.

Chart 4 shows that in the recent period from 2011 to 2014 and using broad estimation techniques, new rental supply fell short of rental demand by about 1,600 units overall, and that only about half to two-

⁵ Performance in this period has likely been impacted by the lagged effects of the financial crisis, when housing starts fell dramatically. Completions do not measure units committed or under construction. See Appendix 2 for estimation method

⁶ Rent Supplements. BC Housing, Research and Corporation Planning Department. Unit Count History Pivot Table. March 31 of each year. Net increase in the number of rent supplements per year in Metro Vancouver. As of March 31, 2014, 15,175 households in the region received a rent supplement

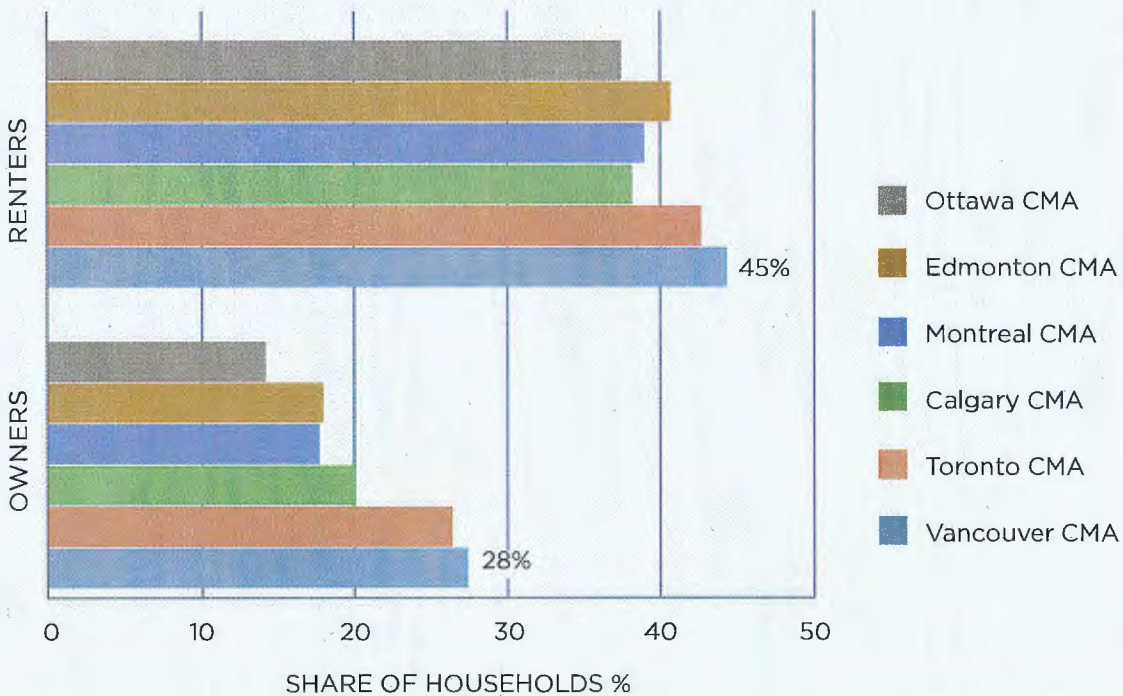
CHART 4: ESTIMATED RENTAL DEMAND AND SUPPLY BY INCOME 2011-2014 METRO VANCOUVER



But rent supplements (which do not create new units and instead rely on the existing housing supply) can be inflationary, with the unintended consequence of placing pressure on moderately priced rental units. Rent supplements increase demand by enhancing recipients' ability to pay for rent, allowing very low income households earning under \$30,000 or \$35,000 per year to pay more for rent than they could afford with their income alone, drawing from the supply of higher cost units. When rent supplements are considered, the net result is that over 80% of low income housing demand is met over the period, while only 35% of low-to-moderate income demand is supplied.

One impact of this imbalance is that some households pay more for housing than they can afford, exceeding the 30% affordability threshold. Chart 5 shows that about 45% of Metro Vancouver renter households had a housing cost burden of 30% or more in 2011, and they were significantly worse off than owners. In fact, a greater share of Metro Vancouver households had a housing cost burden exceeding 30% than in any other city in Canada.

CHART 5: SHARE OF HOUSEHOLDS EXCEEDING 30% HOUSING COST BURDEN 2011

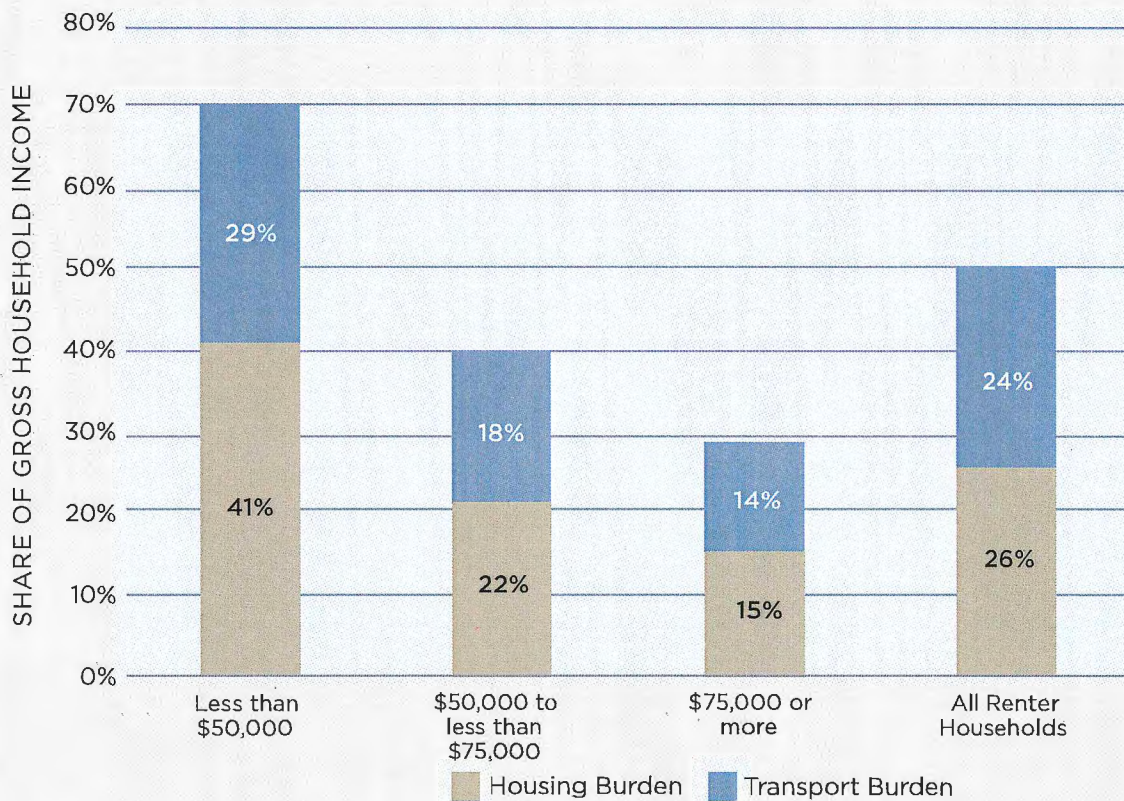


2.4. THE HOUSING AND TRANSPORTATION COST BURDEN

Transportation costs add to a household's housing cost burden, and can combine to make affordable living in this region a challenge. The *Metro Vancouver Housing and Transportation Cost Burden Study* (2015) found that working households (households with at least one member in the employed labour force) living in areas well served by transit or close to their job have relatively low transportation costs, whereas households in other locations may face higher transportation costs. It showed that living near frequent transit can make it easier to absorb relatively high housing costs.

Working owner households with mortgages have an estimated housing and transport cost burden (as a percent of their gross income) of 40%; working renters have a higher cost burden of 49%. Renter households with incomes under \$50,000 per year have the highest cost burdens of all households, spending 67% of their gross household income on housing and transportation costs. Providing housing options for low to moderate income households to live in transit-oriented locations can improve overall affordability, and ensure the availability of workforce housing needed for a regional prosperity. New transit investments in the region can improve overall affordability by reducing reliance on automobiles and the associated costs.

CHART 6: HOUSING AND TRANSPORTATION COST BURDEN BY INCOME FOR RENTERS



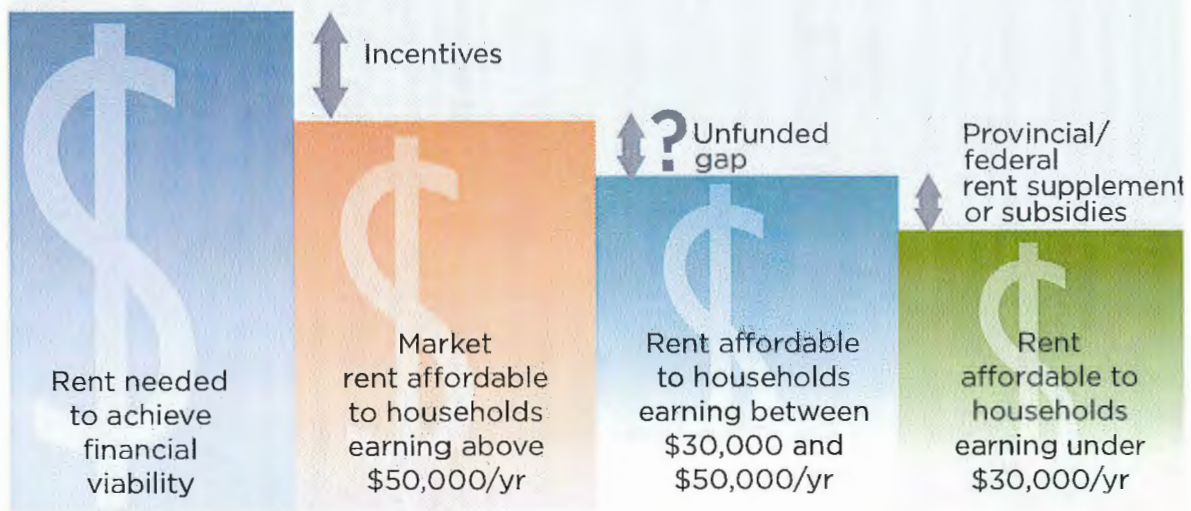
Source: The Metro Vancouver *Housing and Transportation Cost Burden Study: A New Way of Looking at Housing Affordability* May 2015

2.5. THE FUNDING GAP AND SENIOR GOVERNMENT FUNDING

Very little new purpose built market rental housing has been developed over the past 25-30 years as it has not been financially viable. While new purpose built market rental is being developed today, new units tend to be more expensive than older existing purpose built rental housing. It is more difficult to create rental housing that is affordable to households earning between \$30,000 to \$50,000 per year. Rent supplements help those earning under \$30,000 per year to afford market rents, if they qualify. New rental housing for low income earners of \$30,000 - \$50,000 per year requires further assistance in the form of subsidies or grants from provincial and/or federal government to achieve affordability.

The actions proposed in the *Regional Affordable Housing Strategy* aim to facilitate all forms of rental housing, with a focus on new rental housing affordable for households earning between \$30,000 and \$50,000 per year, assuming the continued availability of provincial rent supplements to make these units affordable households earning below \$30,000 that qualify.

FIGURE 4: THE FUNDING GAP





PART THREE: THE STRATEGY

The Regional Affordable Housing Strategy begins with a shared regional vision reflecting *Metro 2040's* broad objectives. It is structured around five goals depicting desired future housing outcomes. Each goal is supported by strategies that are intended to advance that goal. Specific actions follow for Metro Vancouver, for implementation either through Regional Planning, by Metro Vancouver Housing Corporation or the Homelessness Partnering Strategy Community Entity. This is followed by recommended actions for municipalities to be implemented as appropriate, through Official Community Plans, Regional Context Statements, and Housing Action Plans, as well as other plans, policies and programs. Finally, there are recommended actions for the provincial and federal government, the private and non-profit development industry, TransLink and health authorities, where appropriate.

3.1 VISION

A diverse and affordable housing supply that meets the needs of current and future regional residents.

3.2 GOALS AND STRATEGIES

Table 2 summarizes the five goals and the strategies for advancing each goal. This is followed by a re-statement of each goal and associated strategies, with specific actions for each goal.

TABLE 2: GOALS AND STRATEGIES

Goals	Strategies
<p>GOAL 1</p> <p>Expand the supply and diversity of housing to meet a variety of needs.</p>	<p>1.1 Diversify the housing supply in terms of unit and lot size, number of bedrooms, built form and tenure</p> <p>1.2 Improve the clarity of development approval processes while ensuring quality outcomes</p> <p>1.3 Address community opposition to new residential development</p> <p>1.4 Plan for the special housing needs of specific populations</p> <p>1.5 Enhance understanding of the housing market to improve housing policy</p>
<p>GOAL 2</p> <p>Expand the rental supply and balance preservation of existing stock with redevelopment while supporting existing tenants</p>	<p>2.1 Expand the supply of rental housing, including new purpose built market rental housing</p> <p>2.2 Make retention and maintenance of existing purpose built market rental housing more attractive</p> <p>2.3 Ensure that tenant relocations are responsive to tenant needs</p>
<p>GOAL 3</p> <p>Meet housing demand estimates for very low and low income earners</p>	<p>3.1 Facilitate new rental housing supply that is affordable for very low and low income households</p> <p>3.2 Support non-profit and cooperative housing providers to continue to operate mixed income housing after operating agreements expire</p> <p>3.3 Facilitate non-profit and cooperative housing providers to create new mixed income housing through redevelopment or other means.</p> <p>3.4 Advocate to provincial and federal governments for housing and income support programs to meet housing needs</p>
<p>GOAL 4</p> <p>Increase the rental housing supply along the Frequent Transit Network</p>	<p>4.1 Expand awareness of the affordable housing and transit connection</p> <p>4.2 Plan for transit station areas, stop areas and corridors to include rental housing affordable for a range of income levels</p> <p>4.3 Encourage mixed income rental housing near the Frequent Transit Network</p>
<p>GOAL 5</p> <p>End homelessness in the region</p>	<p>5.1 Expand housing options to meet the needs of homeless people in the region</p> <p>5.2 Promote measures that prevent at risk individuals from becoming homeless</p> <p>5.3 Advocate to the provincial and federal government for support to meet the housing needs of the homeless</p>

GOAL
1

EXPAND THE SUPPLY AND DIVERSITY OF HOUSING TO MEET A VARIETY OF NEEDS

The market provides most of the housing supplied in the region, three-quarters of it home-ownership. This goal recognizes that to meet the growing and changing needs of the diverse population, it is desirable that the market continue to produce new supply at a pace that meets demand and with a wider variety of housing forms and tenures at a range of price points. This includes meeting the diverse and special needs of specific populations, including Urban Aboriginals and an aging population. Specifically, it acknowledges that the single-detached home is increasingly out of reach for families in some parts of the region and that alternative ground-oriented home-ownership options are required to meet evolving consumer needs and ability to pay. Easing the concerns of residents about new development can help to ensure that the market is able to supply new housing in a timely fashion, as would enhancing clarity about development approval processes. This goal also recognizes that the regional housing market is impacted by global and national trends and that a better understanding of these trends can help improve policy and planning responses.

STRATEGIES:

- Strategy 1.1: Diversify the housing supply in terms of unit and lot size, number of bedrooms, built form and tenure
- Strategy 1.2: Improve the clarity of development approval processes while ensuring quality outcomes
- Strategy 1.3: Address community opposition to new residential development
- Strategy 1.4: Plan for the special housing needs of specific populations
- Strategy 1.5: Enhance understanding of the housing market to improve housing policy

ACTIONS:

Metro Vancouver, through its Regional Planning role, will:

- a. Update the *Metro 2040* housing demand estimates in consultation with municipalities, including by family type if possible, and monitor and report on progress towards achievement of these estimates.
- b. Work with housing stakeholders to promote public awareness and understanding of the need to accommodate population growth with increased density and housing diversity, emphasizing that increased supply brings benefits to our respective communities and the best practices for accommodating this growth using examples and strategies from here and elsewhere.
- c. Prepare an *Implementation Guideline for Municipal Housing Action Plans* to provide best practice guidance on the form and content of these plans.
- d. Research, collect, acquire and analyse data to support municipal housing policy including undertaking related transportation and parking studies:
 - i. Explore financial and regulatory barriers, and opportunities for expanding the supply and variety of ground-oriented and medium density ownership housing choices such as infill housing, townhouses, duplexes with accessory dwellings, and cottage housing.
 - ii. Explore best practices in mechanisms to expand home ownership that is affordable for entry-level home buyers, such as cooperatives, co-housing, rent-to-own options, and new forms of shared ownership and the post occupancy satisfaction of residents of these projects.
 - iii. Explore best practices in addressing community opposition for all types of housing along the housing continuum.
 - iv. Convene a regional working group of industry and government stakeholders to obtain data to

better understand the drivers of housing demand in the region (i.e. equity versus income, foreign and investor ownership of residential property, incidence of speculation, and vacant, unoccupied or second units).

- e. Advocate to the provincial and federal governments to collect and report reliable data about the sources and nature of regional housing demand.
 - i. If warranted, advocate for measures to counteract adverse impacts of external demand, vacant units and/or speculation.
 - ii. If appropriate, request that senior governments identify ways that foreign investment could be directed to enhance housing supply and affordability in Metro Vancouver, for example, through investment in new purpose-built rental housing, or by directing additional fees or taxes towards affordable housing.
- f. Offer workshops/seminars/speakers on housing topics of common concern.
- g. Work with stakeholders to develop and advance regional housing policy directions for the urban Aboriginal population, seniors, persons with disabilities and other populations, as warranted.
- h. Work with partners to create an accessible and adaptable housing registry or other means to assist persons with disabilities and seniors to find appropriate housing to live independently.
- i. Identify surplus and underutilized public lands and explore mechanisms that could be used to make these sites available for affordable housing development

Municipalities will consider, through plans, policies and programs:

- j. Monitoring and reporting on progress towards achievement of *Metro 2040* housing demand estimates.
- k. Demonstrating how Housing Action Plan policies and initiatives are intended to work towards achieving *Metro 2040* housing demand estimates, recognizing that senior government assistance is required.

- l. Using zoning and regulatory measures to expand the variety of types, tenure and built form of ground-oriented ownership and rental housing (i.e. coach houses/laneway houses, semi-detached and duplexes, micro units, townhouses including freehold townhouses, secondary rental market housing options such as accessory dwelling units in duplexes and townhouses, and other forms of infill and intensification.)
- m. Encouraging a diversity of housing forms in proximity to the Frequent Transit Network including medium density ground oriented options in station shoulder areas.
- n. Promoting family friendly housing, as applicable, through policies for multi-family housing options with 3 or more bedrooms.
- o. Enhancing clarity about intended land use and permitted density for future development through neighbourhood or area planning or other means.

Proposed Provincial Government Actions;

- p. Provide a cost effective and timely process for considering changes to the Building Code that would promote innovation in affordable housing.

Proposed Non-profit and Private Sector Development Partner Actions:

- q. Work with municipalities to facilitate an effective and efficient development approval process.
- r. Work with municipalities to establish bedroom mix objectives to ensure an adequate supply of family friendly housing.
- s. Bring forward innovative development applications that meet the needs of families using alternate forms, densities and tenures.

Proposed Health Authority Actions:

- t. Plan for and fund suitable housing and support services for frail seniors, persons with severe and persistent mental health issues and other vulnerable populations including the homeless.

GOAL
2

EXPAND THE RENTAL SUPPLY AND BALANCE PRESERVATION OF EXISTING STOCK WITH REDEVELOPMENT WHILE SUPPORTING EXISTING TENANTS

Market rental housing, consisting of purpose-built units and secondary forms of rental housing, such as secondary suites, laneway units and rented condominiums, is a critical component of the housing continuum and is usually more affordable than the least cost ownership option. It provides housing for recent immigrants, temporary workers, young people, seniors and students. And, as homeownership prices rise, a secure rental housing supply is a more valuable resource. Ensuring that this supply continues to grow is fundamental to the Strategy, as it will enable gradual redevelopment of the existing, aging purpose-built stock to occur without reducing rental supply. This goal also recognizes that rent supplement programs are dependent upon a growing rental supply to provide an adequate number of units and to avoid inflationary pressures. This strategy devotes special attention to purpose-built market rental housing as an especially valuable component of the rental supply due to the security of tenure it offers tenants, and its vulnerability to redevelopment as condominiums. Preserving the existing purpose built rental stock is the least cost approach for affordable rental housing. However, as this is not realistic over the long-term for all buildings, ensuring phased or gradual redevelopment with suitable tenant relocation policies to mitigate tenant impacts, will help to ensure an adequate supply of rental accommodation, while supporting very low and low income tenants.



STRATEGIES:

- Strategy 2.1: Expand the supply of rental housing, including new purpose built market rental housing
- Strategy 2.2: Make retention and maintenance of existing purpose built market rental housing more attractive
- Strategy 2.3: Ensure that tenant relocations are responsive to tenant needs

ACTIONS:

Metro Vancouver, through its Regional Planning role will:

- a. Monitor the purpose-built rental housing supply, including in transit-oriented locations, to identify areas where rental housing is being lost or gained, to alert decision-makers to the vulnerability of the purpose built rental supply.
- b. Expand the information base about the rental supply including rents for vacant units, and better understanding of the difference between purpose built rental housing and other forms of secondary rental housing.
- c. Inform the provincial and federal governments of gaps in rental housing supply by income level and advocate for specific measures to address funding gaps for very low to moderate income housing (i.e capital funding, subsidies, tax incentives or other measures).
- d. Develop an *Implementation Guideline on Municipal Measures to Expand and Sustain the Purpose Built Rental Supply* profiling measures such as transferring density, innovative infill, energy upgrades, parking reductions, and purchase by non-profits.
- e. Research and identify best practices in tenant relocation policies and strategies.

Municipalities will consider, through plans, policies and programs:

- f. Offering incentives and using tools that will help make development of new purpose-built market rental housing financially viable (i.e. parking reductions, fee waivers, increased density, and fast-tracking) as needed.
- g. Offering incentives and using tools to preserve and sustain existing purpose-built market rental housing (i.e. reduced parking, increased density for infill development, transfer of density, one for one replacement policies, standards of maintenance bylaws) as needed.
- h. Facilitating non-profit housing organizations to purchase existing rental buildings for conversion to non-profit operation.
- i. Supporting efforts to reduce rental operating costs by improving energy performance of purpose-built rental buildings through the use of energy efficiency incentives offered by Fortis and BC Hydro, such as energy advisors, energy audits, demonstration projects etc.
- j. Establishing bedroom mix objectives to accommodate families in new condominiums and purpose built rental housing.
- k. Providing clear expectations and policies for increasing and retaining the purpose-built market rental housing supply.
- l. Requiring tenant relocation plans as a condition of approving the redevelopment of existing rental housing.
- m. Ensuring that developers notify tenants impacted by redevelopment of their rights under the *Residential Tenancy Act*.

Proposed Provincial Government Actions:

- n. Review all provincial taxes and assessment practices, including property transfer tax, to ensure they do not impede the delivery of rental housing.
- o. Review *Residential Tenancy Act* provisions for relocating tenants in a redevelopment situation with a view to enhancing provisions (i.e. moving expenses, notification, reduced rent, free month's rent) to mitigate the impact of relocation and to enable tenants to find suitable alternative accommodation.

Proposed Federal Government Actions:

- p. Reinstate federal tax incentives to stimulate new purpose-built market rental supply.
- q. Institute a new direct lending program with affordable rates for new purpose built rental housing as advocated by the Federation of Canadian Municipalities (FCM).
- r. Offer an Eco-energy Tax Credit to encourage small apartment building owners to invest in = retrofits as advocated by Federation of Canadian Municipalities (FCM).

GOAL
3

MEET HOUSING DEMAND ESTIMATES FOR VERY LOW AND LOW INCOME EARNERS

This goal focuses on strategies and actions to address the gap in the supply of housing affordable to very low and low income households earning under \$50,000 per year. While existing market rental housing can form a source of supply for very low income households who may be receiving rent supplements, this goal aims to catalyse the assets and resources of the non-profit and cooperative housing sector to continue to provide and to increase the supply of mixed income non-profit rental and cooperative housing for very low to low income households. The pending expiry of non-profit and cooperative housing operating agreements may pose a challenge for some agencies, as providers will no longer receive a subsidy from government to support below market units. It also recognizes that delivering and operating mixed income housing in today's funding environment is complex, requires partnerships and significant municipal and non-profit capacity. This goal recognizes the unique opportunity for Metro Vancouver Housing Corporation to expand its stock of mixed income housing.



STRATEGIES:

- Strategy 3.1 Facilitate new rental housing supply that is affordable for very low and low income households
- Strategy 3.2 Support non-profit and cooperative housing providers to continue to operate mixed income housing after operating agreements expire
- Strategy 3.3 Facilitate non-profit and cooperative housing providers to create new mixed income housing through redevelopment or other means
- Strategy 3.4 Advocate to provincial and federal governments for housing and income support programs to meet housing needs

ACTIONS:

Metro Vancouver, through its Regional Planning role, will:

- a. Support and advocate for the renewal of expiring non-profit and cooperative housing operating agreements, including ongoing subsidy for low-income households.
- b. Research and communicate best practices in the municipal development approval process for non-profit and cooperative housing providers and developers.
- c. Review Greater Vancouver Sewerage and Drainage District Development Cost Charge by-law waiver conditions for affordable rental housing to ensure the waiver can assist in the creation of new affordable rental housing by reflecting current funding arrangements and that it is consistent with municipal practices, as much as possible.
- d. Consider making surplus sites in suitable locations owned by Metro Vancouver and affiliated agencies available to the Metro Vancouver Housing Corporation to develop additional mixed income housing.

- e. Explore with municipalities, non-profits (including MVHC), the private sector and other stakeholders, the need for and options for managing the property, the tenants, and the agreements for affordable housing created through municipal policies, including consideration of a model like A Regional Coalition for Housing (ARCH) in East King County, Washington
- f. Advocate to the provincial and federal government for specific measures to address funding gaps for very low to low income housing (i.e. capital funding or subsidies for new non-profit and cooperative housing, rent supplements for single persons, and tax incentives for sale of purpose built rental housing to non-profit housing organizations).
- g. Explore new sources of funding/equity capital for Metro Vancouver Housing Corporation to be able to increase the supply of mixed income rental housing.



Metro Vancouver Housing Corporation (MVHC) Actions:

- h. Work with municipal partners to identify suitable Metro Vancouver Housing Corporation sites for redevelopment at higher density to increase the supply of mixed income non-profit rental housing, providing that adequate municipal incentives and/or other funding is available.
- i. Explore the sale of surplus or underutilized Metro Vancouver Housing Corporation sites with proceeds reinvested into other sites that offer greater opportunity to supply more affordable housing units.
- j. Explore with municipalities opportunities on municipal sites for expanding the supply of mixed income non-profit rental housing.
- k. Consider management of affordable rental units obtained by municipalities through inclusionary housing policies, providing the units can be managed by Metro Vancouver Housing Corporation on a cost-effective basis.
- l. Create a tenancy management package providing MVHC estimated fees for services to manage, on a cost recovery basis, various aspects of affordable housing units obtained through municipal policies.
- m. Explore making available for relocating tenants of redeveloping non-profit and purpose built market rental projects rental housing from within MVHC's existing portfolio of market rental units.



Municipalities will consider, through plans, policies and programs:

- n. Offering incentives to non-profits and cooperatives for proposed new mixed income housing (i.e. parking reductions, fee waivers, increased density, and fast-tracking) to assist in making these housing options financially viable.
- o. Clearly stating expectations and policies for development of new non-profit rental and cooperative housing
- p. Ensuring a portion of amenity contributions or payments in lieu are allocated for housing affordable to low and moderate income households.
- q. Allocating housing reserve fund monies to affordable housing projects based on clearly articulated and communicated policies.

- r. Working with non-profit and cooperative housing providers to address issues related to expiring operating agreements, including renegotiating or renewing municipal land leases, if applicable, with suitable provisions for affordable housing, facilitating redevelopment at higher density, and/or other measures, as appropriate

Proposed Non-profit, Cooperative and Private Sector Development Partner Actions:

- s. Consider forming partnerships with other private and non-profit housing developers, faith based organizations and/or municipalities to develop new mixed income non-profit housing.

Proposed Provincial Government Actions:

- t. Work with residential development industry stakeholders to improve the administration of air space parcels.

- u. Expand the eligibility of provincial rent supplements to other populations, including single persons.
- v. Increase Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters (SAFER) rent and/or income threshold levels in Metro Vancouver, to account for rising rent levels.
- w. Create new capital funding options to increase the supply of non-profit and cooperative housing, particularly in transit-oriented locations.
- x. Provide support for non-profit housing societies wishing to build their capacity to develop new non-profit housing

Proposed Federal Government Actions:

- y. Provide rent supplements or ongoing subsidies for low-income tenants in existing cooperative and non-profit housing projects with expiring operating agreements.
- z. Institute a rental housing protection tax credit to preserve existing purpose built rental units through their sale to non-profit housing organizations as advocated by the Federation of Canadian Municipalities.



GOAL
4

INCREASE THE RENTAL HOUSING SUPPLY ALONG THE FREQUENT TRANSIT NETWORK

This goal supports the regional priority for residential development along the Frequent Transit Network, a key objective of *Metro 2040*, which sets a target of 68% of residential growth within Urban Centres and Frequent Transit Development Areas. The goal also addresses the high housing and transportation cost burden borne by renter households who are living in locations that are not well served by transit by focusing new rental and non-market housing in these locations. The strategies for this goal recognize that despite higher land costs in these locations, transit station areas, transit stops and Frequent Transit Development Areas (FTDAs) provide an opportunity to meet the rental housing needs of mix of household income levels, particularly as some existing rental supply in these areas is being lost to redevelopment. To the extent that Urban Centres are a focus of transit and walkability, they are also attractive locations for rental housing and non-market housing. It is recognized that municipalities are in different positions with respect to existing and new transit infrastructure and service levels, and that different approaches will have to be employed. This goal suggests that locations near the FTN are preferred for affordable housing, recognizing that more affordable housing is desirable regardless.

STRATEGIES:

- Strategy 4.1: Expand awareness of the affordable housing and transit connection
- Strategy 4.2: Plan for transit station areas, stop areas and corridors to include rental housing affordable for a range of income levels
- Strategy 4.3: Encourage new purpose built rental housing near the Frequent Transit Network

ACTIONS:

Metro Vancouver, through its Regional Planning role, will:

- a. Convene a regional dialogue to highlight the affordable housing and transit connection and to demonstrate ways in which other jurisdictions have addressed this issue through transit investments, transit oriented development, land use planning, inclusionary housing policies, economic development and workforce and affordable housing initiatives.
- b. Work with housing and transportation partners to examine the feasibility of innovative financing approaches such as transit oriented affordable housing funds, tax increment financing, aggregating municipal housing reserve funds and other opportunities for closing the funding gap for low to moderate income housing near the Frequent Transit Network.
- c. Conduct research to support affordable housing in transit oriented locations on such topics as: an inventory of suitable transit-oriented sites adjacent to the FTN; financial viability of affordable housing in transit oriented locations; the business case for affordable housing near transit; innovative uses of land and airspace in good transit locations; parking requirements by unit size, best practices in car share policies and bike storage infrastructure, and the impact of unbundling of parking.
- d. Develop or cost share development of an online tool that will provide users with estimates of the combined housing and transportation costs associated with any given location in the region.
- e. Convene key stakeholders including municipalities, the private sector, BC Housing, the provincial and federal government, TransLink and others, to identify opportunities to create rental housing for very low to low income households near existing and future transit locations.



- f. Advocate to TransLink, and the provincial and federal governments for an expanded Frequent Transit Network as a means of improving affordable access and overall household affordability in the region.

Municipalities will consider, through plans, policies and programs :

- g. Establishing transit-oriented inclusionary housing targets for purpose built rental and for housing affordable to very low to low income households within 800 metres of new or existing rapid transit stations and 400 metres of frequent bus corridors that are anticipated to accommodate enhanced residential growth.
- h. Providing incentives for new purpose-built rental housing and mixed income housing located in transit-oriented locations to enable these developments to achieve financial viability, as warranted.

Proposed Provincial Government, Federal Government, Crown Corporations, TransLink, Metro Vancouver and Municipal Action:

- i. Review opportunities to leverage surplus or underutilized public properties in frequent transit locations for rental housing for very low to moderate income households, where appropriate, to achieve long-term housing, transit and financial objectives.

Proposed TransLink Actions:

- j. Collaborate with key stakeholders including municipalities, the private sector, Metro Vancouver, BC Housing, the provincial and federal government and others, to identify opportunities to create rental housing for low and moderate income households near existing and future FTN nodes and corridors, such as during the preparation of Area Transport Plans or other local area planning initiatives.
- k. Acknowledge the potential destabilizing effects on the existing more affordable purpose built rental housing stock and displacement of tenants when planning for new rapid transit corridors, and where unavoidable, consider working with project partners to support tenant relocation options, replacement policies and incentives for new purpose built market rental development.
- l. Seek opportunities with partners to reduce household transportation expenditures in new developments in good transit locations through transportation demand management measures such as reducing parking requirements and the provision of cycling infrastructure /storage, walking paths, vehicle and ride sharing options, and transit fare incentives.
- m. Develop, implement and monitor a regional transit fare policy, and future regional mobility pricing policy that considers household incomes and financial burden, and seeks to provide appropriate relief in particular for transit customers with the least financial means and mobility options.

Proposed Provincial and Federal Government Actions:

- n. Ensure that future investments in affordable housing give priority to locations that are proximate to the Frequent Transit Network.

GOAL
5

END HOMELESSNESS IN THE REGION

While provincial and federal governments and health authorities hold primary responsibility for meeting the significant health, mental health, social and housing needs of the homeless and at risk population, local governments play a role in facilitating local homeless serving facilities and services, through their land use, housing and social policies. Metro Vancouver plays a role as the Community Entity responsible for delivering and administering federal Homelessness Partnership Strategy funds in the region for 2014-2019.⁷ Goal 5 strategies and actions reflect this focus. The strategies and actions for Goals 1 through 4 aim to help address the housing component of the response to homelessness, but senior governments are responsible for the significant capital and operating subsidies involved in social, supportive or transitional housing.

STRATEGIES:

- Strategy 5.1 Expand housing options to meet the needs of homeless people in the region
- Strategy 5.2 Promote measures that prevent at risk individuals from becoming homeless.
- Strategy 5.3 Advocate to the provincial and federal governments for support to meet the housing and support needs of the homeless.

⁷ It is facilitated by a Community Advisory Board for disbursement of these funds. A separate leadership group comprised of key funders and stakeholders is being formed to collaborate regionally on broader issues surrounding homelessness.

ACTIONS:

Metro Vancouver, through its Regional Planning role, will:

- a. Participate with member municipalities, stakeholders and key funders in regional coordination efforts around homelessness, as allowed under the Homelessness Partnership Strategy contract with the federal government.
- b. Advocate to senior levels of government and health authorities for 6,200 additional housing units with support (as needed) over the next 10 years for people who are homeless through a combination of purpose-built, dedicated subsidized buildings and scattered site units with rent supplements in the private market.
- c. Advocate to senior levels of government and health authorities to provide housing and support throughout the region that meets the needs of specific priority populations, such as housing specific to homeless youth, seniors, women, families, Aboriginal Peoples, people with mental health, addictions and/or other health issues, people with disabilities, francophones, the LGBT2Q population, newcomers and refugees.
- d. Advocate to health authorities and the provincial government for expanded mental health and addictions services as a means of preventing and reducing homelessness.
- e. With partners, explore the need for and feasibility of homelessness prevention strategies such as rent banks.
- f. Continue to deliver the federal Homelessness Partnering Strategy (HPS) through the Metro Vancouver Homelessness Partnering Strategy Community Entity.

**Metro Vancouver Homelessness Partnership Strategy
Community Entity will:**

- g. Facilitate a landlord engagement initiative to link homeless serving agencies in the community with landlords offering rental units in the private market.
- h. Conduct the tri-annual regional homeless count in partnership with Metro Vancouver municipalities and community organizations.



Municipalities will consider, through plans, policies and programs:

- i. Ensuring that housing action plans and/or homelessness plans include specific actions to be taken to facilitate partnerships to address homelessness.
- j. Working with non-profit housing providers and private landlords to facilitate suitable housing options for persons who are homeless.
- k. Supporting agencies that serve the needs of the homeless population in the community.

Proposed Provincial Government Actions:

- l. Increase the shelter component of income assistance on a regular basis to reflect the cost of living in Metro Vancouver.
- m. Provide a provincially funded rent bank, which can provide short-term financing to families and individuals at risk of eviction and homelessness.
- n. Provide funding to local homeless planning tables, to enable them to coordinate a response to local area service needs, conduct outreach and promote public awareness

Proposed Provincial and Federal Actions:

- o. Provide capital/and or operating funding for transitional and supportive housing, including low-barrier housing and shelters for the homeless and those at risk of homelessness.
- p. Increase funding for housing outreach, referral and advocacy programs, which enable residents to maintain their existing housing, locate new housing in crisis situations and address issues which may contribute to homelessness.

Proposed Federal Government Actions:

- q. Broaden eligibility for Homelessness Partnering Strategy Housing First funds to include populations who do not meet all the criteria for chronic and episodic homelessness, but who otherwise meet the criteria, such as youth, women with children and families.



Proposed Health Authority Actions:

- r. Provide operating funding for transitional and supportive housing for persons who are homeless and at risk of homelessness.
- s. Develop and implement mental health and addictions services with a goal of preventing homelessness.
- t. Develop an integrated pest management strategy to deal with bed bugs and other infestations which can compromise livability and, in severe situations, result in homelessness.
- u. Enhance coordination related to hospital discharge for patients that do not have access to adequate housing and develop temporary housing and support options to enable them to stabilize their health and regain their independence.
- v. Ensure that the Assertive Community Treatment (ACT) Teams work closely with municipalities to address the needs of people with severe and persistent mental illness and addictions and that they target the needs of and work with the street entrenched homeless population.
- w. Fund municipal Hoarding Action Response Teams, which can intervene in situations of severe hoarding and support individuals to manage their hoard and maintain their existing housing.

3.3 PERFORMANCE MEASURES

Performance measures will be used to report on progress towards achieving the goals of the Strategy. They will be measured on a regional and a municipal scale, where possible. A progress report will be

prepared following each census as new data becomes available, and reported in the Metro Vancouver Housing Data Book on a regular basis.

TABLE 3: PERFORMANCE MEASURES

	MEASURE	DATA SOURCE
Goal 1 – Expand the supply and diversity of housing to meet a variety of needs		
1a	Share of net new regional housing supply relative to estimated regional housing demand	CMHC completions, Metro Vancouver Housing Demand Estimates, annual
1b	Row housing/semi-detached completions as a share of new housing completions	CMHC completions, annual
1c	Change in 2 and/or 3 bedroom multi-units (all tenure)	Census, census years
1d	Share of home sales by type (all units, apt, attached, detached) affordable to moderate income households (family, non-family proposed)	Metro Vancouver Housing Databook with data from Real Estate Boards
Goal 2 – Expand the rental supply and balance preservation of existing stock with redevelopment while supporting existing tenants		
2a	Average rental apartment vacancy rates	CMHC
2b	Net change in rental unit universe (suites, purpose-built market rental, rented condos, non-market housing)	Metro Vancouver Housing Databook (multi-sources)
2c	Change in purpose-built market rental (PBMR) housing	CMHC PBMR universe
Goal 3 – Meet housing demand estimates for very low and low income earners		
3a	Share of estimated rental housing demand achieved in new supply by income level and by household type	Metro Vancouver Housing Demand Estimates, Census, census years
	By Income Level	As above
	Very low income (<\$30,000)	
	Low income (\$30,000-50,000)	
	Moderate income (\$50,000-75,000)	
	Above moderate income (\$75,000-100,000)	
	High income (\$100,000+)	
	By Household Type	As above
	Family households	
	Non-family households	
3b	Housing and transportation cost burden (H+T) for renters and owners by household income level (as above).	Census and TransLink Trip Diary data, derived, census years.
Goal 4 – Increase the rental housing supply along the Frequent Transit Network		
4a	Share of multi-family rental starts along TransLink's Frequent Transit Network and in Urban Centres	BC Housing Homeowner Protection Office, Municipalities, BC Assessment Authority
Goal 5 – End homelessness in the region		
5a	Nobody is living on the streets	Regional Homeless Counts.
5b	Additional units for the homeless (transitional and supportive housing)	BC Housing

GLOSSARY

At Risk of Homelessness

People are considered at risk of homelessness if they are living in spaces or situations that do not meet basic health and safety standards, do not provide security of tenure or personal safety, and are not affordable. One common measure of risk of homelessness is the number of households in core housing need (not affordable, inadequate or unsuitable) and spending at least 50% of their income on shelter.

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% or more of their income on housing.

Expiry of non-profit and cooperative housing operating agreements

Over the next 20 years non-profit and cooperative operating agreements will expire and this will mean a loss of annual subsidy usually linked with mortgage payment. There is a risk of loss of some units affordable to low income households as non-profits/coops may have to raise rents to achieve operating viability. There may be a possible corresponding increase in rental supply affordable to moderate income households as rents rise.

Frequent Transit Network (FTN)

The Frequent Transit Network is the region's network of corridors where transit service runs at least every 15 minutes in both directions throughout the day and into the evening, every day of the week. Rapid transit FTN operates in an exclusive right of way and is typically rail (though can be bus), whereas non-rapid transit FTN (typically bus) operates in mixed traffic.

Homelessness Partnering Strategy (HPS)

This program provides federal funding for designated communities to address homelessness according to certain funding parameters. It is administered at the local level by Metro Vancouver, as the Community Entity approved by the federal Government. Since 2000, the Metro Vancouver region has received \$8.2 million annually under the Homelessness Partnering Strategy (HPS) to invest in local solutions to homelessness. The 2014-2019 Homelessness Partnering Strategy program introduced the Housing First approach to addressing homelessness by primarily focusing funds on chronically and episodically homeless persons.

Homelessness Partnering Strategy (HPS) Community Entity (CE)

The Greater Vancouver Regional District (Metro Vancouver) is the Community Entity for the Homelessness Partnering Strategy. In partnership with the Community Advisory Board (CAB), it manages the call for proposals process to allocate federal funding under the Homelessness Partnering Strategy and administers that funding. Investment priorities and recommended projects are determined by a Community Advisory Board comprised of community representatives.

Housing Action Plan (HAP)

Municipal Housing Action Plans set out strategies and actions for meeting housing demand estimates in their jurisdiction. *Metro 2040*, the regional growth strategy, set out an expectation that municipalities would prepare these plans to guide local housing affordability actions.

Housing affordability

Housing is considered affordable when monthly housing costs (rent or mortgage payments including property taxes, strata fees, and heating costs) consume less than 30% of before tax (gross) household income. Housing affordability concerns are invariably associated with households with low and moderate incomes as they cannot afford market rates.

Mixed Income Housing

Refers to housing, usually rental, with units renting at both market rent levels and subsidized rents levels, which can provide a range of affordability levels. A non-profit model of mixed income housing involves rental of some units at market rates, with surplus funds allocated to support units renting at below market rates. Some federal and provincial social housing programs used this model as well.

Non-market rental housing

This term describes housing units that rent at below market rates. These units are usually developed and operated by non-profit organizations. They may or may not use government housing funding programs, they may rely on a mixed-income model of rents, and/or financial contributions from government, non-profits, philanthropic organizations, or others. Term often used interchangeably with non-profit housing.

Non-profit housing and cooperative housing

Specific types of social housing built under certain federal and provincial government housing supply programs from the 1970s to early 1990s that were provided with significant government subsidy to offer below market rents. They are governed by operating agreements linked to the length of the mortgage. Non-profit and cooperative housing may consist of a mix of low income rental units and market rental units, although some programs provided funding for 100% subsidized units. Many of these projects are receiving ongoing funding from senior governments until operating agreements expire.

Purpose-built market rental housing (PBMR)

Privately initiated rental buildings with 3 or more units constructed for the purpose of long-term rental tenure and not subdivided into co-op, strata condominium or fractional ownership arrangements. In Metro Vancouver they consist primarily of 3 or 4 story wood frame walk-up style apartments and high rise buildings completed in the 1960s to 1980s using federal tax incentives available at the time.

Regional Median Household Income (RMHI)

The median regional household income for all households in 2010, based on the National Household Survey, was \$63,000. It will be updated from time to time. Very low, low and moderate income levels are established relative to this amount.

Very low income households earn 50% or less of the regional median household income or below \$30,000 per year, based on the 2011 National Household Survey and updated from time to time.

Low income households earn between 50 and 80% of RMHI or between \$30,000-50,000 per year, based on the 2011 National Household Survey and updated from time to time.

Moderate income households earn between 80 and 120% of RMHI.

Above moderate income households earn between 120 and 150% of RMHI.

High income households earn over 150% of RMHI.

Rental Assistance Program (RAP)

The provincial Rental Assistance Program provides eligible low-income, working families with cash assistance to help with their monthly rent payments. To qualify, families must have a gross household income of \$35,000 or less, have at least one dependent child, and have been employed at some point over the last year. Rent supplements do not directly increase the supply of rental housing. Provincial expenditures on rent supplements are growing.

Regional Homelessness Plan (RHP)

The Regional Steering Committee on Homelessness adopted a Draft Regional Homelessness Plan in 2014. The goal of that Regional Homelessness Plan (RHP) is to end homelessness in the Metro Vancouver region. The plan focuses on three areas: housing, prevention and support, and capacity building. The plan remains in a draft stage and an implementation plan has not been completed.

Shelter Aid for Elderly Renters (SAFER)

The provincial Shelter Aid for Elderly Renters (SAFER) program helps make rents affordable for BC seniors with low to moderate incomes. SAFER provides monthly cash payments to subsidize rents for eligible BC residents who are age 60 or over and who pay rent for their homes. BC Housing provides these subsidies to more than 17,000 senior households renting apartments in the private market, including singles, couples and people sharing a unit.