



# City of Richmond

## Report to Committee

**To:** Planning Committee  
**From:** Cathryn Volkering Carlile  
General Manager, Community Services  
**Date:** June 1, 2016  
**File:** 08-4057-01/2016-Vol  
01  
**Re:** **Affordable Housing Strategy Update - Non-Market (Subsidized) Rental Policy  
Information Backgrounder**

### Staff Recommendation

That the staff report titled "Affordable Housing Strategy Update – Non-Market (Subsidized) Rental Policy Information Backgrounder," dated June 1, 2016 from the General Manager, Community Services, be received for information.

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

Att. 1

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Development Applications Policy Planning	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> DW	<b>APPROVED BY CAO</b> 

## Staff Report

### Origin

The purpose of this report and accompanying informational backgrounder (Attachment 1) is to provide Council with information on other models and practices from jurisdictions in Canada relating to securing subsidized housing units.

The information backgrounder will be considered along with the findings from the completed Community Profile (anticipated to be completed in Fall 2016) as part of the Affordable Housing Strategy update to re-examine and develop policy that addresses current housing needs and challenges in Richmond.

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 also 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 also supports the Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

*Strategic Direction #1: Expand Housing Choices*

### Background

The Affordable Housing Strategy (AHS), adopted by Council on May 28, 2007, was first created to respond to residents' need for access to safe, affordable and appropriate housing. The central focus of the AHS is to ensure that the City is successful in providing a range of housing options for households of different ages, family types and incomes. The AHS identifies three priority areas:

1. Subsidized rental housing, for households earning \$34,000 or less;
2. Low end market rental housing, for households earning between \$34,000 or less and \$57,000 or less; and
3. Entry-level homeownership, for households earning \$60,000 or less.

## Analysis

### Affordable Housing Strategy Update

To begin the Affordable Housing Strategy update process, staff presented data and statistics with respect to housing need and affordability in Richmond to Council on March 14, 2016 as part of Phase 1 (Community Profile). To supplement the statistics, staff are undertaking consultation work with the public and key stakeholders to generate a greater understanding of the challenges individuals and households face when accessing housing in Richmond. With respect to identifying the need for subsidized housing, staff are engaging non-profit housing and service providers to identify potential opportunities and challenges for accessing non-market housing. Paper copies of the survey have also been distributed to outreach workers and throughout the pop-up events at community centres to gain perspectives from vulnerable and/or at-risk individuals on finding housing in Richmond. Feedback from these community engagement initiatives will be collated with the statistical information into a comprehensive Community Profile for Council consideration this fall.

Figure 1: Affordable Housing Strategy Update Timeline



Staff have also compiled preliminary research on various housing policies and practices that is anticipated to inform Phase 2. Staff will utilize this information along with the Community Profile findings to re-visit and develop policies that are tailored to a Richmond-specific housing context.

### Subsidized Housing

Subsidized housing is a form of non-market housing. In the AHS, subsidized housing is targeted towards households with incomes of \$34,000 or less requiring deep subsidies or significant assistance. This housing is intended to meet the specific needs of households, including: individuals experiencing homelessness, addictions, mental health challenges, or disabilities; single parents with limited income; seniors on fixed pension; and other groups in need. In Richmond, examples of subsidized housing include:

1. Affordable rental units that are funded by senior government and managed by non-profit organizations or by senior government (e.g. BC Housing, Metro Vancouver Housing Corporation). In many instances, a rent-geared-to-income model is used – a household pays 30% of their income and the remainder is subsidized by senior government. This type of housing is often referred to as “social housing”.

2. Affordable Housing Special Development Circumstance projects (e.g. Kiwanis, Storeys and Cressey Cadence) where the rents and incomes are secured at a “subsidized” level but no actual government subsidies are provided. In these projects, the units are located in one building and have dedicated programming/amenity space to serve a particular client group.
3. Arts units secured in private developments where the rents and incomes are secured at a “subsidized” level but no actual government subsidies are provided. These units are targeted towards low-income artists and feature a live/work space.

### *Subsidized Housing Successes in Richmond*

Through the AHS, the City has been successful in securing 477 subsidized rental units. The units are secured as “subsidized” by stipulating terms that include a maximum rent of \$850/month for all unit types and an income threshold of \$34,000 or less. These terms are registered through a Housing Agreement on title and a Housing Agreement Bylaw is adopted. It is important to note that there are no senior government subsidies attached to these units. The City is able to provide some support to subsidized housing initiatives by:

- Collecting cash-in-lieu contributions from single family rezonings, townhouse developments and apartment developments creating less than 80 units;
- Developing an Affordable Housing Value Transfer mechanism to convert the value of built units in developments with more than 80 units to cash contributions (subject to Council consideration and approval) in special development circumstances; and
- Utilizing contributions in the Affordable Housing Reserve Fund first and primarily for subsidized housing.

Subsidized housing is usually targeted towards a particular client group and successful partnerships can help to make a project viable. In Richmond, the City has worked with the private sector and/or non-profit organizations to secure the following subsidized rental units:

- Kiwanis Towers – 296 units for low-income seniors (partnership with BC Housing, Richmond Kiwanis Seniors Housing Society and Polygon Homes).
- Storeys development – 129 units for individuals who are homeless or at-risk of homelessness (partnership with six non-profit organizations, BC Housing and Service Canada).
- Cressey Cadence – 15 units for lone-parent families (working with Cressey to select a non-profit housing provider to manage the units).
- Concord ARTS units – 20 units for low-income artists (to be managed by a private property management firm).
- Pinnacle ARTS units – 17 units for low-income artists (anticipated to be managed by a private property management firm).

### *Subsidized Rental Challenges in Richmond*

The loss or reduction of senior government funding and programs that support the creation of subsidized rental housing poses the most significant challenge in the current context. Without senior government support, it may be challenging to address the need for 180 low-income rental housing units annually over ten years as estimated by Metro Vancouver. Some of the gaps Richmond faces in providing subsidized rental housing are:

1. Cost to provide subsidized rental housing – these units require the greatest amount of subsidy to offer the lowest possible rents to in-need households. In the absence of senior government funding, municipalities are not equipped with the funding tools to provide the same level of subsidy to offset the costs of creating and operating the units.
2. Expiring operating agreements of co-op and non-profit housing – over the next five years (2016 to 2021), approximately 1,543 units in Richmond will be affected by the expiry of operating agreements between senior government and non-profit/co-op housing societies. Although the current Federal Government has announced funding for these types of units, it is not yet clear which developments will receive financial support.
3. A long social housing waitlist – as of 2015, there were 641 households on the Housing Registry (managed by BC Housing) for Richmond. BC Housing currently administers the waitlist for 16 developments on the Housing Registry in Richmond, with an average wait time of five to seven years.
4. Limited access to emergency housing options in Richmond – this may place increased burden on accessing subsidized rental housing.

### Best Practice Research

Decreasing senior government funding and programs have resulted in looking at new and innovative approaches to create subsidized/non-market housing for low-income households. The research identifies four innovative approaches municipalities can consider:

1. Co-location of housing and municipal services: in municipalities with a lack of greenfield land available for development, co-locating community services and housing could be an option to increase the supply of subsidized rental. An example in Vancouver is the Strathcona neighbourhood, where non-market housing (managed by a non-profit housing provider) is being developed with a public library branch on City-owned land.
2. Public-Private partnerships: in Richmond, the Kiwanis Towers is an example where the City partnered with a non-profit housing society, private developer and BC Housing to redevelop an existing site to replace and create new rental units for low-income seniors at subsidized rental rates.
3. Comprehensive renewal and redevelopment: under-utilized sites with aging infrastructure may consider redevelopment. In these cases, the City could work with non-profit organizations or a developer to replace the existing rental stock and include additional rental. Partnerships are key to the success of a redevelopment initiative.
4. Repurposing Community Assets: aging community infrastructure could be a potential opportunity to utilize the existing land and develop opportunities for subsidized rental

housing. An example could be the use of a closed or aging community building for a mixed-use complex, including housing and community space.

### Next Steps

Although the responsibility of providing affordable housing largely rests with senior governments, the City recognizes that providing a range of affordable and diverse housing types for residents is an important element of creating a livable community. The main objective of the AHS is to ensure that the City is successful in providing housing options for households of different ages, family types and incomes.

Phase 2 (Policy Review) of the AHS will examine how the City can encourage an increasing supply of housing options, including the provision of subsidized rental housing. As part of the policy review, staff may propose a shift in terminology from “subsidized” to “non-market” to decrease confusion and the perception of senior government subsidies attached to certain projects. Staff will consider the key highlights from the best practices research and determine the suitability and application to Richmond. As well, staff will re-visit the Affordable Housing Special Development Circumstance criteria and how non-market proposals will be evaluated. The policy review may consider an affordable housing investment strategy when reviewing opportunities to create non-market housing. This will help identify housing priorities and directing funding towards projects with the greatest need.

### **Financial Impact**

None.

### **Conclusion**

With Metro Vancouver’s estimation of 180 units of low-income rental housing needed annually in Richmond over ten years, it is timely to review the successes and challenges of the current subsidized rental housing policy. A thorough analysis, combined with the complete Community Profile, will generate policy recommendations that respond to current housing need and identify opportunities for creating more subsidized rental housing. Access to subsidized rental housing affects households most in need, and is critical to generating a full range of housing options to address the needs of a diverse population.



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Att. 1: Draft Policy Backgrounder – Subsidized (Non-Market) Housing

City of Richmond

**DRAFT**

# **Affordable Housing Strategy Update Policy Backgrounders**

Part 1 – Non-Market Housing



## Table of Contents

1. Introduction.....	1
1.1 What is Affordable Housing and Subsidized Housing? .....	1
2. Policy Context.....	2
2.1 Federal Government .....	2
2.2 Provincial Government.....	2
2.3 Metro Vancouver Regional District .....	3
2.4 City of Richmond .....	3
3. Non-Market Housing in Richmond .....	6
3.1 Household Incomes in Richmond .....	6
3.2 Rent Affordability .....	6
3.3 Non-Market Housing in Richmond.....	7
4. Non-Market Housing: Case Studies.....	9
5. Looking Ahead: Policy Review Considerations .....	12





# 1. Introduction

Housing affordability continues to be a critical issue both regionally and at the local level. Richmond's *Affordable Housing Strategy* (AHS), adopted by Council in 2007, is currently being updated to reflect current and future needs of the community and to align with regional housing goals. Central to the update process is a review of the AHS's three priority policy areas: subsidized housing, low-end-market-rental, and entry level homeownership.

This report responds to the first priority – subsidized housing and is part of a series of policy backgrounders intended to inform and help frame the policy review by providing:

- A definition of housing affordability and subsidized housing;
- An overview of senior government policy context regarding subsidized, non-market, housing;
- Richmond's current policy context and the role of subsidized housing in the City's housing continuum;
- A snapshot of low-income households and waitlists for low-income housing in Richmond; and
- Case studies from other jurisdictions highlighting innovative partnerships and strategies used to encourage non-market housing development.

## 1.1 What is Affordable Housing and Subsidized Housing?

Canadian Mortgage Housing Corporation (CMHC) provides a commonly accepted measurement for households based on a ratio of housing costs to gross income. According to this measurement, renter households should not spend more than 30% and owner households should not spend more than 32% of their before tax income on housing costs. Owners' gross-debt-service (GDS) ratio includes applicable strata fees, homeownership insurance, and heating costs and therefore their GDS is slightly higher than that for renters.

Subsidized housing is a form of non-market housing. Subsidized housing funded by senior government and managed by non-profit groups is often referred to as social housing and provides affordable rental units for households requiring deep subsidies. In Richmond, subsidized housing refers to housing for households with incomes of \$34,000 or that is partially financed with developer cash contributions from the Affordable Housing Reserve Fund and provided in partnership with non-profit organizations and sometimes senior governments. This housing is intended to meet the specific needs of households, including: individuals experiencing homelessness, addictions, mental health challenges, or disabilities; single parents with limited income; seniors on fixed pension; and other groups in need. For the purposes of this report, the term "non-market" housing will be used as it encompasses units that may not have government subsidies attached.

## 2. Policy Context

### 2.1 Federal Government

Historically, the Federal Government played a more involved role in the provision of non-market housing, administered by the Canadian Mortgage and Housing Corporation (CMHC). Federal investments in the existing social housing stock, mostly built from 1946 – 1993, continue to be substantial community assets. In response to substantial reductions in federal government funding for social housing since 1993, provincial governments have assumed increasing roles including the administration of social housing in their jurisdictions. Note that in some cases, such as Ontario, the province further devolved much of this responsibility to local government.

A critical issue with respect to much of this federally funded, non-market housing stock is expiring operating agreements. These are senior government subsidies provided to non-profit and co-operative (co-op) societies to support the financial viability of affordable housing projects and subsidized rents for low-income tenants through a rent-geared-to-income approach. These agreements were secured during the 1960s/1970s and were usually tied to a mortgage, meaning that when mortgages expire, non-profits and co-ops are solely responsible for the project's ongoing financial viability. Although these non-profits will have greater control over financial management without an operating agreement, they may be vulnerable to revenue deficits, insufficient capital reserves and major project renovation repairs without continued government financial support.

The current Federal Government has announced that it will honor the federal commitment to this housing stock. The 2016 budget will invest \$573.9 million to address the demand for repairs and \$30 million to help non-profit operators provide rent-geared-to-income for low-income tenants. The 2016 budget has also promised \$504 million for the *Investment in Affordable Housing Initiatives*, although it is currently unclear if this funding will contribute to the creation of new non-market housing infrastructure.

### 2.2 Provincial Government

Provincial governments in Canada have traditionally played a major role in the provision of affordable non-market and subsidized housing. This has changed significantly over the past 20 years, as federal government policy changes have resulted in less funding to support the creation of new affordable housing infrastructure for low income households. In BC, the Provincial Government has continued to match available federal funding on housing but with an increased focus on providing rent supplements as the primary means of improving affordability for low-income households. Between 2011- 2014, the Province increased spending on new rent supplements to almost 2,700 households. The province, through BC Housing, also provides significant financing for non-market housing units. The recently announced *Provincial Investment in Affordable Housing* program has committed \$355 million over the next five years to help finance the creation of more than 2,000 affordable rental housing units throughout BC.

Despite these initiatives, funding changes have continued to place considerable pressure on local governments to become more active, beyond their primary land use planning and development approvals role, in the provision of subsidized, non-market housing.



## 2.3 Metro Vancouver Regional District

*Metro Vancouver 2040 – Shaping Our Future* (2011), the Regional Growth Strategy, provides the overall growth management framework for Metro Vancouver. In addition to coordinating regional land use, transportation planning, and directing future growth to urban centres, it sets out expectations for municipalities for the provision of affordable housing. The draft *Regional Affordable Housing Strategy* encourages municipalities to facilitate the creation of new rental housing supply that is affordable for low and moderate income households and to plan for the special housing needs of specific sub populations. In supporting the regional growth strategy, municipalities are required to develop local Housing Action Plans, which will respond to regional goals, including affordable rental housing for low-income households, to provide diverse and affordable housing choices. Metro Vancouver estimates that Richmond will require 1,800 units of low-income rental housing over the next ten years.

## 2.4 City of Richmond

Although the mandate to provide affordable housing is the primary responsibility of senior governments, the City of Richmond has long acknowledged that providing a range of affordable and diverse housing types for residents is an integral part of creating a liveable community. The City acknowledges that it cannot solve local affordable issues on its own but can play a role in partnership with senior levels of government, and the private and non-profit sectors.

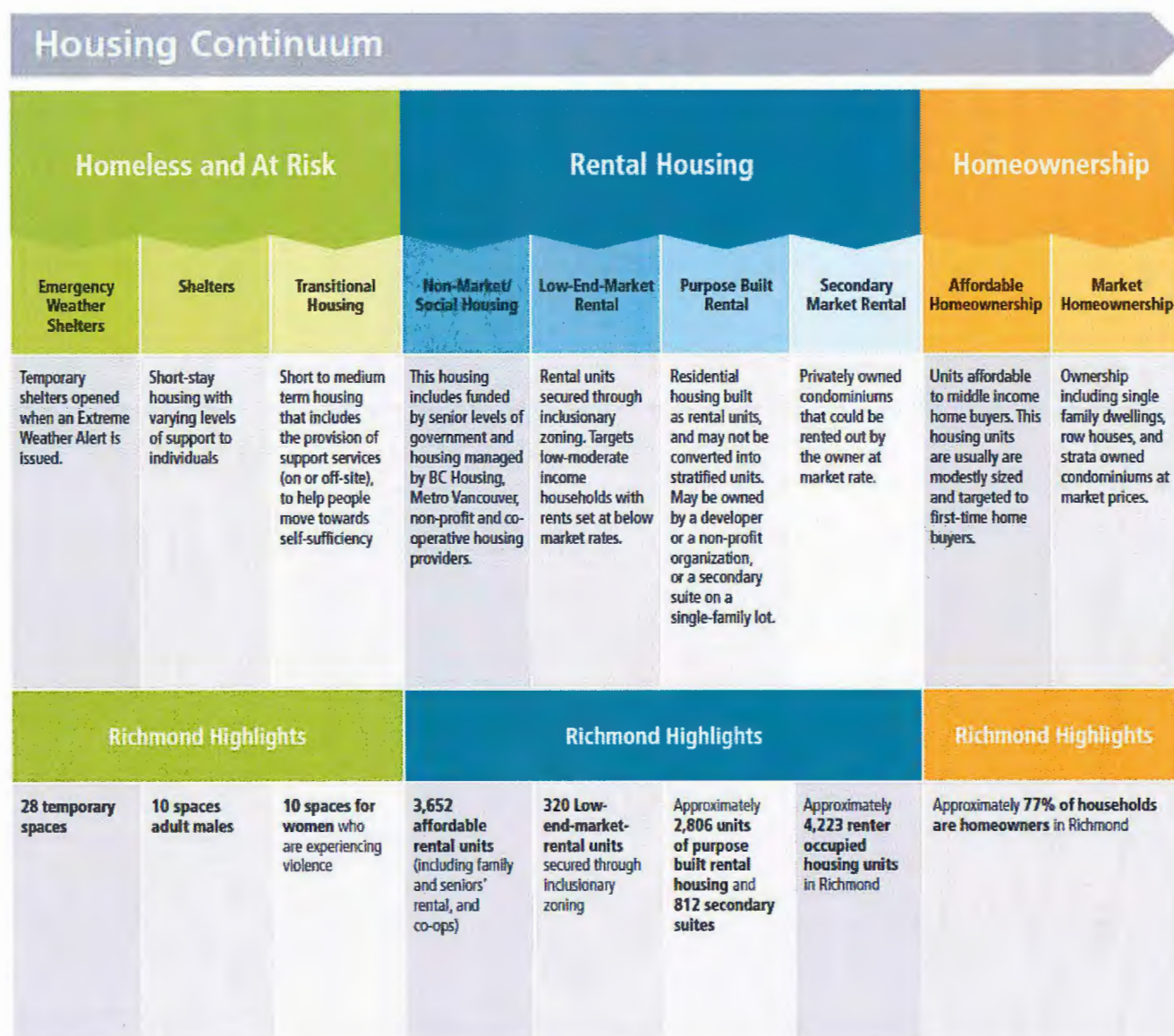
Richmond's current *Affordable Housing Strategy* (AHS) was adopted in 2007 following earlier Council adopted strategies in 1994 and 1989. These earlier strategies included a number of policies and initiatives that have promoted an expanded range of housing choices for families and individuals living in Richmond. Some of these specific initiatives has included:

- The establishment of an Affordable Housing Property Acquisition Fund;
- Provisions for priority to be given to the development of non-market housing on City owned land; and,
- The use of density bonus provisions in designated areas as a means of facilitating an expanded supply of affordable housing.

Richmond currently leases seven City-owned properties to various non-market housing providers that manage approximately 309 affordable rental units on these sites.

A central focus of the current AHS is to ensure that the City is successful in providing a range of housing options for households of different ages, family types, and incomes, including facilitating opportunities for assisted housing for lower-income families. An important element of the existing AHS is the housing continuum highlighted in Figure 1. The continuum identifies the range of housing choices including ownership and rental, as well as government supported non-market housing such as non-profit, co-op and emergency shelters. Ideally in any community, options to move along the housing continuum should be available for those who need them.

**Figure 1: Housing Continuum**



Priority #1 of the 2007 AHS is to support subsidized housing. Under this priority the City:

- Accepts cash-in-lieu for affordable housing from townhouse development and smaller apartment developments where a minimum of four (4) affordable housing units are not provided;
- Utilizes the monies collected in the Affordable Housing Reserve Fund first and primarily for subsidized housing; and
- Provides subsidized housing for groups including but not limited to individuals experiencing/at-risk of homelessness, individuals with mental health or addictions challenges, lone parents with limited income, seniors on fixed income, persons with disabilities, and low income families.

In some cases, developments larger than 80 residential units are able to contribute cash contributions to non-market housing projects in-lieu of built low-end-market-rental units. These contributions are negotiated on a site-by-site basis and must meet the Affordable Housing Special Development Circumstance Criteria, including:

- Programming and supports that meet the needs of an intended target population;
- Community partnerships for the delivery of supportive services;
- Social innovation to encourage project viability, tenant liveability, and community connections; and
- Unlimited access for tenants to indoor and outdoor amenity spaces.

Since the adoption of the AHS in 2007, the City in partnership with the private and non-profit sectors has been able to secure 1,371 units of affordable housing for low-income households, including 477 subsidized rental housing units. These units are mainly included in three (3) subsidized, non-market housing developments that support specific vulnerable populations, including:

1. The Kiwanis Towers project with 296 units of rental housing for low-income seniors (completed),
2. The Storeys Development, which will provide 129 non-market housing units and supports for homeless and persons at risk of being homeless (under construction), and
3. Cressey Cadence, which will provide 15 affordable rental housing units for lone parent families with access to child care (under construction).

These developments were made possible by collaborative partnerships between non-profits, the private sector, and the City – including significant City investment.



## 3. Non-Market Housing in Richmond

### 3.1 Household Incomes in Richmond

In 2011, the median total annual income of households in Richmond was \$60,479, which is slightly lower than Metro Vancouver, at \$63,347 (2011 National Household Survey). Data from the 2015 Metro Vancouver Housing Data Book indicated that the median gross family income for renter households was \$43,115, and therefore may have less income to spend on housing costs.

The Low-Income Measure after tax (LIM-AT)<sup>1</sup> gives municipalities an understanding of the number of households that may be struggling to find housing. According to this measurement, in 2011 Statistics Canada estimated that 22.4% of Richmond residents were considered low-income. This is a 1.5% increase since 2006. Presently, Richmond's low-income households are concentrated in City Centre, Thompson, Blundell, and West Cambie planning areas, and 20.8% of all low-income residents in 2011 were children under the age of 18. These estimates however, may not reflect an accurate number of those who are truly low-income residents due to Canada and foreign income tax laws.

**Figure 2: Richmond Population in Low-Income by Low-Income Measure After Tax (LIM-AT)**

Richmond Population in Low-Income by Age	
Under 18 Years	8,820
18-64 Years	28,700
65+ Years	4,855
<b>Total Persons in Low-Income</b>	<b>42,365</b>

Source: 2011 NHS.

Many low-income households receive income assistance from the Province. These rates have not been increased since 2007. Currently, the maximum monthly shelter assistance for an individual is \$375 and for a family of four is \$700. Due to the high cost of housing in Metro Vancouver, these households require access to non-market housing with deep subsidies in order to have income left for basic needs such as food, electricity and transit.

### 3.2 Rent Affordability

Figure 3 displays the number of renter households in Richmond who spend more than 30% of their before tax income on housing provision and the percentage of renter households living in non-market housing.

<sup>1</sup> This measurement is a fixed percentage (50%) of median adjusted after-tax income of households observed at the person level, where "adjusted" indicates that a household's needs are taken into account. Adjustment for household sizes reflects the fact that a household's needs increase as the number of members increase, although not necessarily by the same proportion per additional member. For example, if a household of 4 persons has an after tax income of less than \$38,920 all members of the household are considered low-income (Statistics Canada, 2010).



**Figure 3: Number of Renter Households spending 30% or Greater of Total Annual Income on Shelter**

Renter Households in Richmond	
Number of tenant household in private dwellings	15,545
% of renter households in subsidized housing	15.3%
% of renter households spending 30% or more of households total income on shelter costs	47.5%
Median monthly shelter costs for rented dwellings (\$)	\$1,101
Median annual household income	\$43,115

Source: 2011 NHS & Metro Vancouver, 2015. Housing Data Booklet.

A household's GDS ratio is an important indicator of housing affordability. However it does not take into consideration the condition or suitability of a household's unit. For example, households may need to exceed the 30% GDS ratio if they need to rent a multi-bedroom unit in order to accommodate their family. This measurement also does not take into consideration the costs of living including child care, transit and food. Figure 4 highlights the annual income necessary to rent a housing unit based on size in Richmond. Households falling at the lower end of the housing continuum or relying of income assistance (\$375 monthly for an individual) may not be able to rent any unit in Richmond and may require non-market housing with deep subsidies.

**Figure 4: Annual Income Necessary to Rent in Richmond, by Unit Type**

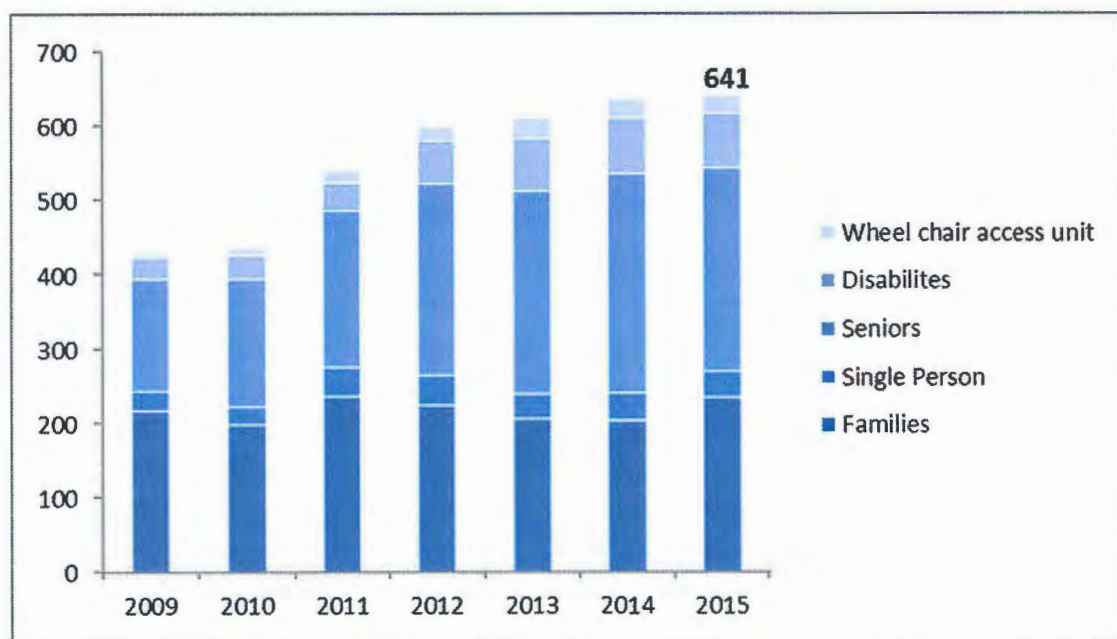
Housing Type	3+ Bedroom	2 Bedroom	1 Bedroom	Bachelor
Average Monthly Rent	\$1,327	\$1,198	\$994	\$808
Annual Income Necessary to Rent with 30% GDS	\$53,080	\$47,920	\$39,760	\$32,320

### 3.3 Non-Market Housing in Richmond

There are 2,874 non-market housing units in Richmond that include assisted rental for households and co-op family housing and were secured primarily through the efforts of the non-profit sector with a variety of earlier senior government funding programs prior to 2007. In addition, 477 rental units have been secured through the 2007 AHS under the subsidized housing priority.

BC Housing provides social housing throughout the Province, including rent-geared-to-income for households under specific income thresholds. The waitlist (BC Housing Registry) for this type of housing in Metro Vancouver has increased by 30% from 2010 (7,421 households) to 2015 (9,674 households) and is an important indicator of affordable housing need throughout the region. The number of households currently waiting for social housing in Richmond is 641, with an average wait time of five to seven years (Metro Vancouver, May 2015). Figure 5 highlights that seniors and families are the largest groups needing subsidized housing in Richmond and the need for adaptable units for people with disabilities has increased 180% from 35 households (2009) to 98 households on the waitlist (2015). BC Housing currently administers the waitlist for 16 developments on the Housing Registry in Richmond.

**Figure 5: Richmond Households on Social Housing Waitlists, by Need (May 2015)**



Source: Metro Vancouver, 2015, Housing Data Book.

As noted, a critical issue with respect to much of this older affordable housing stock is expiring operating agreements, funded through the federal government and set to expire by 2040. The number of non-market units, administered by co-op and non-profit societies, with expiring operating agreements in Richmond in the next five years is 1,543 (BC Housing, 2014). Figure 6 displays the number of affordable housing units with expiring operating agreements over time. Although the current Federal Government has announced funding for these units in the 2016 budget, it is unclear which developments may receive this financial support.

**Figure 6: Affordable Housing Units in Richmond with Expiring Operating Agreements**

Richmond Affordable Housing Units with expiring Operating Agreements	
Year	Number of Units
2016-2020	1,543
2021-2025	534
2026-2030	299
2030-2040	80
<b>Total by 2040</b>	<b>2,513</b>

Source: Metro Vancouver, 2015. Housing Data Book.



## 4. Non-Market Housing: Case Studies

The City of Richmond, through the implementation of successive affordable housing strategies has contributed to innovative and important non-market housing projects over many years. More recent initiatives include the Kiwanis Towers Project, Storeys Development, and Cressey Cadence Development. As an important partner in these projects, the City contributed by leasing City owned property, providing substantial financial support towards construction, development cost charges, service cost changes and municipal permit fees, or helped facilitate collaboration between partners.

Notwithstanding recent Provincial and Federal Government funding announcements, the loss or reduction of senior government funding and programs that support non-market housing over many years have resulted in new and innovative opportunities to create non-market housing for low-income households. The following section highlights recent innovative initiatives used in other jurisdictions throughout Metro Vancouver and Canada that have resulted in the creation of new non-market rental housing developments.

### *Co-Location of Housing and City Services*

#### *City of Vancouver & YWCA – Fire Hall No 5 & YWCA Housing*

Faced with critical housing affordability concerns and a lack of available greenfield land, the City of Vancouver has partnered with non-profit societies to redevelop City land and co-locate important community services with non-market housing in new mix-use developments. A recent example is in the Strathcona neighbourhood, where City land was redeveloped to include a much needed branch library and non-market housing. Currently, the City has partnered with YWCA to redevelop City land to include a fire hall and non-market housing.

Another project includes Vancouver's Champlain Heights Fire Hall that was built in 1952 and in need of replacement, as it no longer meets the needs of the Fire and Rescue department. In 2013, Vancouver City Council approved the addition of non-market housing on top of the fire hall, proposing a mixed use building redevelopment. Faced with critical housing affordability concerns, Council expressed interest in developing non-market housing for women-led families with children. The redevelopment of the fire hall presented a unique opportunity as it would be close to primary and secondary schools, community centres, transit and other community amenities and would be an opportunity to fully utilize City-owned land.

The City underwent extensive public consultation, rezoned the property, worked with both the Fire and Rescue Department and YWCA (the chosen non-profit provider) to develop this innovative non-market housing infrastructure, which will be completed in Summer 2018. Part of YWCA's mandate for their non-market housing communities is to provide supportive services to tenants including connections to YWCA programs and services, workshops on life skills, facilitation of tenant meetings and community events, support for tenant organized groups including children's programs and community gardening and links to additional community agencies and supportive services.

### ***Public-Private Partnerships***

#### **Toronto Community Housing – Regent Park Social Housing Development**

Like many jurisdictions faced with older non-market housing in need of renewal combined with a lack of senior government funding to invest in redevelopment, Toronto Community Housing (TCH) had to find innovative funding mechanisms to revitalise some of its older social housing projects. In 2002, TCH embarked on a collaborative development approach involving numerous stakeholders in order to redevelop Regent Park (Canada's oldest and largest social housing complex) into a mixed-use neighbourhood. This includes community facilities while maintaining the non-market subsidized housing for low-income tenants. In order to finance revitalization, TCH partnered with a private developer, Daniels Corporation, and sold a large portion of the land to be developed as market condominiums while revitalizing the rest of the non-market units into a new mixed-income community.

The success of this project was partially due to guiding social development and community facilities strategies to ensure greater levels of equity and access to community services in the neighbourhood. As part of their community contributions, Daniels Corporation built a community cultural hub in the neighbourhood that provides space for community gathering and rental space for non-profit organizations in consultation with the City of Toronto. During the redevelopment, the City of Toronto also constructed an expanded the aquatic centre in the neighbourhood. The City has ensured that programming at this facility is free and accessible for social housing tenants.

In Richmond, the Kiwanis Towers Project also took the approach of a public-private partnership in order to redevelop ageing affordable seniors' rental housing which has resulted in a net increase of 174 affordable rental units and programming space for low-income seniors in the City Centre.

### ***Comprehensive Renewal and Redevelopment***

#### **Metro Vancouver Housing Corporation – Heather Place, Vancouver**

Metro Vancouver Housing Corporation's (MVHC) Heather Place redevelopment in Vancouver highlights a local and current example of renewal of ageing affordable rental housing stock. Heather Place was built in the early 1980s and consists of 86 mixed income rental units located near Vancouver General Hospital. Of the 86 homes, 26 are rent-geared-to-income (RGI) with the remainder rented at market rates. The redevelopment of Heather Place offers an opportunity to replace the aging units with a revitalized, socially and income mixed community of approximately 230 rental homes (including non-market/RGI units) in close proximity to community and transportation services.

As Heather Place receives 85% of its revenue from rents, redevelopment was deemed financially possible due to the densification of the property and large increase of market rental units. Heather Place is in a unique situation, as MVHC owns this land. This is not common for many non-profit housing providers. The City of Vancouver supported zoning changes to permit higher density, which provided an opportunity for more rent to be generated through redevelopment. The continuation of some RGI units is made possible by continuing BC Housing rent subsidies to eligible tenants. MVHC is continuing to evaluate and prioritize other properties in its housing stock across the region most suitable for expansion and redevelopment.



### *Repurposing Community Assets*

#### *cSpace, Calgary – Repurposed School for Cultural Hub and Artist Housing*

Declining enrolment and rising maintenance costs have forced many school boards throughout Canada to consider selling surplus property. School closures can often mean the loss of an important public amenity and neighbourhood green space. The Calgary Board of Education has been faced with this decision and has sold schools deemed as surplus to offset staff costs in high enrollment schools. One surplus school, King Edward, was sold to cSpace, a social enterprise that supports artists and non-profits. This school is currently being repurposed as a mixed use complex, which will include an arts hub, and community space. Originally, this redevelopment was going to include affordable rental units for artists to live and work in. However, this portion of the project has been delayed and may no longer be involved in the overall plan. The financing for this unique project came from a collaborative effort, including non-profit fundraising, selling a portion of the land to a private developer to be developed into market housing, and funding from the City of Calgary and the Province to support programming.

The re-repurposing of schools for other important community assets, including community hubs and affordable housing, has been a strategy used in Toronto and other communities. Locally, the Vancouver School Board is seeking proposals to adapt two empty schools into a community amenity. Richmond School District is also in the process of consulting with the community regarding potential school closures.

## 5. Looking Ahead: Policy Review Considerations

Non-market housing plays a critical role in the housing continuum for a healthy community. A shifting senior government funding climate has placed considerable pressure on municipalities to contribute to the non-market housing stock beyond their traditional land use planning and development approval roles. The City of Richmond has a long history of providing support for non-market housing in a variety of ways, such as the below market leasing of City owed land to help facilitate the construction of non-market rental housing. Since 2007, the City has also contributed substantial financial investment towards securing 477 non-market housing units. Despite this commitment, housing affordability remains a critical issue and many low-income households still need access to affordable housing with subsidies.

Case studies presented in this report highlight approaches used in other jurisdictions to develop new non-market housing. This includes the co-location of city-services and housing on municipal-owned land, public private partnerships and community contributions, and the repurposing of community assets (such as surplus schools). These will be critical considerations for Richmond as it explores alternative non-market housing options in partnership with senior governments and others to encourage a range of affordable housing choices for existing and future families and individuals in Richmond.