



**To:** Planning Committee **Date:** January 4, 2016  
**From:** Cathryn Volkering Carlile **File:** 08-4057-05/2015-Vol  
General Manager, Community Services 01  
**Re:** **Richmond Response: Metro Vancouver Regional Affordable Housing Strategy Update**

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**Staff Recommendation**

That:

1. The staff report titled “Richmond Response: Metro Vancouver Regional Affordable Housing Strategy Update” dated January 4, 2016, from the General Manager, Community Services, be received for information; and
2. That City Council forward the following recommendations to Metro Vancouver with respect to the Regional Affordable Housing Strategy update:
  - a. Metro Vancouver continue to advocate to both the federal and provincial government to increase their role, presence and funding of existing and new affordable housing initiatives;
  - b. Metro Vancouver request both the provincial and federal governments to assist in annually collecting and distributing reliable data regarding Metro Vancouver regional and individual municipal housing demand and supply;
  - c. Metro Vancouver amend the threshold of affordability for homeownership to 32% of a household’s gross family income in order to consistently apply the benchmark of homeownership affordability that the housing industry does;
  - d. The City of Richmond supports Metro Vancouver’s initiatives to have member municipalities create policies that encourage the supply of rental housing including new purpose built rental housing;
  - e. That Metro Vancouver Regional Planning Advisory Committee be directed to create a policy to encourage all affected parties (e.g., senior governments, Metro Vancouver Housing Commission, municipalities, private owners and developers) to support the renewal of expiring non- profit and cooperative housing agreements, the proposed policy be circulated for endorsement by all Metro Vancouver member municipalities and once the policy is endorsed, Metro Vancouver request all parties to follow it including the federal and provincial governments;
  - f. That Metro Vancouver Housing Commission (MVHC) be directed to create a tenancy management policy package by May 1 2016 outlining MVHC’s services and fees for the management of affordable housing units which are secured through inclusionary housing policies and distribute it to developers/owners so that they can consider the option having the MVHC manage or assist in managing such affordable housing units; and



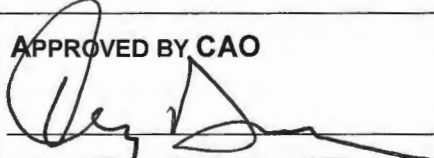
January 4, 2016

- g. To best protect those who may be at risk of homelessness, Metro Vancouver request the provincial government to review and increase, the shelter component of income assistance on an annual basis to reflect the high cost of living in the region.



Cathryn Volkering Carlile,  
General Manager, Community Services

Att. 2

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

## Staff Report

### Origin

The purpose of this report is to provide Council with staff's comments with respect to Metro Vancouver's draft 2015 Regional Affordable Housing Strategy (RAHS) update (Attachment 1).

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.*

### Background

Metro Vancouver's RAHS, first adopted in 2007, has been updated and is intended to provide leadership on regional housing needs from 2016-2026 while also supporting the community goals identified in *Metro 2040*, the Regional Growth Strategy adopted in 2011. Specific to regional housing, Richmond City Council participate on the Greater Vancouver Regional District Housing Committee and staff participate on both the Regional Planning Advisory Committee (RPAC) and the RPAC Housing Sub-Committee.

At its October 9, 2015 regular meeting, the Greater Vancouver Regional District Board of Directors adopted the following resolution:

That the GVRD Board approve the release of the Draft Regional Affordable Housing Strategy attached to the report dated August 18, 2015 titled "Draft Regional Affordable Housing Strategy", distribute the draft Strategy to member municipalities for review and comment, and direct staff to initiate stakeholder consultation on the Strategy.

The most recent stakeholder consultation with respect to the RAHS occurred in November 2015, comments from member municipalities specific to the RAHS draft will be accepted up to January 29, 2016.

## Regional Affordable Housing Strategy Process

Metro Vancouver staff began working with member municipalities through RPAC and the RPAC housing sub-committee in late 2013, this process was broken out into two main phases:

### Phase 1            Issues and Options

This phase involved: setting the scope of the update and developing a workplan; articulating the principles underlying the update; and examining current and evolving regional and local housing challenges and opportunities. Metro Vancouver then distributed a discussion paper in March 2014, which summarized the challenges, opportunities and proposed goals and directions, subsequently they also held a series of stakeholder engagement sessions.

### Phase 2            Developing the Strategy

This phase consisted of: developing the draft strategy with RPAC and the RPAC housing sub-committee; further stakeholder engagement; and now distribution of the final draft strategy for comment from the member municipalities.

Staff participated in workshops in both phases of the process. In addition to the internal and external stakeholder engagement, Metro Vancouver also held a roundtable of housing and transportation experts who were asked to provide advice on the challenge of achieving housing affordable to a mix of income levels in transit oriented locations.

## **Analysis**

A staff team from Community Social Development, Policy Planning and Transportation have reviewed the updated RAHS from an affordable housing, land use planning and transportation perspective.

The RAHS focuses on the housing needs of low and low to moderate income households. In terms of classification Metro Vancouver deems that: low income households are those who are earning 50% or less of the regional median household income (RMHI) (2011:\$63,000) or below \$30,000; and low to moderate income households earn between 50-80% of the RMHI or \$30,000-\$50,000 per annum.

The RAHS recognizes that an effective regional and municipal affordable and diverse housing supply is essential to meet the housing needs of a growing population. The best way to achieve this objective is for those involved in providing affordable and market rental housing to continue to assist in providing and increase the range of choices across the housing continuum by ensuring housing diversity and a healthy housing mix is available to support residents and a local workforce, each an essential component to an economically competitive and socially thriving region.

It is to be noted that when people are constantly looking for adequate, secure and affordable housing, they are not their most productive, as their energies are necessarily spent looking for housing, instead of working, or possibly completing their education so that they can work and

provide for their families. Once their housing needs are met, they are able to get on with their lives and raise their families.

A summary of the updated Strategy’s goals and objectives, and staff comments are listed below.

Goal 1: Expand the supply and diversity of housing to meet a variety of needs

Strategy 1.1	Diversify the housing supply in terms of unit and lot size, number of bedrooms, built form and tenure
Strategy 1.2	Address community opposition to new residential development
Strategy 1.3	Plan for the special housing needs of specific populations
Strategy 1.4	Enhance understanding of the housing market to improve housing policy

Staff Comments

The purpose of this goal is to encourage the market to produce a wider variety of housing forms and tenures (rental/homeownership) at a variety of price points.

Staff recommend that the City continue to support: (1) the expansion and diversification of City and regional market and affordable housing stock in order to meet a variety of community housing needs and (2) Metro Vancouver requesting both the provincial and federal governments to assist in increasing the supply and diversity of housing, and annually assist in collecting and distributing reliable data regarding Metro Vancouver regional and individual municipal housing demand and supply.

Consistent with the RAHS recommendations, through 2016 the City of Richmond will be proceeding with an update to its Affordable Housing Strategy (AHS) and the creation of a Housing Action Plan (HAP) as required by *Metro 2040*.

Specific to housing tenure, the RAHS takes an all-inclusive approach when it comes to defining affordability. Housing affordability is deemed to be when monthly housing costs do not exceed 30% of a household’s gross income, regardless of whether the tenure is rental or homeownership. The challenge with this position is that the criteria that the RAHS takes into consideration to determine monthly housing costs (rent or mortgage payments including property tax, strata fees, and heating costs) is the same criteria that lenders use to calculate an applicant’s gross debt service (GDS) threshold when applying for a mortgage, yet that threshold is 32% of an applicant’s gross household income. Although having an all-inclusive standard of affordability for both rental and homeownership simplifies matters, its application is not consistent with industry best practices.

Recommendation 1: Metro Vancouver continue to advocate to both the federal and provincial government to increase their role, presence and funding of existing and new affordable housing initiatives.

Recommendation 2: Metro Vancouver request both the provincial and federal governments to assist in annually collecting and distributing reliable data regarding Metro Vancouver regional and individual municipal housing demand and supply.

Recommendation 3: Metro Vancouver amends the threshold of affordability for homeownership to 32% of a household’s gross family income in order to consistently apply the benchmark of homeownership affordability that the housing industry does.

Goal 2: Preserve and expand the rental housing supply

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

Staff Comments

The purpose of this goal is to ensure that the supply of purpose built rental units and secondary forms of rental housing such as accessory dwellings continue to grow within the region.

Staff advise that this goal is consistent with the joint Policy Planning and Affordable Housing initiative to prepare a new purpose built rental policy which is anticipated to be completed in 2016, and with the City of Richmond’s current Official Community Plan (OCP) Policy 3.3.f requiring a “no net loss rental policy and encourage a 1:1 replacement if a conversion of existing rental housing units in multiple family and mixed use developments is approved, with the 1:1 replacement being secured as affordable housing by a housing agreement in appropriate circumstances” when existing rental supply is being redeveloped. In preparing this policy, Policy Planning and Transportation staff will address planning issues including parking, density, possible bonusing and incentives for secured rental in perpetuity, locational criteria, and application processing requirements. Affordable Housing staff will address what, if any, affordable housing requirements apply to market rental housing and how to address the redevelopment of existing rental housing sites/buildings.

The City of Richmond’s current requirement that developers provide cash-in-lieu (CIL) of housing or low-end market rental (LEMR) units when density bonusing is proposed is consistent with the RAHS’s recommendation that municipalities support the creation of new purpose built rental housing. Most recently, the City has also supported two significant developments (Kiwamis Towers, Storeys) with funding towards capital construction costs and to offset municipal permit and development cost charges associated with their development of new affordable rental housing.

Recommendation 4: The City of Richmond supports Metro Vancouver’s initiatives to have member municipalities create policies that encourage the supply of rental housing including new purpose built rental housing.

Goal 3: Meet housing demand estimates for low to moderate income earners

Strategy 3.1	Facilitate new rental housing supply that is affordable for low to moderate 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

Staff Comments

The purpose of this goal is to create strategies and actions to address the gap in the supply of low to moderate income housing. It recognizes that market housing can only be part of the solution and looks to build on the assets and resources of non-profits and cooperative housing providers to continue to provide and increase the supply of housing for low to moderate income households.

The City of Richmond’s AHS is consistent with this goal as it currently ensures that either CIL for housing or LEMR units are provided by developers where density bonusing is applied for. This requirement ensures a new supply of affordable purpose built rental housing is available to low and low to moderate income households as is recommended by the RAHS.

The RAHS also makes reference to Metro Vancouver Housing Corporation (MVHC) considering the management of affordable housing units obtained by municipalities through inclusionary housing policies/initiatives. Staff recommend that the City support this initiative conceptually but notes that MVHC should create a tenancy management package outlining its services and fees for such that can be distributed to developers/owners so that they can consider this option.

The RAHS recommends municipalities work with non-profit and cooperative housing providers to address issues related to expiring operating agreements however said agreements are not held directly with municipalities therefore the amount of influence a single municipality would have in this regard is minimal. A stronger approach would be to create a policy statement to be circulated and endorsed by all Metro Vancouver member municipalities and then advocate collectively to the appropriate levels of government.

Recommendation 5: That Metro Vancouver Regional Planning Advisory Committee be directed to create a policy to encourage all affected parties (e.g., senior governments, Metro Vancouver Housing Commission, municipalities, private owners and developers) to support the renewal of expiring non- profit and cooperative housing agreements and that the proposed policy be circulated for endorsement by all Metro Vancouver member municipalities. Once the policy is endorsed, Metro Vancouver is to request all parties to follow it including the federal and provincial governments;

Recommendation 6: That Metro Vancouver Housing Commission (MVHC) be directed to create a tenancy management policy package by May 1 2016 outlining MVHC’s services and fees for the management of affordable housing units which are secured through inclusionary housing policies and distribute it to developers/owners so that they can consider this option.

Goal 4: Increase the rental housing supply along the frequent transit network

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	Implement incentives to encourage new purpose built rental housing near transit

Staff Comments

The purpose of this goal is to support residential development along the frequent transit network. It recognizes that although there are higher land costs and by extension higher development costs in these areas, their proximity to transit stops, corridors and new transit stations provide an opportunity to meet the transportation needs of renters and help keep their transportation costs down.

The OCP identifies the City’s desired long-term transit network, which features a hierarchy of transit services including a Frequent Transit Network (FTN). This long-term transit network was developed in the absence of an update to TransLink’s Richmond Area Transit Plan (completed in 2000), which was subject to repeated delays by TransLink. Since then, TransLink has initiated (in February 2015) the development of the Southwest Area Transport Plan (SWATP), which includes Richmond, South Delta and Tsawwassen First Nation. The FTN identified in the OCP will therefore serve as a strategic baseline for guiding the siting of future affordable housing developments. Further refinement and/or expansion of Richmond’s FTN is expected upon the completion of the SWATP process which is currently anticipated to be near the end of 2016.

In addition, the OCP also seeks to enable a range of housing types (e.g. secondary suites, coach houses, granny flats, live-work, work-live, row housing) and affordable housing in City Centre High Density Urban Villages around the Canada Line Stations and Oval; as shopping centres densify and transition to Neighbourhood Centres; along certain arterial roads; and in many residential neighbourhoods (see Regional Context Statement – p. 15-15 of OCP).

The OCP does encourage a mix of housing types and tenures to support the diverse needs of the community<sup>1</sup> and this same policy objective carries through to the City’s Area and Sub-Area plans in Hamilton, which encourages a mix of market and non-profit affordable housing for families and seniors<sup>2</sup>, and the Broadmoor Neighbourhood Centre policy which provides for density bonusing when the affordable housing strategy requirements are met<sup>3</sup>. In addition to this,

1 OCP policy 3.3 a- Encourage a mix of housing types and tenures to support diverse needs (e.g. income and abilities), lifestyles (ages and values) and preferences (e.g. housing for older residents, persons with disabilities, rental and ownership housing, new homeowners and empty nesters, young workers and families)

2 Hamilton policy 3.2.1b – encourage a mix of market and non- profit affordable housing for families and seniors within all multi- family land use designations

3 OCP policy 3.6.2m – financing of community amenities, including affordable housing, is to be primarily by developers through density bonusing phased development agreements and other means



the West Cambie Area Plan innovatively requires that in the north west portion of the Alexandra quarter section when density bonusing is applied for the developer must provide: a minimum of 5% of Floor Area Ratio (FAR) in the form of built Affordable Housing; a minimum of 7.5 % of FAR in the form of purpose built, modest rent controlled rental units; and a minimum of 2.5 % of FAR in the form of built market rental units.

Most recently, the City has partnered with Kiwanis and Polygon by providing approximately 24.1 million dollars in funding to create 296 affordable seniors housing rental units, a further 19.8 million dollars in funding to a consortium of 5 non –profit organizations for the Storeys development will create an additional 129 units of affordable rental housing for individuals who are at risk of homelessness in 2017. Since 2007, through the Council approved Affordable Housing Strategy, the City has secured 311 Low End Market Rental (LEMR) units and 153 secondary suites and/or coach houses, through the development application process. In addition to this 411 market rental units have been secured through Housing Agreements (negotiated prior to the adoption of the 2007 Affordable Housing Strategy).

Goal 5:End homelessness in the region

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 government for support to meet the housing and support needs of the homeless

Staff Comments

The purpose of this goal, recognizing that the primary responsibility for aiding the homeless rests with the federal and provincial governments, along with local health authorities, is to identify where and how municipalities can play a role and assist in providing facilities and services for homeless, including through housing and social policies.

The City of Richmond currently supports agencies who serve the needs of the homeless in the community (Richmond Homelessness Committee, Outreach Working Group, and various non-profit agencies). The City will also be creating a Housing Action Plan (HAP) in 2016 which will identify what actions will be taken and by whom to help facilitate partnerships to address homelessness. At present, the City of Richmond does provide grant funding to support an emergency weather shelter and an administrative support position for the Richmond Homelessness committee. Staff recognize the importance of the regional homeless count however are also encouraging local service providers to track and report more specific data on the needs of homeless individuals in Richmond (i.e. interactions with homeless individuals)

Staff strongly support continued advocacy efforts to provincial & federal governments to provide capital and/or operating funding for transitional and supportive housing for individuals who are homeless or who are at risk of homelessness.

Recommendation 7: To best protect those who may be at risk of homelessness, Metro Vancouver request the provincial government to review and increase, the shelter component of income assistance on an annual basis to reflect the high cost of living in the region.

## **Recommendations**

The following options are presented for consideration:

- Option 1 (Recommended): Council support the adoption of the RAHS and provide Metro Vancouver with the following input:

That City Council forward the following recommendations to Metro Vancouver with respect to the Regional Affordable Housing Strategy update:

1. Metro Vancouver continue to advocate to both the federal and provincial government to increase their role, presence and funding of existing and new affordable housing initiatives.
2. Metro Vancouver request both the provincial and federal governments to assist in annually collecting and distributing reliable data regarding Metro Vancouver regional and individual municipal housing demand and supply;
3. Metro Vancouver amend the threshold of affordability for homeownership to 32% of a household's gross family income in order to consistently apply the benchmark of homeownership affordability that the housing industry does;
4. The City of Richmond supports Metro Vancouver's initiatives to have member municipalities create policies that encourage the supply of rental housing including new purpose built rental housing.
5. That Metro Vancouver Regional Planning Advisory Committee be directed to create a policy to encourage all affected parties (e.g., senior governments, Metro Vancouver Housing Commission, municipalities, private owners and developers) to support the renewal of expiring non- profit and cooperative housing agreements, the proposed policy be circulated for endorsement by all Metro Vancouver member municipalities and once the policy is endorsed, Metro Vancouver request all parties to follow it including the federal and provincial governments;
6. That Metro Vancouver Housing Commission (MVHC) be directed to create a tenancy management policy package by May 1 2016 outlining MVHC's services and fees for the management of affordable housing units which are secured through inclusionary housing policies and distribute it to developers/owners so that they can consider the option having the MVHC manage or assist in managing such affordable housing units;
7. To best protect those who may be at risk of homelessness, Metro Vancouver request the provincial government to review and increase, the shelter component of income assistance on an annual basis to reflect the high cost of living in the region.

- Option 2: Council advise Metro Vancouver that it supports the RAHS as proposed

## **Financial Impact**

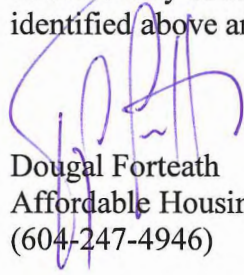
Once the RAHS has been approved by Metro Vancouver the possibility exists that the City of Richmond may incur some financial costs in order to meet its municipal requirements, any approved recommendation(s) whose implementation could have added cost to the City of Richmond will be brought back to Council for consideration in advance.

January 4, 2016

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**Conclusion**

That the City of Richmond strongly supports the adoption of the RAHS subject to the input identified above and any such amendments as directed by Council.



Dougal Forteach  
Affordable Housing Coordinator  
(604-247-4946)

- Att. 1: Regional Affordable Housing Strategy Update
- 2: Transit Network Map



LIVING  
160.19 SF

DINING  
81.68 SF

KITCHEN  
58.57 SF

KITCHEN  
58.77 SF

DINING  
58.37 SF

BEDRM 2  
122.44 SF

CLOSA  
15.39 SF

MASTER BEDROOM  
155.09 SF

FORMATION	1815 SF
1	2258 SF
2	20
3	10
4	NO

# REGIONAL AFFORDABLE HOUSING STRATEGY UPDATE

## REVISED DRAFT

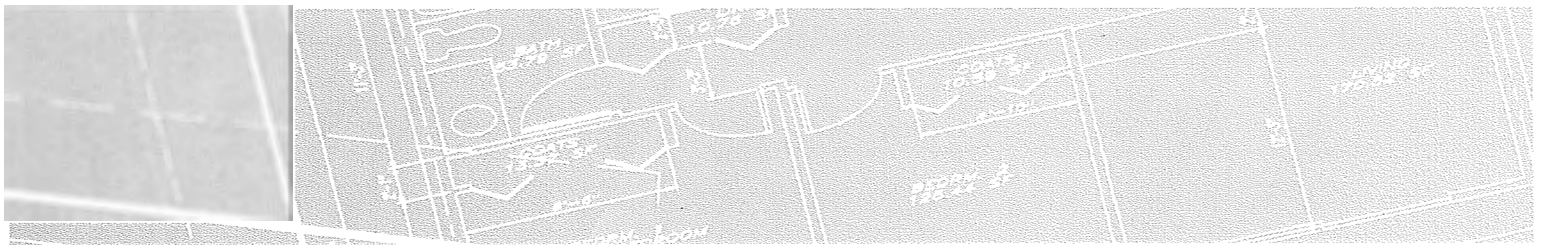
August 2015



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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 rising housing costs like Metro Vancouver, an affordable and diverse housing supply is critical to the region's economic fortunes. Housing choices that include a mix of homeownership and rental opportunities across housing types, sizes and price points are essential to provide housing for a diverse workforce and for diverse and complete communities. The Metro Vancouver Board has developed the updated *Regional Affordable Housing Strategy (RAHS)* to provide leadership on regional housing needs, and to advance the complete community goals of *Metro 2040*, the regional growth strategy adopted in 2011. This is the second iteration of the *Regional Affordable Housing Strategy*; the first was adopted in 2007.

This *Regional Affordable Housing Strategy* provides a renewed vision, and shared goals, strategies and actions for tackling the housing affordability challenge. 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, it is not able to do so at a price everyone can afford. This fact is particularly true for low and low-to-moderate income renters 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 and to those seeking homeownership.

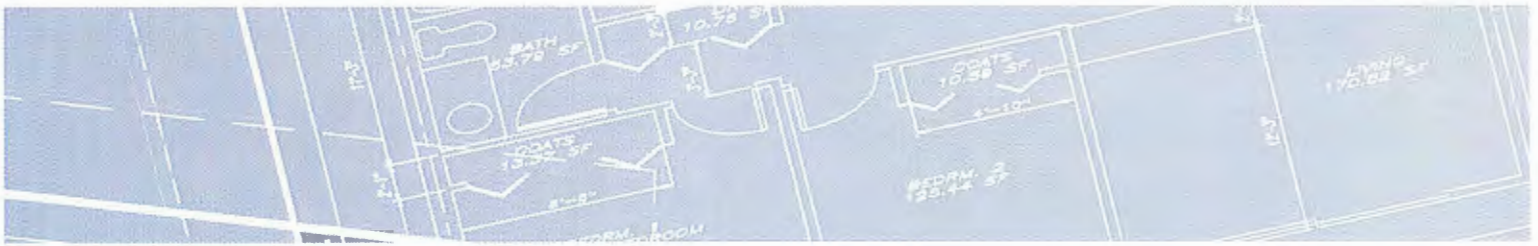
Experience has also shown that while housing affordability is not a primary responsibility of municipalities nor regional government,

municipalities alone and together can use a variety of tools and measures to achieve greater housing diversity and affordability.

Metro Vancouver has the following roles in housing delivery and housing policy. These roles are employed throughout the strategy to advance regional goals and strategies.

- *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 GVS&DD Development Cost Charges for affordable rental housing.

This strategy recognizes that increasingly complex housing issues demand more innovative strategies and greater collaboration. With both statutory responsibilities and local opportunities, local governments play a key role in translating regional policy and priorities into effective implementation within local housing markets. Their chief role lies in ensuring adequate supply of residential land to meet housing demand through the land use planning and regulatory process, although there are other opportunities for municipal action to address housing affordability, such as through advocacy, and incentives



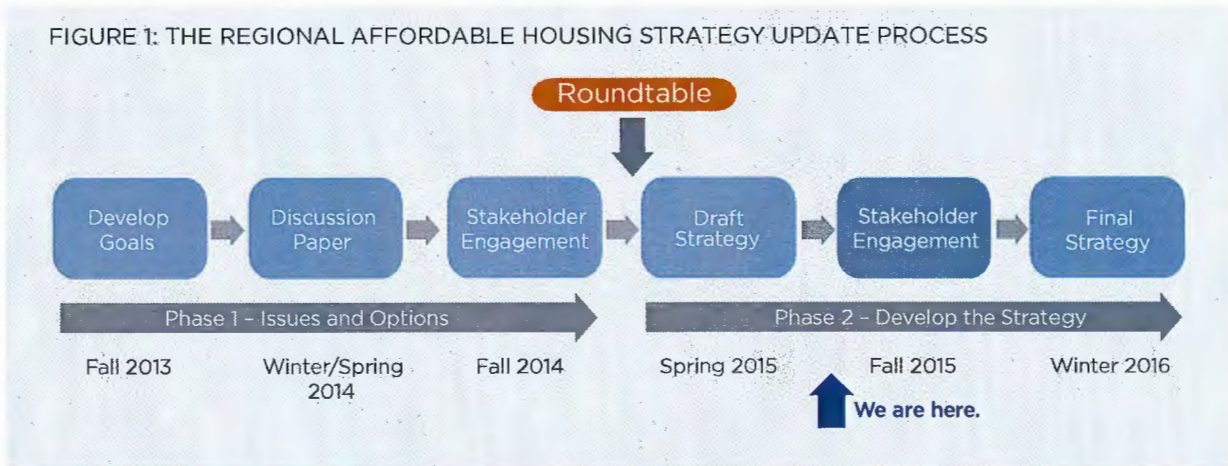
to the private market. And, it is recognized that local conditions vary from one municipality to another in the region and that the strategy has to account for this reality.

Beyond local government, the strategy provides recommended actions for other key actors, specifically the provincial and federal governments, the private and non-profit development sector, TransLink and health authorities.

1.2. THE UPDATE PROCESS

It has now been over seven years since the Regional Affordable Housing Strategy was adopted. Metro Vancouver staff began working with member municipalities through the Regional Planning Advisory Committee, Housing Subcommittee on a process to update the Regional Affordable Housing Strategy in late 2013. The process involved two main phases:

Phase 1: Issues and Options; and Phase 2: Developing the Strategy



Phase 1 consisted of setting the scope of the update and developing a workplan, articulating the principles underlying the update, and examining current and evolving regional and local housing challenges and opportunities. A March 2014 Discussion Paper summarized these challenges and opportunities and proposed goals and directions for consideration. Phase 2 consisted of the process of developing the draft strategy with RPAC’s Housing Subcommittee and with the Metro Vancouver Housing Committee.

Consultation with internal and external housing stakeholders has been an important aspect of the strategy update process, and has occurred at two key points: to respond to the goals and directions proposed in the 2014 Discussion Paper in September 2014 and to provide feedback on the Draft Strategy planned for November 2015. In addition, a roundtable of housing and transportation experts was asked to provide advice on the challenge of achieving housing affordable to a mix of income levels in transit-oriented locations. External stakeholders representing the private and non-profit housing sector, business and community groups, and all levels of government have been involved through stakeholder workshops and/or written feedback. Municipal members will be asked to indicate their support for the Strategy prior to its endorsement by the GVRD Board of Directors.





### 1.3. WHAT HAS BEEN ACCOMPLISHED?

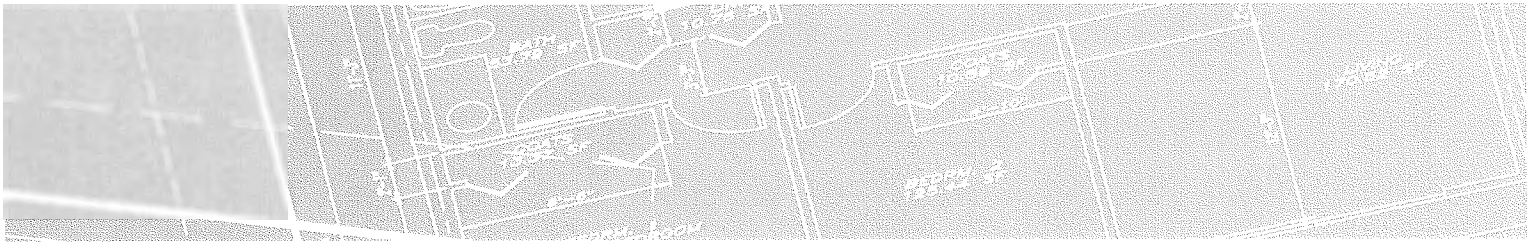
Since the original *Regional Affordable Housing Strategy* was adopted in 2007, significant progress has been made. There is an enhanced collective awareness of the affordability issue, and regional and local governments have taken some important actions to address it. For example, Metro Vancouver has:

- Advanced awareness of the importance of rental housing through the Rental Housing Supply Coalition.
- Prepared regional and municipal housing demand estimates through *Metro 2040*.
- 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 GVS&DD Development Cost Charges for affordable rental housing developments.
- Metro Vancouver Housing Corporation has received rezoning approval to redevelop Heather Place, an existing MVHC housing site in Vancouver. It will create an additional 150 units of mixed-income housing.

Municipalities have:

- Adopted Housing Action Plans that demonstrate how they 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. (City of North Vancouver)
- 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 (Cities of Surrey and Vancouver).
- 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 (City of Richmond, Affordable Housing Strategy).
- Set targets for market rental housing and affordable housing, including preservation of existing affordable housing, in transit corridors (City of Vancouver, Cambie Corridor Plan and Marpole Community Plan).





- 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 (City of Coquitlam, Transit-Oriented Development Strategy).
- Offered incentives to owners and developers to retain, renew, and enhance the purpose built market rental housing supply (City of New Westminster, Secured Market Rental Policy).

These actions have contributed to some positive outcomes:

- The number of new rental housing completions each year in the region has increased from about 560 units in 2008 to approximately 3,000 units in 2013 and 2014, a marked increase composed of both non-market and market units. This is attributed to changing market conditions for condominium apartments, to municipal incentives for secure rental housing, and to better CMHC data on secondary suite completions.
- The number of people on the BC Housing Registry waitlist for social housing in Metro Vancouver in June 2014 was 9,490 people, down from the 2007 figure of 10,580 persons. This improvement is partly attributable to the introduction by BC Housing of the Rental Assistance Program in 2006.
- The number of families receiving a rent supplement through the Rental Assistance Program in Metro Vancouver rose from 2,546 families in 2007/2008 to 6,068 families in 2013/2014. This increase reflects changes in program eligibility as well as demand.
- An additional 3,700 units for homeless persons (primarily supportive housing) have been completed since 2007, three quarters of the way to the goal of 5,000 units in 10 years set out in the RAHS.<sup>1</sup>

1 Source: BC Housing Annual Reports and Central Property System. Prepared by BC Housing's Research and Corporate Planning Department, June 2012 and net new Homeless Housed Units Mar 31, 2012-Mar 31, 2013. Prepared by BC Housing's Research and Corporate Planning Dept 2014.

#### 1.4. LINKS TO REGIONAL AND LOCAL PLANS

*Metro 2040* provides the overall growth management framework for the region, it 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-oriented locations.

The RAHS is a strategy focused on a single component of growth – housing. RAHS relies on the regulatory function of *Metro 2040* and the associated Regional Context Statements as a primary means of implementation. For example, 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. *Metro 2040* presents housing demand estimates for the region and for individual municipalities by tenure and income level. Regional Context Statements, prepared and adopted as part of Official Community Plans and approved by Metro Vancouver, are expected to demonstrate how local policies or strategies to address housing needs in a municipality align with and support the regional growth strategy. Many municipalities have also adopted Housing Action Plans or are in the process of doing so, and some have implemented innovative and successful strategies and programs to implement them.

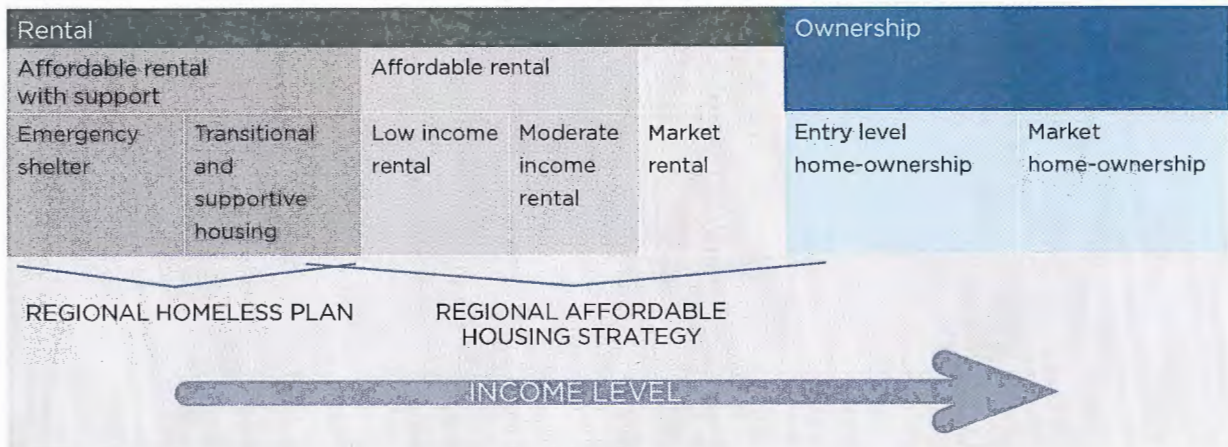
The Mayors' Council *Transportation and Transit Plan for Metro Vancouver* and TransLink's *Regional Transportation Strategy* guide future transport investments in the region, complementing *Metro 2040*. The *Regional Transportation Strategy* includes a commitment for TransLink to encourage affordable and rental housing along the Frequent Transit Network.



## 1.5. THE HOUSING CONTINUUM AND REGIONAL AFFORDABLE HOUSING STRATEGY - 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 2). It also reflects a range of incomes or affordability levels. The main focus of the RAHS is on rental housing—affordable rental and market rental housing—the central part of the housing continuum. The RAHS is intended to complement the *Draft Regional Homelessness Plan*<sup>2</sup>, adopted by the Regional Steering Committee on Homelessness (RSCH) in September 2014. That Plan focuses on emergency shelter and transitional and supportive housing for homeless or formerly homeless persons. The RAHS also addresses the homeownership part of the continuum where there are significant affordability concerns. The *Regional Affordable Housing Strategy*'s strategic focus for homeownership is to facilitate housing diversity and choice, particularly in the entry level homeownership category.

FIGURE 2 - HOUSING CONTINUUM AND RENTAL HOUSING FOCUS



## 1.6. LOW AND MODERATE 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 with low and moderate incomes as they face difficulties affording market rental 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.

<sup>2</sup> Regional Steering Committee on Homelessness. Sept 2014. Regional Homelessness Plan.





The RAHS focuses on the housing needs of low and low to moderate income households recognizing that the market cannot do so. As defined in *Metro 2040*, low income households are those earning 50% or less of the regional median or below \$30,000 per year. Low to moderate income households earn between 50 and 80% of RMHI or \$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.

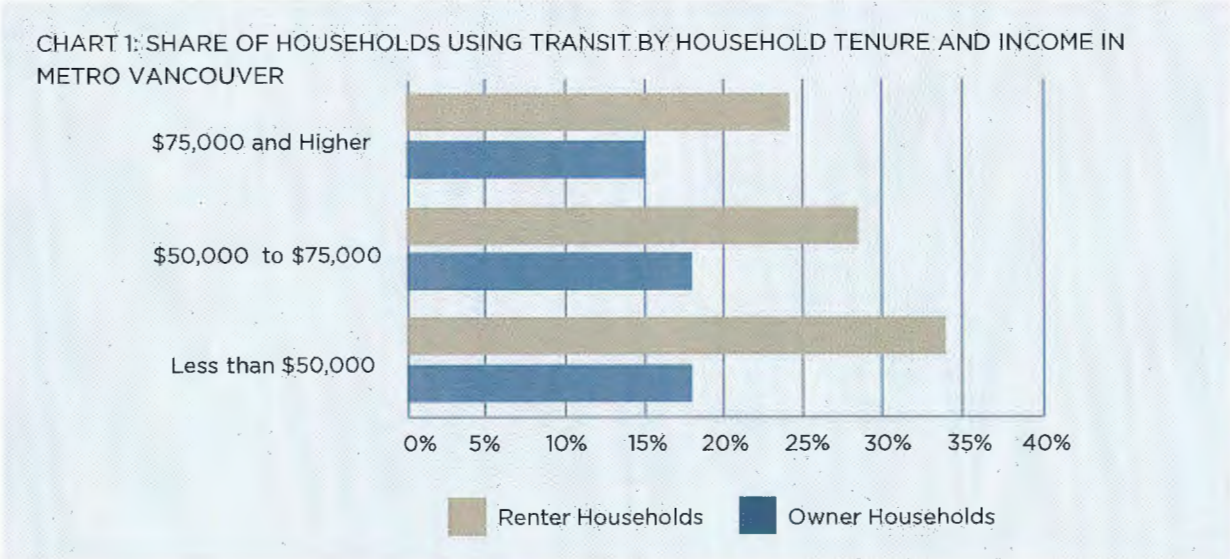
TABLE 1: HOUSEHOLD INCOME CATEGORIES METRO VANCOUVER 2011

Household Income Categories	Share of regional median household income (\$63,000)	Annual household income range	Affordable monthly housing payment
Low income households	<50% RMHI	<\$30,000/yr	Less than \$750/mo
Low to moderate 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% RMHI +	\$75,000 plus/yr	\$1,875 plus/month

Source: Income categories from *Metro 2040*. Appendix A, Table A1. Income based on 2011 National Household Survey.

### 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 proximate to transit.



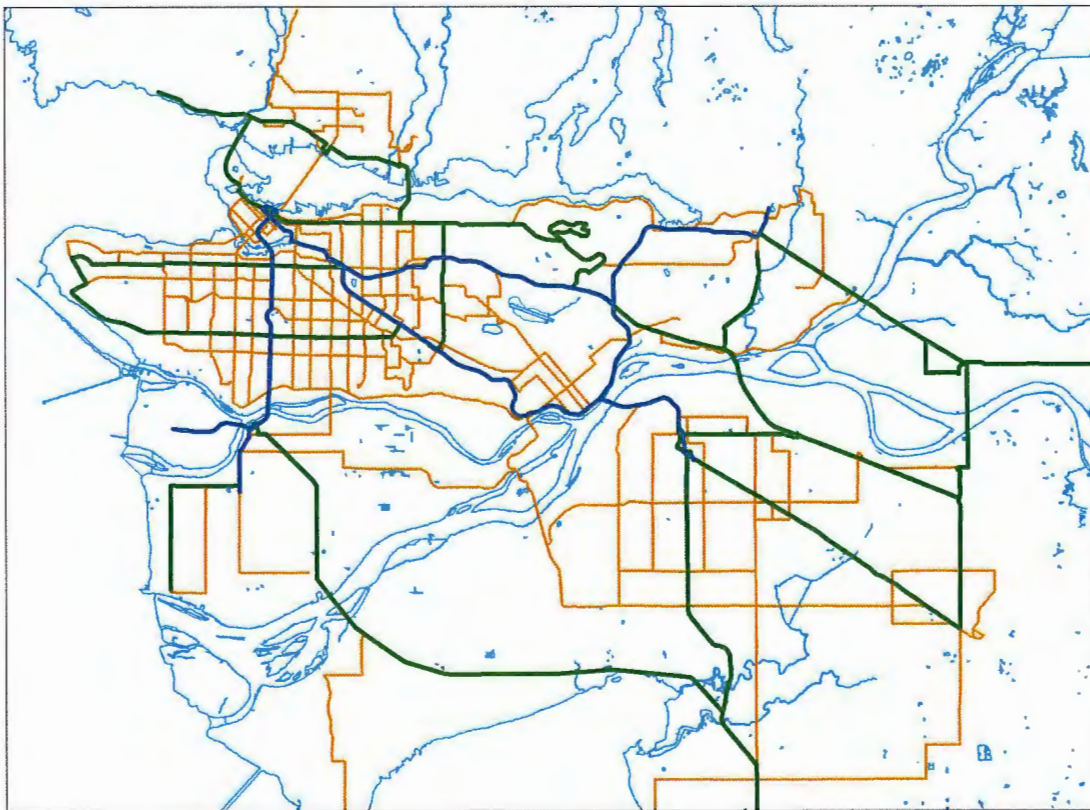
Source: NHS 2011.



The McKinsey Global Institute's analysis of affordable housing solutions points to transit-oriented development as one of the top policy approaches for making land available for affordable housing "at the right location",<sup>3</sup> for example, where access to public transit links residents to employment and services.

In Metro Vancouver, the Frequent Transit Network (FTN) describes the network of corridors with transit service every 15 minutes during day and evening 7 days a week – be it via Skytrain or bus. The FTN 2040 Concept describes the proposed FTN in 2040. Based on the above linkages, the FTN should be a key planning tool in affordable housing provision.

FIGURE 3: TRANSLINK'S FREQUENT TRANSIT NETWORK 2040 CONCEPT



Source: TransLink Regional Transportation Strategy Strategic Framework, July 2013

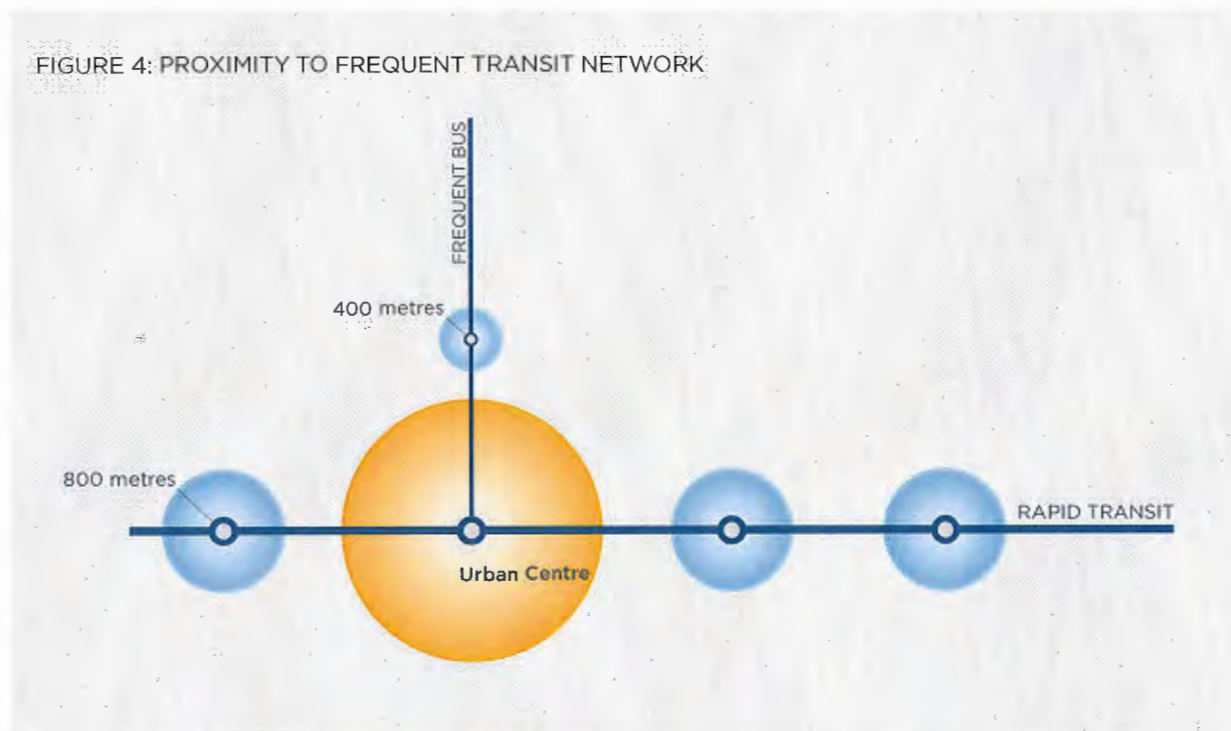
<sup>3</sup> McKinsey Global Institute. October 2014. A blue print for addressing the global affordable housing challenge.





A rule of thumb for good transit access is a location within 800 metres of a rapid transit station or 400 metres of a frequent bus stop, as illustrated in Figure 4.

FIGURE 4: PROXIMITY TO FREQUENT TRANSIT NETWORK

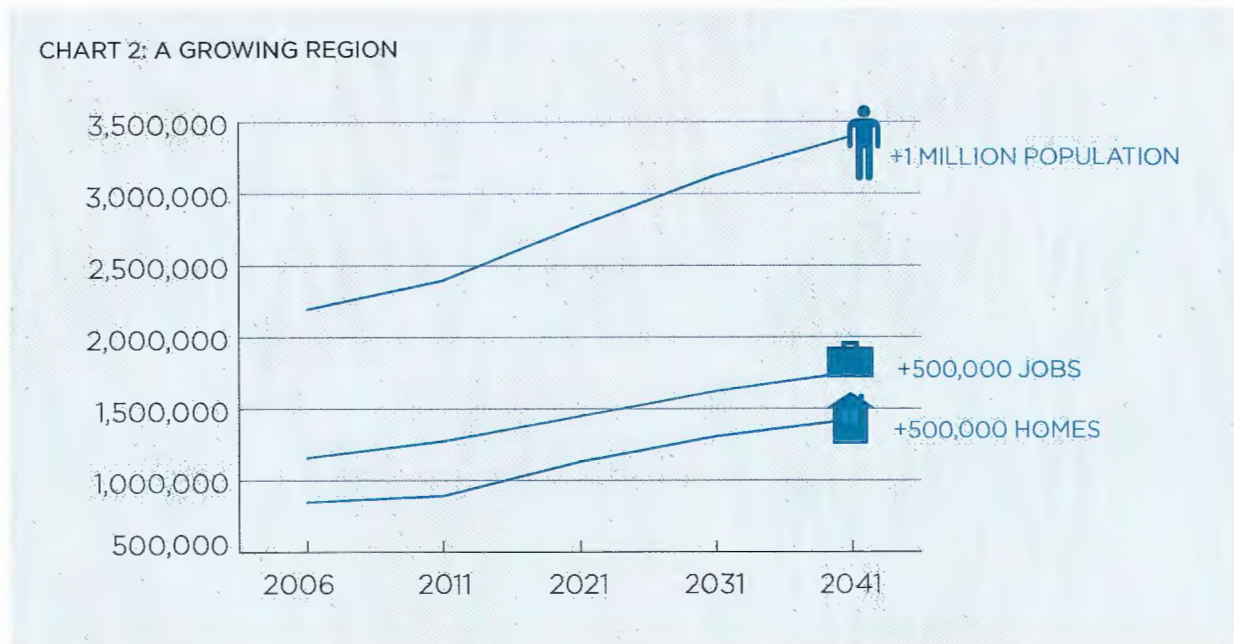




## 2. PART TWO: THE CHALLENGE

### 2.1. REGIONAL GROWTH TRENDS

Metro Vancouver is growing rapidly. The region is a destination for nearly 40,000 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 25 years.



Source: Metro 2040. Appendix A, Table A1.

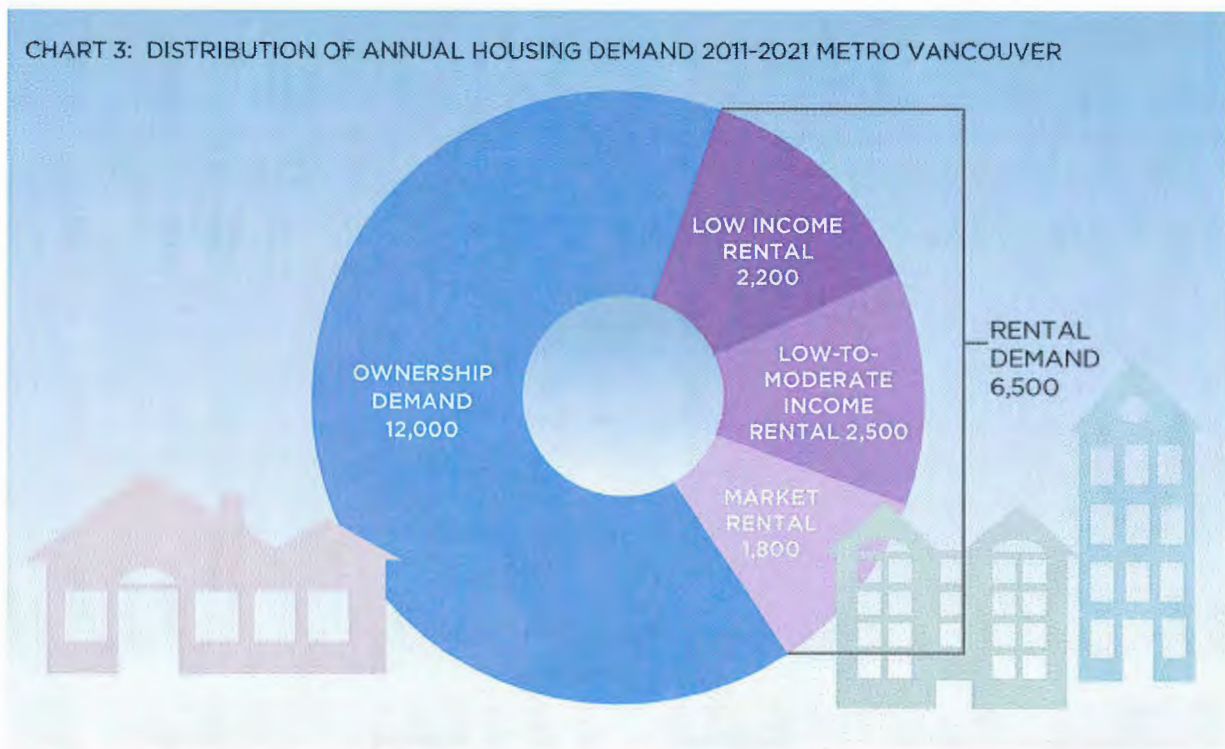




## 2.2. ESTIMATED REGIONAL HOUSING DEMAND

To meet this growth, *Metro 2040* forecasts a total housing demand of approximately 18,500 units per year over the next 10 years. It expects that despite high home prices, and based on past trends, that about two thirds or 12,000 households will continue to be able to make the necessary trade-offs to buy a home. Rental housing demand is estimated at 6,500 new units each year over 10 years. Of these rental units, two thirds is for low and low to moderate income households or 4,700 units per year. The remaining demand for 1,800 rental units per year is for moderate and higher income households who can afford to pay market rents.

*Metro 2040* also estimated housing demand for each municipality in the region over a ten year period (based on 2006 census data). These are provided in Appendix 1. These estimates are being updated based on accepted Regional Context Statements and 2011 Census, National Household Survey and other data, in consultation with municipalities.





### 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 family homes. Market rental supply is also growing thanks to changing market conditions, innovative municipal incentive programs, and an expanding supply of secondary rental units (i.e. investor owned rented condominiums, secondary suites and laneway houses). But not unexpectedly, given high construction costs and lack of government funding, there has been less progress in achieving low income and low to moderate income housing demand estimates.

In order to understand the current rental situation and to determine where future housing policy and advocacy efforts should be focused, an estimate of the gap between estimated rental housing demand and supply for different income levels has been made. It provides an order of magnitude estimation of the share of rental housing demand that has been met by newly completed supply by income level in Metro Vancouver, for 2011 to 2014.

Estimated rental demand is an average of the *Metro 2040* rental demand estimates made in 2011, and the actual increase in rental households based on the Census/National Household Survey between 2011 and 2006, on an annual basis. The supply estimate incorporates all forms of rental housing completions

reported by CMHC, including non-profit rental, purpose built rental, rented condominiums, secondary suites and other forms of secondary rental supply such as rented detached homes, duplexes and townhouses. A description of the estimation approach is provided in Appendix 2.

Table 2 shows that in the period from 2011 to 2014 new rental supply fell short of rental demand by about 1,600 units and that only about half to two thirds of the estimated rental housing demand for low and low to moderate income households, respectively, was met with new supply.<sup>4</sup> 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. These programs help low income households meet their rental housing needs providing them with additional income to afford low end market rents.

<sup>4</sup> 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; further data analysis will help to shed light on this.





TABLE 2: ESTIMATION OF RENTAL UNIT COMPLETIONS AS SHARE OF DEMAND BY INCOME 2011-2014 METRO VANCOUVER

Household Income Categories	Gap between estimated rental demand and rental completions	Rental completions as a share of estimated demand	With rent supplements	
			Net additional rent supplements 2011-2014	Share of rental demand achieved
Low income rental (<\$30,000/yr)	-3,900	46%	2,700	83%
Low-to-moderate income rental (\$30,000-\$50,000/yr)	-2,900	66%	0	35%
Market rental (\$50,000+/yr)	5,200	185%	0	185%
Total rental units	-1,600	93%		93%

Source: Demand Estimate. Average of *Metro 2040* Housing Demand Estimates Appendix A, Table A4 and Statistics Canada annual change in renter occupied dwellings between 2006 and 2011.

Supply Estimate. CMHC, Purpose built rental housing, rented condominiums, secondary suites, and rented duplexes and SFD completions. Net of apartment demolitions. New units funded by BC Housing considered low income rental.

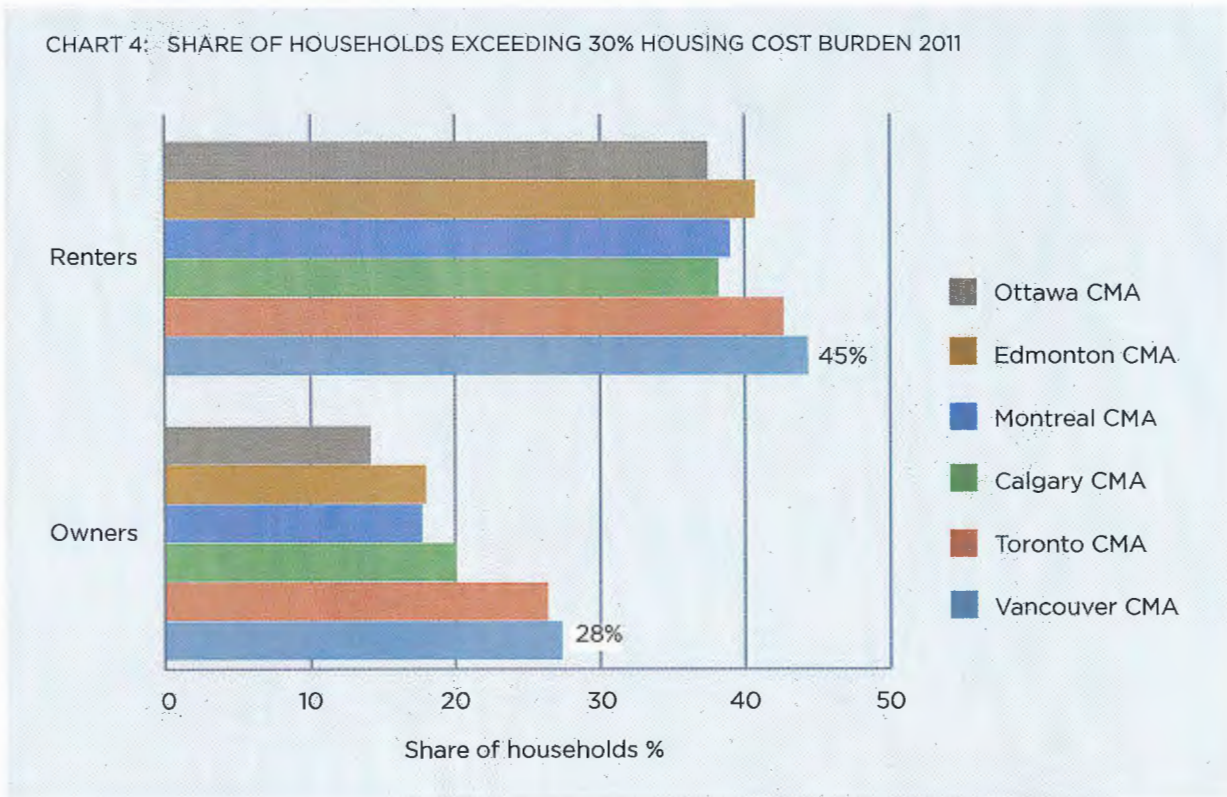
Rent Supplements. BC Housing, Research and Corporation Planning Department. Unit Count History Pivot Table. March 31 of each year. Net increase in the number of rent supplements per year in Metro Vancouver. As of March 31, 2014 15,175 households in the region received a rent supplement.

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 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 4 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, more Metro Vancouver households had a housing cost burden exceeding 30% than in any other city in Canada.



CHART 4: 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 living in this region affordably a challenge. A recent study from Metro Vancouver shows that working households (households with a 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 costs. It showed that living near frequent transit can make it easier to absorb relatively high housing costs.

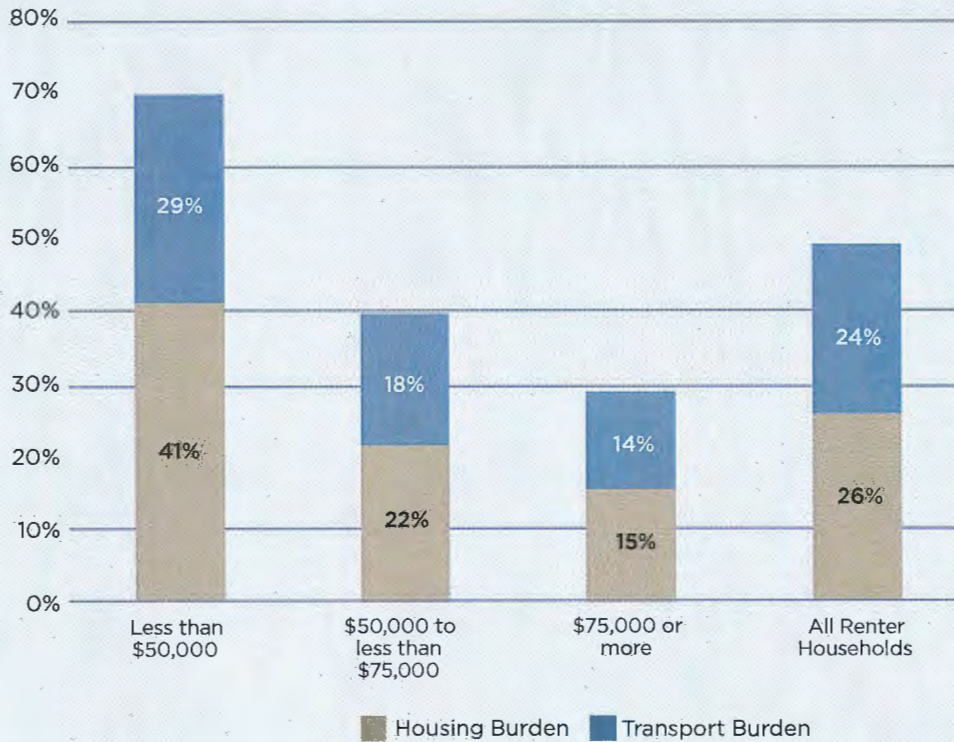
The study showed that working owner households with mortgages have an estimated housing and transport cost burden (as a percent of their gross

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. These figures are independent of taxes. Providing 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 strong regional economy. New transit investments in the region can improve overall affordability by reducing reliance on automobiles and the associated costs.





CHART 5: HOUSING AND TRANSPORTATION COST BURDEN BY INCOME FOR RENTERS



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

## 2.5. PROVINCIAL AND FEDERAL GOVERNMENT FUNDING PROGRAMS FOR AFFORDABLE HOUSING

Provincial and federal government housing and homelessness programs have traditionally had a significant bearing on the production of new housing that is affordable for low and moderate income households because it is uneconomical for the market to do so. Today, in contrast to previous periods, there is limited government funding for new affordable housing supply. This seriously impacts the likelihood that housing demand estimates for low and low to moderate income households will be achieved.

Federal tax incentives for market rental housing are no longer available, and the federal government withdrew from providing significant funding for new social housing in the early 1990s. As well, provincial and federal funding for new transitional and supportive housing for the homeless or those at risk of homelessness has been reduced after several years of significant investment. At the same time, operating subsidies for existing non-profit and cooperative housing projects are being phased out in the next few years. A small federal role remains through joint funding agreements with the province. In BC, the province has elected to focus new spending on rent supplements as the primary means of improving affordability for some low income households.





Table 3 summarizes current provincial and federal government housing programs noting major changes since the RAHS was adopted in 2007 and the potential impact on the Metro Vancouver housing market.

TABLE 3: PROVINCIAL AND FEDERAL GOVERNMENT FUNDING PROGRAMS 2015

Government Program	Potential Impact
Rental Assistance Program (RAP), Shelter Aid for Elderly Renters (SAFER) and Homeless Prevention Program (HPP)	These rent supplement programs aid affordability for low income households by increasing income and therefore access to market rental housing. They do not directly increase the supply of housing. Provincial expenditures on rent supplements are growing. The new Homeless Prevention Program (HPP) uses rent supplements with supports to prevent homelessness among certain targeted groups. Rent supplements are not necessarily permanent or long-term programs; they could be terminated at any time.
Expiry of non-profit and cooperative housing operating agreements and subsidies	Over the next 10 years the expiry of non profit and cooperative operating agreements 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.
Federal Homelessness Partnering Strategy (HPS) 2014-2019	Metro Vancouver is allocated approximately \$8.2 million per year for 2014-2019 under a Housing First funding model. The HPS Community Plan allocations direct 65% of the funds toward Housing First projects required to target chronically and episodically homeless persons and 35% toward non-Housing First projects, including a percentage toward renovations and new construction—a significant reduction in this spending component from previous years.
No provincial transitional and supportive housing supply programs are currently in operation.	The province is relying on scattered site models that use existing non-profit and private rental housing supply together with rent supplements, outreach and other supports to accommodate the homeless population. This places pressure on the existing rental housing supply.





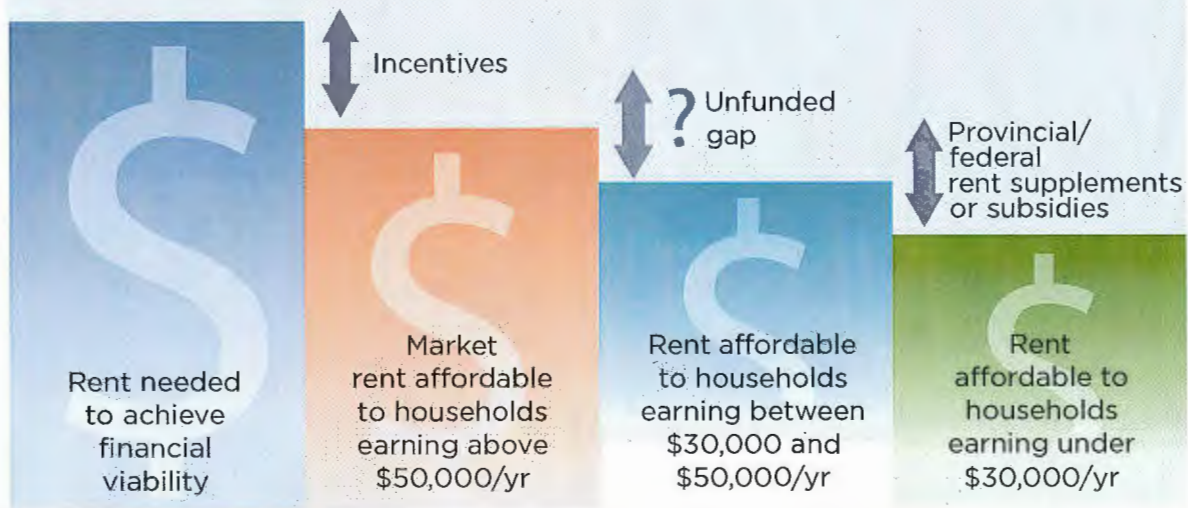
## 2.6. THE FUNDING GAP

Given market rents and land and construction costs, it is challenging to make the numbers work even for market rental housing. Rented condominiums are expensive and in many cases incentives are required to achieve financial viability for new purpose built market rental housing (for households earning over \$50,000 per year). It is even more difficult to create rental housing at rates affordable to households earning between \$30,000 to \$50,000 per year, with the exception of secondary suites, which are not suitable for everyone. Rent supplements are available to help seniors and families earning under \$30,000 per year to afford market rents, if they qualify. New rental housing for low-to-moderate income earners of \$30,000–\$50,000 per year requires further assistance in the form of subsidies or grants to achieve affordability for low to moderate-income households.

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



FIGURE 5: THE FUNDING GAP



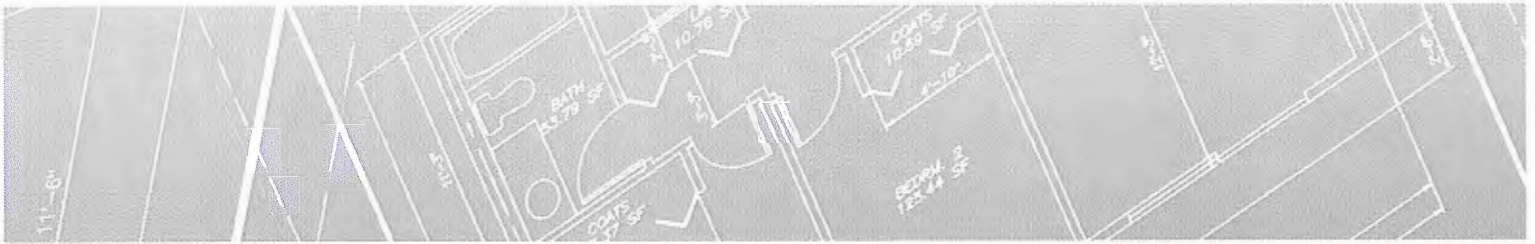


## PART THREE: THE STRATEGY

The RAHS 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 housing policy and planning, by Metro Vancouver Housing Corporation or the Homelessness Partnering Strategy Community

Entity. This is followed by recommended actions for municipalities to be implemented 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 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 4 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 4: GOALS AND STRATEGIES

Goal	Strategies
<b>1</b> GOAL 1: Expand the supply and diversity of housing to meet a variety of needs.	Strategy 1.1 Diversify the housing supply in terms of unit and lot size, number of bedrooms, built form and tenure
	Strategy 1.2 Address community opposition to new residential development
	Strategy 1.3 Plan for the special housing needs of specific sub-populations
	Strategy 1.4 Enhance understanding of the housing market to improve housing policy
<b>2</b> GOAL 2: Preserve and expand the rental housing supply	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
<b>3</b> GOAL 3: Meet housing demand estimates for low and moderate income earners	Strategy 3.1 Facilitate new rental housing supply that is affordable for low and moderate 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
<b>4</b> GOAL 4: Increase the rental housing supply along the Frequent Transit Network	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 Implement incentives to encourage rental housing near transit
<b>5</b> GOAL 5: End homelessness in the region	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 government for support to meet the housing needs of the homeless



**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, most of it home-ownership and it will continue to do so. This goal recognizes that to meet the growing and changing needs of the workforce and other residents, it is desirable that the market produce a wider variety of housing forms and tenures at a variety of price points, including for specific populations with distinct needs. As well, it recognizes 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. There are many costs associated with operating a home, whether rental or ownership. Focusing on ways to reduce or minimize these ongoing costs can influence affordability over the long term. Easing the concerns of residents about new development can also help to ensure that the market is able to supply new housing in a timely fashion. This goal also recognizes that the region is impacted by global and national trends that may produce consequences for our housing market and that a better understanding of these trends can help produce better policy and planning.



**ACTIONS:**

Metro Vancouver, through its Regional Planning role, will:

- a. Update the *Metro 2040* housing demand estimates in consultation with municipalities, including family type if possible, and monitor and report on progress towards achievement of these estimates.
- b. Undertake outreach to promote public awareness and understanding of accommodating population growth with increased density and housing diversity, and 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. Best practices in mechanisms for home ownership that is affordable for entry level home buyers, such as cooperatives, co-housing and new forms of shared ownership and the post occupancy satisfaction of residents of these projects.

**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:	Address community opposition to new residential development
Strategy 1.3:	Plan for the special housing needs of specific populations
Strategy 1.4:	Enhance understanding of the housing market to improve housing policy





**GOAL**  
**1**

- iii. 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 explore how 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 government for collection and reporting of reliable data about the sources and nature of regional housing demand. If warranted, advocate for measures to counteract adverse impacts of external demand, vacant units and/or speculation.
- f. Request that senior governments identify concrete ways that foreign investment could be directed to improve the affordability of the Metro Vancouver housing market, for example, through investment in new purpose built rental housing, or directing additional fees or taxes towards affordable housing.
- g. Offer workshops/seminars/speakers on housing topics of common concern.
- h. Work with stakeholders to develop and advance regional housing policy directions for First Nations, seniors, persons with disabilities and other populations, as warranted.
- i. Work with partners to create an accessible and adaptable housing registry to assist persons with disabilities and seniors to find appropriate housing to live independently.

**Municipalities will, through plans, policies and programs:**

- j. Monitor and report on progress towards achievement of *Metro 2040* housing demand estimates.
- k. Demonstrate how Housing Action Plan policies and initiatives are intended to work towards achieving *Metro 2040* housing demand estimates.

- l. Use 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. Encourage a diversity of housing forms in proximity to the Frequent Transit Network including medium density ground oriented options in station shoulder areas.
- n. Promote family friendly housing, as applicable, through policies for multi-family housing options with 3 or more bedrooms.

**Proposed Non-profit and Private Sector Development Partner Actions:**

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

**Proposed Health Authority Actions:**

- r. 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.

**Proposed Provincial Government Actions:**

- s. Ensure the building code does not present barriers to innovative forms of residential infill development such as coach houses or secondary suites in duplexes.



**GOAL**  
**2** PRESERVE AND EXPAND THE RENTAL HOUSING SUPPLY

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 becomes 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. However, as this is not realistic over the long term for all buildings, ensuring phased or gradual redevelopment, with suitable replacement policies, will help to ensure a supply of rental accommodation.

- 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.
- 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 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, through plans, policies and programs:**

- f. Offer incentives 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).
- g. Offer tools and incentives to preserve and sustain existing purpose built market rental housing (i.e. reduced parking, increased density for infill development, and transfer of density).
- h. Facilitate non-profit housing organizations to purchase existing rental buildings for conversion to non-profit operation.
- i. Require one for one replacement policies where existing rental supply is being redeveloped.
- j. Enact standards of maintenance bylaws to preserve the stock in good condition and prevent further erosion of existing rental stock.
- k. Support 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.



- l. Establish bedroom mix objectives for new condominiums and purpose built rental housing.
- m. Provide clear expectations and policies for increasing and retaining the purpose built market rental housing supply.
- n. Require tenant relocation plans as a condition of approving the redevelopment of existing rental housing.
- o. Ensure that developers notify tenants impacted by redevelopment of their rights under the *Residential Tenancy Act*.



**Proposed Provincial Government Actions:**

- p. Review all provincial taxes and assessment practices, including property transfer tax, to ensure they do not impede the delivery of rental housing.
- q. 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:**

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



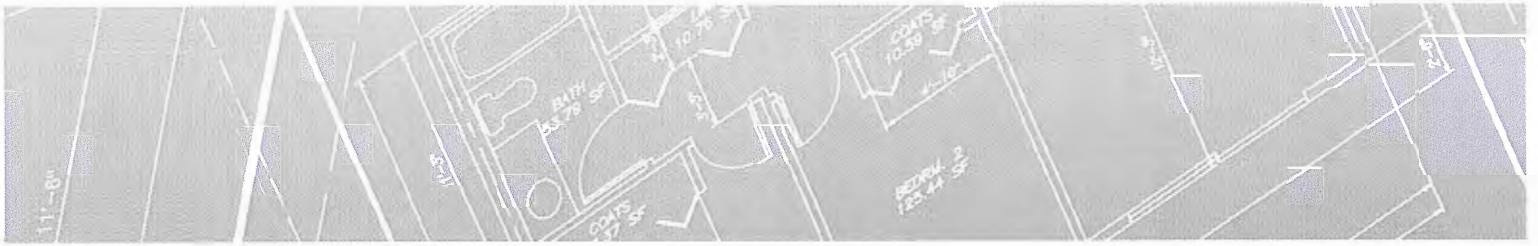
**GOAL**  
**3** MEET HOUSING DEMAND ESTIMATES FOR LOW TO MODERATE INCOME EARNERS

This goal focuses on strategies and actions to address the gap in the supply of low to moderate income housing. While market rental housing will form an important source of supply for low income households 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 increase the supply of mixed income non-profit rental and cooperative housing for low to moderate income households. It also recognizes that delivering and operating mixed income housing in today's economy and funding environment is complex, requires partnerships and significant municipal and non-profit capacity.

**STRATEGIES:**

- Strategy 3.1 Facilitate new rental housing supply that is affordable for low to moderate 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. Work with BC Non-Profit Housing Association, the Cooperative Housing Federation of BC, municipalities, the provincial government, Federation of Canadian Municipalities and others to address issues related to 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.
- c. Review GVS&DD DCC bylaw 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 is consistent with municipal practices, as much as possible.
- d. Consider making surplus sites in suitable locations owned by Metro Vancouver and affiliated bodies available to MVHC to develop additional mixed income housing.
- e. Explore member interest in sharing housing planning and policy services and potential costs and benefits of such a service.
- f. Advocate to the provincial and federal government for specific measures to address funding gaps for low to moderate 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).

## Metro Vancouver Housing Corporation Actions:

- g. Work with municipal partners to identify Metro Vancouver Housing Corporation sites for redevelopment at higher density to increase the supply of mixed income non-profit rental housing, providing that suitable municipal incentives and/or other funding is available.
- h. Explore the sale of surplus or underutilized MVHC sites with proceeds reinvested into other sites that offer greater opportunity to supply more affordable housing units.
- i. Explore with municipalities opportunities on municipal sites for expanding the supply of mixed income non-profit rental housing.
- j. Consider management of affordable rental units obtained by municipalities through inclusionary housing policies, providing the units can be managed by MVHC on a cost effective basis.
- k. 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.





**GOAL**

**3**

**Municipalities will, through plans, policies and programs:**

- l. Offer incentives 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.
- m. Clearly state expectations and policies for development of new non-profit rental and cooperative housing
- n. Ensure a portion of amenity contributions or payments in lieu are allocated for housing affordable to low and moderate income households.
- o. Allocate housing reserve fund monies to affordable housing projects based on clearly articulated and communicated policies.
- p. Work with non-profit and cooperative housing providers to address issues related to expiring operating agreements.
- q. Work with non-profit or cooperative housing providers on leased municipal land to renegotiate or renew the lease, if applicable, with suitable provisions for affordable housing; and/or facilitate redevelopment at higher density, if appropriate.



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

- r. Consider 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:**

- s. Work with residential development industry stakeholders to improve the administration of air space parcels.
- t. Expand the eligibility of provincial rent supplements to other populations, including single persons.
- u. 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.
- v. Create new capital funding options to increase the supply of non-profit and cooperative housing, particularly in transit-oriented locations.

**Proposed Federal Government Actions:**

- w. Provide rent supplements or ongoing subsidies for low-income tenants in existing cooperative and non-profit housing projects with expiring operating agreements.
- x. 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. The strategies for this goal recognize that despite higher land costs in these locations, new transit station areas, transit stops and corridors and Frequent Transit Development Areas (FTDAs) provide an opportunity to meet the rental housing needs of all household income levels, particularly as some existing rental supply in these areas is being lost to redevelopment. It is recognized that municipalities are in different positions with respect to existing and new transit infrastructure, and that different strategies will have to be employed.

**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 and facilitate negotiations among municipalities, TransLink and the Province with the objective of establishing an agreement to generate funding to achieve goals for low and moderate income housing near the Frequent Transit Network.

**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 Implement incentives to encourage new purpose built rental housing near transit



**GOAL**  
**4**



- f. Work with TransLink to establish agreements, including Project Partnership Agreements, in newly developing transit corridors and station areas anticipated to accommodate enhanced residential growth to ensure that they meet regional objectives for residential development, including rental housing for low to moderate income households.

**Municipalities will, through plans, policies and programs:**

- g. Establish transit-oriented inclusionary housing targets for purpose built rental and for housing affordable to low to moderate 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. Purchase and hold sites/air space parcels for new non-profit housing to be made available as funding becomes available, focusing on the Frequent Transit Network.
- i. Establish an agreement with TransLink and the Province with the objective of generating funding to achieve goals for low to moderate income housing near the Frequent Transit Network
- j. Consider providing incentives for new purpose built rental housing and mixed income housing located in transit-oriented locations to enable them to achieve economic viability.

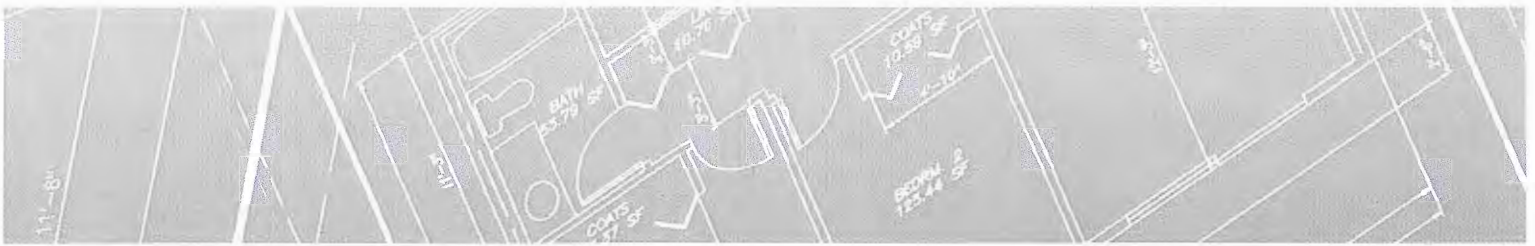
**Proposed TransLink Actions:**

- k. Establish an agreement with municipalities and the Province with the objective of generating funding to achieve goals for low and moderate income housing near the Frequent Transit Network.
- l. Incorporate in agreements with municipalities, including Project Partnership Agreements if applicable, transit-oriented inclusionary housing targets 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.
- m. Establish an inclusionary housing target for joint development on TransLink/BC Transit properties.
- n. Establish an inclusionary housing target for TransLink air space developments or as a condition of any transfer of TransLink air space development rights.
- o. Work with housing partners to examine the feasibility of innovative approaches for closing the funding gap for low to moderate income housing near the Frequent Transit Network such as transit oriented affordable housing funds, tax increment financing, aggregating municipal housing reserve funds and other opportunities.

**Proposed Provincial Government Actions:**

- p. Establish an agreement with municipalities and TransLink with the objective of generating funding to achieve goals for low and moderate income housing near the Frequent Transit Network.





**GOAL 5 END HOMELESSNESS IN THE REGION**

**5**

Metro Vancouver Regional Housing is the Community Entity for delivering and administering federal Homelessness Partnership Strategy funds in the region for 2014-2019.<sup>5</sup> While the 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, the region and local governments can and do play a role in facilitating local homeless serving facilities and services, including through housing and social policies.

**ACTIONS:**

**Metro Vancouver, through its Regional Planning role, will:**

- a. 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 as well as scattered site units with rent supplements in the private market.
- b. 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.
- c. Advocate to health authorities and the provincial government for expanded mental health services as a means of preventing and reducing homelessness.
- d. With partners, explore the need for and feasibility of homelessness prevention strategies such as rent banks.
- e. Continue to deliver the federal Homelessness Partnering Strategy (HPS) through the Metro Vancouver HPS Community Entity.

**STRATEGIES:**

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



<sup>5</sup> The Regional Steering Committee on Homelessness is a multi-stakeholder governance body that acts as the Community Advisory Board for disbursement of these funds. In the past, the RSCH also provided regional policy direction through the 2003 Regional Homelessness Plan, called Three Ways to Home. The Regional Steering Committee on Homelessness is engaged in broad discussion in consideration of its regional coordination role and resources.



GOAL  
5



**Metro Vancouver HPS Community Entity will:**

- f. Support the HPS Community Advisory Board in implementing a landlord engagement initiative to link homeless serving agencies in the community with landlords offering rental units in the private market.
- g. Conduct the tri-annual regional homeless count in partnership with Metro Vancouver municipalities and community organizations

**Municipalities will, through plans, policies and programs:**

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

**Proposed Provincial Government Actions:**

- k. Provide capital/and or operating funding for transitional and supportive housing for the homeless and those at risk of homelessness.
- l. Increase the shelter component of income assistance on a regular basis to reflect the cost of living in Metro Vancouver.

**Proposed Federal Government Actions:**

- m. Provide capital funding for transitional and supportive housing for homeless persons.

**Proposed Health Authority Actions:**

- n. Provide operating funding for transitional and supportive housing for persons who are homeless and at risk of homelessness.
- o. Develop and implement mental health services with a goal of preventing homelessness.





### 3.3 IMPLEMENTATION AND PERFORMANCE MEASURES

(To be completed)



## DEFINITIONS/GLOSSARY

### Affordable Housing

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.

### Regional Median Household Income (RMHI)

The median regional household income, for all households, in 2010, based on the National Household Survey, was \$63,000. Low and low to moderate incomes are established relative to this amount.

### Low Income Households

Low income households are those earning 50% or less of the regional median household income or below \$30,000 per year, as defined in *Metro 2040*, based on the 2011 NHS and updated from time to time.

### Low-To-Moderate Income Households

Low to moderate income households earn between 50 and 80% of RMHI or between \$30,000-50,000 per year, as defined in *Metro 2040*, based on the 2011 NHS and updated from time to time.

### Non-Profit Housing and Cooperative Housing

Social housing built under specific federal and provincial government housing supply programs from the 1960s to early 1990s with significant government subsidy. Social housing generally consists 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 still receiving ongoing funding from senior government until operating agreements expire.

### Mixed Income Housing

Developed outside of senior government social housing programs, and usually employing a non-profit or cooperative structure. The operating model is a mix of market and low and low-to-moderate income rental units, with the former subsidizing the latter. Developing new mixed income housing today typically requires “free” land (ie in redevelopment situations, an existing site), donations, grants, low cost loans, and/or municipal incentives.

### 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.

### 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.

### 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.





### **Purpose Built Market Rental Housing (PBMR)**

These are privately initiated rental buildings with 3 or more units. 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.

### **Frequent Transit Network (FTN)**

TransLink's transportation network where transit service runs every 15 minutes in both directions throughout the day and into the evening, every day of the week. It incorporates both rail and bus transit options. There is a current FTN and an FTN Concept.

### **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 a 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.

### **Regional Steering Committee on Homelessness (RSCH)**

The Regional Steering Committee on Homelessness (RSCH) is a coalition of community organizations and all levels of government with a vision to eliminate homelessness in Greater Vancouver. Their mandate is to maintain, revise and implement the Regional Homelessness Plan; recommend projects for funding under the Homelessness Partnering Strategy; and develop a regional understanding of homelessness and its solutions.

### **Regional Homelessness Plan (RHP)**

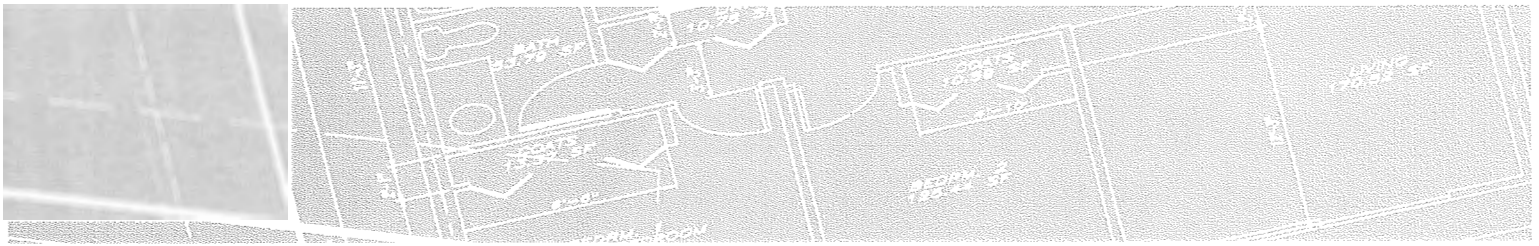
The RSCH updated the Regional Homelessness Plan in 2014. The goal of the Regional Homelessness Plan (RHP) is to end homelessness in the Metro Vancouver region. The plan focuses on three areas: housing, prevention and support, and capacity building. Progress towards the plan's goals is reviewed every three years, using indicators and targets established in the plan. It is in a draft stage, as an implementation plan has yet to be completed.

### **Homelessness Partnering Strategy (HPS) Community Entity (CE)**

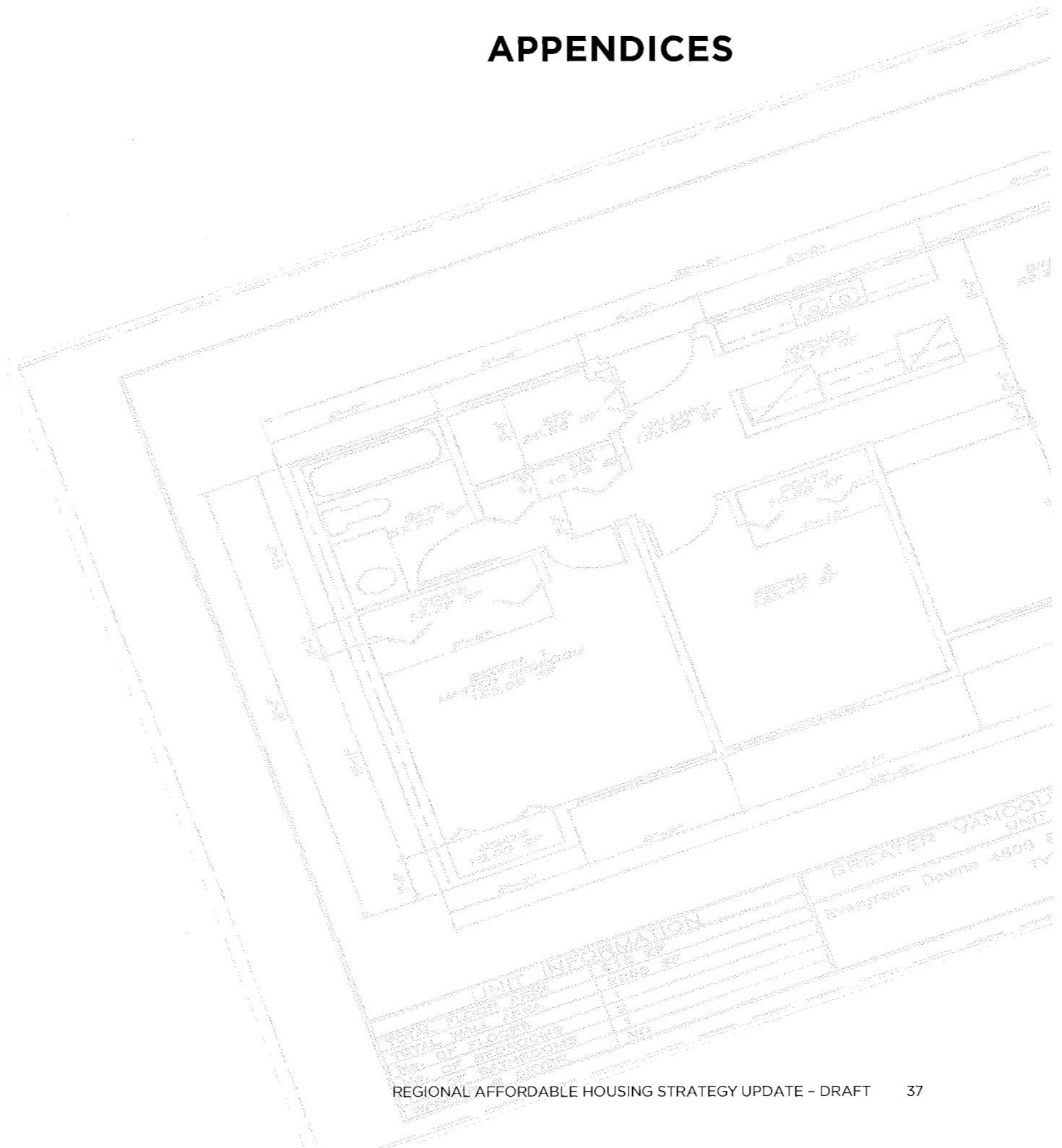
The Greater Vancouver Regional District (Metro Vancouver) is the Community Entity for the Homelessness Partnering Strategy. In partnership with the Greater Vancouver Regional Steering Committee on Homelessness (RSCH) and the Community Advisory Board (CAB), it manages the call for proposals process to allocate federal funding under the Homelessness Partnering Strategy. Investment priorities and recommended projects are determined by a Community Advisory Board comprised of government representatives and homeless service providers. In Metro Vancouver, the RSCH serves as the Community Advisory Board for HPS investments.







# APPENDICES





## APPENDIX 1

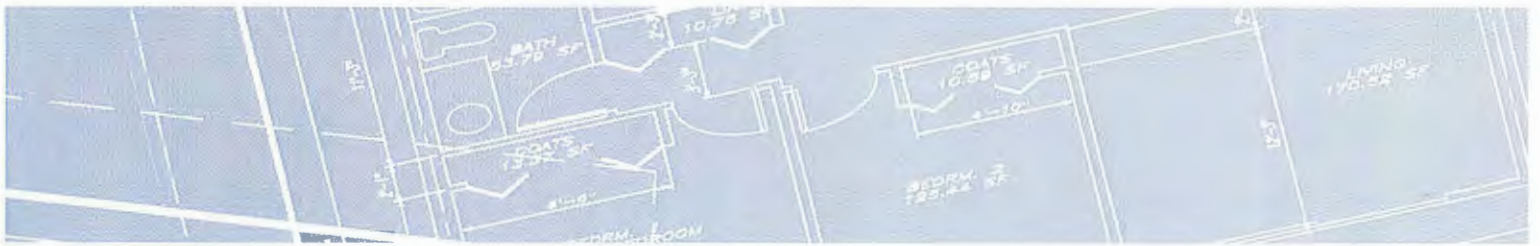
### METRO VANCOUVER 10 YEAR HOUSING DEMAND ESTIMATES BY MUNICIPALITY 2011-2021

NOTE: To be updated prior to adoption of the strategy

Municipality	Low income rental	Low to moderate income rental	Moderate and above - market rental	Total rental	Ownership	Total Demand
Burnaby	2,400	2,900	2,200	7,500	13,800	21,300
New Westminster	700	800	600	2,100	3,900	6,000
Langley City	300	300	200	800	1,500	2,300
Langley Township	1,400	1,700	1,200	4,300	7,900	12,200
Maple Ridge	800	900	600	2,300	4,300	6,600
Pitt Meadows	200	200	200	600	1,000	1,600
Coquitlam	1,700	2,000	1,500	5,200	9,600	14,800
Port Coquitlam	500	700	400	1,600	3,000	4,600
Port Moody	500	500	400	1,400	2,700	4,100
North Vancouver City	300	300	200	800	1,600	2,400
North Vancouver District	500	500	400	1,400	2,600	4,000
West Vancouver	200	200	100	500	900	1,400
Delta	400	400	300	1,100	1,900	3,000
Richmond	1,800	2,200	1,600	5,600	10,400	16,000
Tsawwassen First Nation	100	100	0	200	500	700
Surrey	5,600	6,800	4,900	17,300	32,100	49,400
White Rock	200	300	100	600	1,200	1,800
Vancouver	3,500	4,200	3,000	10,700	20,000	30,700
Electoral Area A	300	400	200	900	1,800	2,700
<b>Metro Vancouver Total</b>	<b>21,400</b>	<b>25,400</b>	<b>18,100</b>	<b>64,900</b>	<b>120,700</b>	<b>185,600</b>

Source: Metro Vancouver *Metro 2040*. Appendix A, Table A4. 2011. Based on 2006 Census data.





## APPENDIX 2

### ESTIMATION METHOD FOR RENTAL UNIT COMPLETIONS AS A SHARE OF HOUSING DEMAND 2011-2014 METRO VANCOUVER

Rental Demand = avg of *Metro 2040* annual rental demand estimates and actual increase in rental households between 2006 and 2011, on an annual basis, as reported by the 2006 Census and 2011 NHS.

TABLE 2A: RENTAL DEMAND ESTIMATES 2011-2014

Year	Total Rental Demand <i>Metro 2040</i>	NHS 2011-2006 Census Trend Estimate New Households	Average Rental Demand
2011	6,490	4,500	5,495
2012	6,490	4,500	5,495
2013	6,490	4,500	5,495
2014	6,490	4,500	5,495
Total 2011/14	25,960	18,000	21,980

Rental Supply = CMHC purpose built rental completions (including non-profit housing) less apartment demolitions, plus estimated rented condos plus rented secondary suites plus newly rented single detached/duplex/row houses These were allocated to income categories as follows.

TABLE 2B: RENTAL SUPPLY ESTIMATES 2011-2014

Household income categories	Supply estimate allocated to income categories 2011-2014	Estimated Supply 2011-2014
Low income rental (<50% RMHI) (<\$30,000/yr)	BC Housing new non-profit units created 2011-2014 (3,323)	3,300
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	100% new rented secondary suites + 50% of suburban rented condos less 100% apt demolitions (=4799+1704-788)	5,700
Market rental (>80% RMHI) (\$50,000+/yr)	New PBMR less BC Housing new non profit units created plus 50% suburban rented condos + 100% new rented sfd/ rows/duplexes and 100% Vancouver rented condos (4815 minus 3323 plus 1704+3460+4663)	11,300



APPENDIX 2 - CONTINUED

TABLE 2C: ESTIMATE OF GAP BETWEEN SUPPLY AND DEMAND BY HOUSEHOLD INCOME CATEGORY

Household Income Categories	Estimated Rental Demand	Estimated Rental Supply	Gap (Supply-Demand) Categories
Low income rental (<50% RMHI) (<\$30,000/yr)	7,200	3,300	-3,900
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	8,600	5,700	-2,900
Market rental (>80% RMHI) (\$50,000+/yr)	6,100	11,300	5,200
<b>Total rental units</b>	<b>21,900</b>	<b>20,300</b>	<b>-1,600</b>

TABLE 2D: RENTAL COMPLETIONS AS A SHARE OF ESTIMATED RENTAL DEMAND - BEFORE RENT SUPPLEMENTS

Household Income Categories	Estimated Rental Demand	Estimated Rental Supply	Completions as a share of Estimated rental demand
Low income rental (<50% RMHI) (<\$30,000/yr)	7,200	3,300	46%
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	8,600	5,700	66%
Market rental (>80% RMHI) (\$50,000+/yr)	6,100	11,300	185%
<b>Total rental units</b>			<b>93%</b>





APPENDIX 2 - CONTINUED

TABLE 2E: WITH RENT SUPPLEMENTS

Household Income Categories	Est Rental Demand	Est Rental Supply	Completions As a Share of Est. Rental Demand	Additional Rent Supplements 2011-2014	Estimated Rental Supply - After Rent Supplements	Share of Estimated Rental Demand Met - After Rent Supplements
Low income rental (<50% RMHI) (<\$30,000/yr)	7,200	3,300	46%	2,700	6,000	83%
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	8,600	5,700	66%	0	3,000	35%
Market rental (>80% RMHI) (\$50,000+/yr)	6,100	11,300	185%	0	6,100	100%
<b>Total rental units</b>	<b>21,900</b>	<b>20,300</b>	<b>93%</b>		<b>15,100</b>	<b>93%</b>

Note: Rent supplement figures provided by BC Housing. As of March 31, 2015, 15,175 Metro households received a rent supplement. Between 2011 and 2014, the provincial government increased the number of rent supplements by 2,700 in Metro Vancouver.



APPENDIX 2 - CONTINUED

TABLE 2F: SUMMARY

Household Income Categories	Before rent supplements		With rent supplements	
	Gap Between Estimated Demand And Completions	Completions As A Share Of Est. Rental demand	Additional Rent Supplements 2011-2014	Share Of Estimated Rental Demand Achieved
Low income rental (<50% RMHI) (<\$30,000/yr)	-3,900	46%	2,700	83%
Low to moderate income rental (50%-80% RMHI) (\$30,000-\$50,000/yr)	-2,900	66%	0	35%
Market rental (>80% RMHI) (\$50,000+/yr)	5,200	185%	0	185%
Total rental units	-1,600	93%		93%





**Summary of June 26, 2015 RAHS Workshop Major Concerns****Little new rental supply and impact of rent supplement programs**

Committee members expressed virtually unanimous support for an expanded provincial and/or federal role in providing tax incentives for new purpose built rental housing, continuation of subsidy for low income households in non-profit and cooperative housing with expiring operating agreements, enhanced funding for transitional and supportive housing for the homeless or those at risk of homelessness and provincial and Health Authority health and mental health care actions to prevent and address homelessness. In addition, some members expressed concern about current rent supplement programs, stating that they do not increase the supply of affordable rental or market rent housing, they could exacerbate already low vacancy rates, and potentially have inflationary effects on rental rates. The need, instead, is for additional rental supply that is affordable to low and moderate income households.

**Response:**

The number of rent supplements provided by the provincial government is growing, adding to demand, and few new purpose built rental units, affordable or market, have been built or are under development. The most recent Rental Market Report from CMHC for Spring 2015 indicates a downward trend in rental vacancy rates from 1.8% in 2014 to 1.4% in 2015 and rising rental rates in Metro Vancouver (5.5% year over year). In addition to valid concerns raised by Committee members about the impact of rent supplement programs, there is also growing concern about the loss of existing, more affordable, purpose built rental housing to demolition for condominium development, and the potential for the withdrawal of rental units for AirBnB use and other forms of temporary rentals.

- The Draft RAHS focuses on the rental housing supply and contains several actions for the provincial government in respect of additional funding for low and moderate income rental housing.

**Attention to home ownership versus rental tenure:** Some Committee members considered the strategy needs more emphasis on homeownership affordability, given that ownership housing comprises 70% of the regional housing stock. The lack of diversity of ground-oriented entry-level homeownership options is of particular concern in terms of affordability and suitability for families. This was countered by the view that given limited municipal resources, municipal actions should be focused on the parts of the housing continuum that are not working as well, the rental market, with its continued low vacancy rate.

**Response:** While the ownership market is performing well in most parts of the region, and supply is on track to meet estimated demand overall, ground-oriented ownership alternatives at prices affordable to the average homebuyer are in short supply. Exploring if regulatory or zoning barriers are present and identifying best practices would be a good first step in exploring how to facilitate this type of housing. The Regional Affordable Housing Strategy addresses this issue through Goal 1: Expand the Supply and Diversity of Housing to Meet a Variety of Needs with a number of regional and municipal actions. The draft has been enhanced in several ways:

- Additional reference to home ownership affordability concerns in Part One - the introduction and context setting part of the Strategy.



- Language incorporates a wider variety of housing forms/tenures and governance models such as cooperatives, co-housing etc.
- Changing the wording of Goal 3 from “Meet the housing demand estimates for low and moderate income “renters” to low and moderate income “earners””.

**Impact of foreign ownership, vacant homes and speculation:** A related issue and a topic of public anxiety, members were concerned that the strategy did not address this topic adequately. Goal 1 Action 1d. iv “Convene a regional working group to obtain data to better understand the drivers of housing demand in the region” was included in the March 30 2015 draft. The invited speaker Dr. David Ley noted that real estate investment is now detached from immigration, that high net wealth individuals are influencing the market and that cooling measures might be in order. Some members noted that while this may be true, the market would not address rental housing need for low and moderate income earners, *even in the absence of foreign investment*, so that local government focus on this part of the continuum makes sense. Some members suggested exploring opportunities to harness global investment trends to *benefit* Metro Vancouver, for example, to expand the rental and affordable housing supply. This approach merits further consideration.

Response:

Objective data is needed to confirm the validity of these concerns. Several actions in RAHS address this issue.

- 1e. Advocate to provincial and federal government for collection and reporting of reliable data about the sources and nature of regional housing demand. If warranted advocate for measures to counteract adverse impacts of external demand, vacant units and/or speculation.
- 1f. Request that senior governments identify how foreign investment could be directed to improve the affordability of the Metro Vancouver housing market, for example, through investment in new purpose built rental housing, or by directing additional fees and taxes towards housing affordability.

**Inclusionary housing policies near transit, and TransLink Project Partnership Agreements:** Some members expressed unease about TransLink’s plans to require and implement these agreements as proposed in the *Mayors Vision*, citing uncertainty about what will be asked of municipalities, and TransLink’s ability to implement such agreements given lack of control of airspace. In addition, Project Partnership Agreements would not necessarily be applicable in all municipalities, such as in those municipalities with an already well-developed transit infrastructure. It was recommended that the language used in this action be more general.

Response: Reference to inclusionary housing goals in Project Partnership Agreements remains, but added is a reference to other types of agreements. The *principle* of inclusionary goals for purpose built rental and mixed income rental near transit is retained as it is fundamental to the success of the strategy. It responds to the concern expressed by Dr. David Ley that transit oriented development can be a double edged sword without active policies to ensure the retention, and/or inclusion of new purpose built rental housing and/or mixed income housing affordable to low and low to moderate income households in these locations where the combined housing and transportation cost burden can be minimized.

**Enhanced role for MVHC in redevelopment and development of mixed income housing:** The draft RAHS has specific actions under Goal 3 for MVHC to embark upon a new program of site

redevelopment and potentially new development, as mortgages expire on its properties. Specifically:

- 3g. Work with municipal partners to identify Metro Vancouver Housing Corporation sites for redevelopment at higher density to increase the supply of mixed income non-profit rental housing, providing that suitable municipal incentives and/or other funding is available.
- 3h. Explore the sale of surplus or underutilized MVHC sites with proceeds reinvested into other sites that offer greater opportunity to supply more affordable housing units.
- 3j. Explore with municipalities opportunities on municipal sites for expanding the supply of mixed income non-profit rental housing.

One such project has been initiated and others are contemplated. Committee members generally supported these actions but noted that there are some missing details about how the funding will work without senior government subsidy and what will be asked of municipalities. Some members noted that there could be an opportunity for MVHC to increase the rate of development if additional revenues could be found, from an unspecified source.

Response:

Discussions have been occurring at a staff level with RPAC and RPAC's Housing Subcommittee on criteria for evaluating potential MVHC sites for redevelopment throughout the region, and what MVHC would be seeking from member municipalities in terms of incentives to facilitate such redevelopment. These include additional density, parking relaxations, fee waivers and fast track approval processes. The MVHC Board is considering a separate report on this matter Sept 11, 2015.

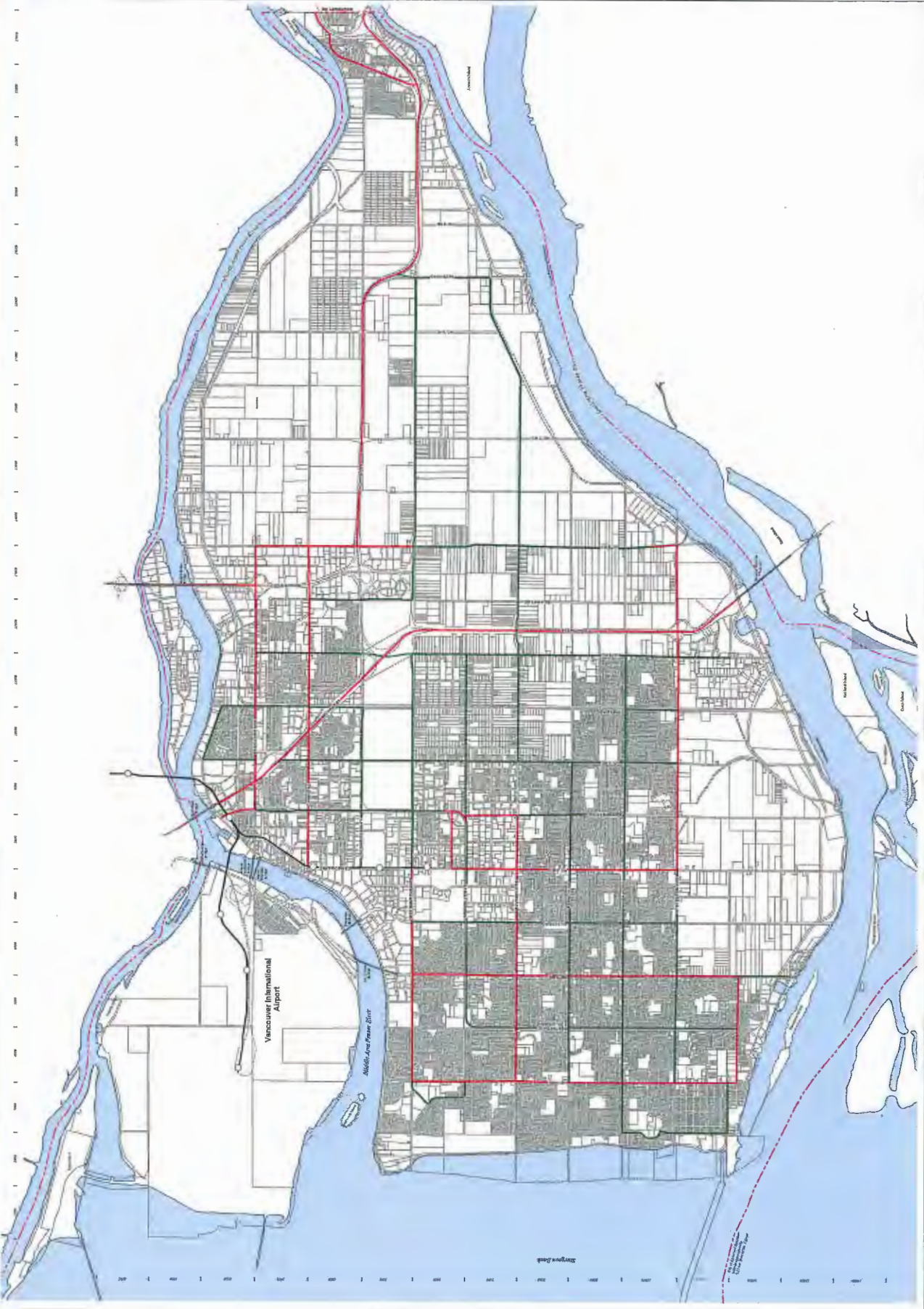
**Other changes:**

- Removed some repeated MVHC actions that fell under both Goal 2 and Goal 3, so that the actions appear only once, under Goal 3.
- Moved Goal 3 Action 3b "Offer workshops/seminars/speakers on housing topics of common concern" to Goal 1 where it applies most broadly.
- Added to Goal 2 measures advocated by FCM:
  - 2s. Institute a new direct lending program with affordable rates for purpose built rental housing as advocated by the Federation of Canadian Municipalities (FCM).
  - 2t. Offer an Eco-energy Tax Credit to encourage small apartment building owners to invest in eco-energy retrofits as advocated by FCM.
- Removed Goal 1 Action 1.s: "Create a provincial housing seniors housing policy framework to plan for and fund suitable housing for a growing seniors population." Goal 1f covers many populations, not just seniors.
- Added an action under Goal 5:
  - 5c. Advocate to health authorities and the provincial government for expanded mental health services as a means of reducing homelessness.





# Transit Network Map



- Legend**
- Canada Line
  - Route Type**
  - Frequent Transit Route
  - Local Transit Route

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