



HOUSING  
VANCOUVER

# HOUSING VANCOUVER STRATEGY





Apartment buildings facing English Bay

*"Our newly approved Housing Vancouver strategy is a bold, forward-thinking plan that was directly informed by what we heard from local residents: we need urgent action now to ramp up not just the supply of housing, but the right kind of supply. Housing Vancouver builds on measures the City is already taking that are the first of their kind in Canada—the empty homes tax, temporary modular housing for our most vulnerable residents, and regulating short-term rentals—and includes strategies that go after real estate speculation, offer more protection for renters and will transform single-family neighbourhoods across the city. This comprehensive approach will help us maintain Vancouver's diversity and vibrancy, and create more affordable housing options for young people, growing families, seniors and our most vulnerable residents."*

**- Mayor Gregor Robertson**

## EXECUTIVE SUMMARY

An affordable and varied housing stock is an important foundation for supporting a growing population and ensuring a diverse, vibrant city. In Vancouver, rising housing prices have far outpaced local incomes, creating a crisis situation across the spectrum of incomes and households. Homelessness continues to rise in the city and region, with seniors, Indigenous households, lone-parent households, and youth at disproportionate risk of homelessness. Low- and moderate-income households, including younger households and families, are also increasingly pressured to find and maintain secure housing in the city, facing the difficult choice of whether and how to stay in Vancouver long-term.

The City developed the *Housing and Homelessness Strategy (2012-2021)* to set out a 10-year plan with the goals of ending street homelessness and providing more affordable housing choices. Since 2012, Vancouver has become a global leader, adopting new policies, tools, and approaches to tackling homelessness, creating and retaining affordable housing, and addressing the symptoms of speculative investment such as empty homes.

However, Vancouver's housing crisis continues to both deepen and broaden, impacting a growing range of incomes and households and adding to the existing burden on the city's most vulnerable residents. The intensification of this crisis demands new approaches, tools, and partnerships to ensure that Vancouver continues to support a diversity of incomes, households, and communities.

In order to respond to these new challenges and opportunities, we have spent the past year convening our key stakeholders and partners, engaging in dialogue with local and global housing leaders, and talking to over 10,000 local residents. These dialogues surfaced new lessons, ideas, and approaches, which have become the foundation of *Housing Vancouver*, a new 10-year housing strategy for the City.

Vancouver's housing crisis has also spurred our partners to action, creating new opportunities, ideas, and solutions. Key partners across all sectors – senior government, non-profit, private sector and beyond – have come to the table with new commitments, resources, and capacity to address Vancouver's affordability crisis, including the promise of a new National Housing Strategy and a renewed commitment to affordable housing from the province of British Columbia.

Vancouver is located on the unceded territory of the Musqueam, Squamish and Tsleil-Waututh Nations. Vancouver is strengthened by Indigenous culture and values, lived and practiced by both on- and off-reserve Indigenous residents. The City has intensified its commitment to strengthening relationships with both on- and off-reserve Indigenous partners through its City of Reconciliation initiatives, recognizing the need for important shifts in how we work together moving forward.



## What have we learned?

- **Vancouver is not alone:** Through dialogue with global housing leaders, we have learned that cities around the world are experiencing the same threats to diversity, equity, and vibrancy that are facing Vancouver's communities because of housing affordability. Global cities are all looking for new approaches to restore balance to local housing markets, and for new resources and opportunities to invest in long-term affordable housing.
- **Speculative demand is a critical barrier to a healthy housing market:** Rising land values can be a sign of a strong economy, but we have learned that in Vancouver excessive speculation has contributed to distorted land and housing prices. This is a key barrier to creating new housing that is affordable in the near and long term.
- **Housing must serve as homes for people who intend to live, work, and contribute to the City:** We have learned that Vancouver residents feel that housing has become a commodity for investment, which is contributing to a serious and growing equity gap between generations, between owners and renters, and between our lowest and highest income residents. To remain a diverse and vibrant city, we need to create and retain housing that is truly affordable to local incomes and suits the needs of people who live and work in Vancouver – which we are calling the Right Supply. This means rental housing targeted to low and moderate incomes, and more diverse ground oriented housing forms like townhomes, row-homes, and infill.

- **There are new opportunities to align with partners across all sectors:** We have learned that partners across all sectors are coming to the table with new ideas, approaches, and opportunities to address Vancouver's housing challenges. We have also learned that our current approaches are not always aligned with those of our partners. In order to maximize the potential of our partnerships, we must ensure that our processes, policies, and tools are aligned with our shared goal of creating and securing affordable housing for Vancouver residents.

## Housing Vancouver - Key Strategies and Actions

*Housing Vancouver* is the culmination of a yearlong process of convening, synthesizing, and testing new ideas and approaches to addressing housing affordability in Vancouver. While the Key Strategies contained in this document and the appended 3-year Action Plan cover the breadth of Vancouver's housing challenges and needs, the core of the Strategy is a focus on several key objectives:

- **Shift toward the Right Supply** – The City must drive a significant shift toward rental, social, and supportive housing, as well as greater diversity of forms in our ground-oriented housing stock. Housing and affordability must reflect the diversity of those most in need of this housing.
- **Action to address speculation and support equity** – We must address the impact of speculative demand on land and housing prices. We must also address calls from the public to work with partners at all levels of government to promote measures that

advance equitable distribution of wealth gains from housing. This includes learning from other cities around the world that are experiencing increasing housing market pressures due to global flows of money, people and jobs.

- **Protect and support diversity** - We propose actions to protect and promote diversity across the city, of incomes, backgrounds, and household types.
- **Protect our existing affordable housing for the future** - We must preserve and expand the affordability of the existing stock of rental and non-market housing, while balancing the need to renew these buildings.
- **Renew our commitment to partnerships for affordable housing** - The City must commit to a new direction for affordable housing delivery, with an emphasis on supporting and aligning with partners across all sectors, particularly non-profit, co-op, and Indigenous housing partners, as well as new stakeholders.
- **Increase supports and protections for renters and people who are homeless** - Including strategies to address affordability, security of tenure, and the determinants of poverty and housing instability.
- **Align City processes with housing targets** – The City must commit to aligning policies, processes, and tools in order ensure it is best positioned to enable affordable housing for all Vancouver residents.



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## MISSION OF THE CITY OF VANCOUVER

***Housing Vancouver aligns with the mission of the City of Vancouver to create a great city of communities that cares about our people, our environment, and our opportunities to live, work, and prosper.***

# INTRODUCTION

Responding to Vancouver's current housing affordability crisis is the most significant challenge facing the City today – with Vancouver residents facing among the highest housing prices and rents and lowest median incomes among Canada's large cities.<sup>1</sup> *Housing Vancouver (2018-2027)* is the City's vision for ensuring that Vancouver can be a home for people of all incomes and backgrounds, by prioritizing affordable housing and making housing markets work for all people who live and work in the City.

The unaffordability of housing in Vancouver has impacts across the city's diverse population. High housing costs have exacerbated the existing housing challenges facing residents who are currently homeless or at risk of homelessness. People with disabilities or mental health and addictions, low-income renting seniors, single mothers, and youth, have limited housing options affordable to current income assistance levels.

Like other global cities facing deepening affordability crises, housing un-affordability in Vancouver is also increasingly affecting moderate-income households. This group comprises a broad cross-section of Vancouver's population, and includes workers, immigrants, families, artists, young people, and students. Housing affordability challenges also intersect with other vulnerabilities and areas of marginalization, including gender and sexual identity, race and ethnicity, poverty, family status, and mental and physical health.

The City developed the *Housing and Homelessness Strategy (2012-2021)* to set out a 10-year plan with the goals of ending street homelessness and providing more

affordable housing choices. Though the goals of this strategy remain paramount, the deepening of Vancouver's affordable housing crisis in the last 5 years demands a new strategy. The *Housing Vancouver Strategy* provides a renewed vision and explicit policy directions, strategies, and actions for tackling Vancouver's affordability crisis.

*Housing Vancouver* is the culmination of a yearlong process of convening, synthesizing, and testing new ideas and approaches to addressing housing affordability in Vancouver. While the Key Strategies contained in this document and the appended 3-year Action Plan cover the breadth of Vancouver's housing challenges and needs, the core of the Strategy is a focus on several key objectives:

- **Shift toward the Right Supply** – The City must drive a significant shift toward rental, social, and supportive housing, as well as greater diversity of forms in our ground-oriented housing stock. Housing and affordability must reflect the diversity of those most in need of this housing.
- **Action to address speculation and support equity** – We must address the impact of speculative demand on land and housing prices. We must also address calls from the public to work with partners at all levels of government to promote measures that advance equitable distribution of wealth gains from housing. This includes learning from other cities around the world that are experiencing increasing housing market pressures due to global flows of money, people and jobs.

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<sup>1</sup> CMHC Rental Market Survey, 2016

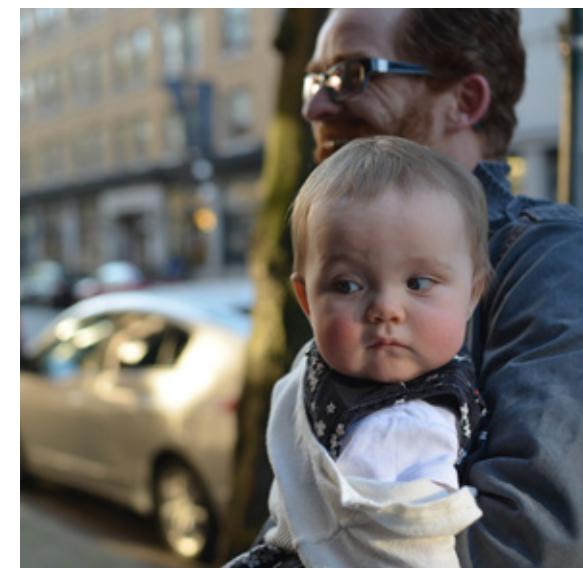
- Protect and support diversity** - We propose actions to protect and promote diversity of incomes, backgrounds, and household types across the city.
- Protect our existing affordable housing for the future** - We must retain and preserve the affordability of the existing stock of rental and non-market housing, while balancing the need to renew and expand these buildings.
- Renew our commitment to partnerships for affordable housing** – the City must make a commitment to a new direction for affordable housing delivery, with an emphasis on supporting and aligning with partners across all sectors, particularly non-profit, co-op, and Indigenous housing partners, and building partnerships with new stakeholders.
- Increase supports and protections for renters and people who are homeless** – including strategies to address affordability, security of tenure, and the determinants of poverty and housing instability.
- Align City processes with housing targets** – The City must commit to aligning policies, processes, and tools in order ensure it is best positioned to enable affordable housing for all Vancouver residents.

Achieving these objectives requires collaboration with other levels of government, partners in key sectors, and members of our local and regional communities. In particular, senior levels of government and regional partners must be engaged in creating and retaining an adequate supply of housing that is affordable to low-income and vulnerable residents, including ensuring regional coordination around housing, transportation, and growth management. In addition to actions for the City, the strategy includes actions for senior levels of government, regional municipalities, the private, non-profit, and co-op sectors, and other key community stakeholders.

*Housing Vancouver* aligns with other key City strategies including the *Greenest City Action Plan*, *Healthy City Strategy*, *Transportation 2040 Plan*, *Financing Growth Strategy*, emerging work of the Trans and Gender Variant Inclusion (TGVI) Steering Committee, and the 3 year capital plan process. As housing markets and issues extend beyond the City's boundaries, *Housing Vancouver* is also intended to work alongside regional policies, such as the *Metro Vancouver Regional Affordable Housing Strategy*, and the *Metro Vancouver Aboriginal Executive Council's Toward an Urban Aboriginal Housing and Wellness Strategy* for Metro Vancouver.

### Defining Vancouver's Affordability Challenge and Drivers of Housing Costs

While the City has made substantial progress toward the targets for new housing development in the *Housing and Homelessness Strategy (2012-2021)*, the housing crisis in Vancouver has deepened in breadth and scale. Housing costs have risen across all types of housing in the city. Between 2001 and 2017, the cost of housing rose by 365 per cent for single-detached homes and 220 per cent for condos in the eastside of Vancouver. City-wide average rents in purpose-built rental housing rose by 75 per cent over the same period.<sup>2</sup>



As illustrated in Table 1, these soaring costs are driving an increase across nearly all income levels in the number of Vancouver renters considered to be housing cost burdened, paying over 30 per cent of their incomes on rent.

**Table 1. Share of Renters Paying Over 30%\* of Their Income on Rent By Income Level**

ANNUAL INCOME (\$)	% OF RENTER HOUSEHOLDS PAYING OVER 30 PER CENT OF INCOME ON RENT (2016)	CHANGE FROM 2006
0-30,000	17.5%	-7.3%
30,000-50,000	10.8%	+3.4%
50,000-80,000	5.0%	+3.0%
80,000-100,000	0.7%	+0.5%
100,000+	0.5%	+0.4%

Source: Census 2006 and 2016

\*Renter households paying 30-99% of income on housing.

<sup>2</sup> Census 2011 and 2016, Statistics Canada and MLS Home Price Index 2001 and 2017

## Factors Driving Housing Costs - Demand, Supply, and the Role of Government

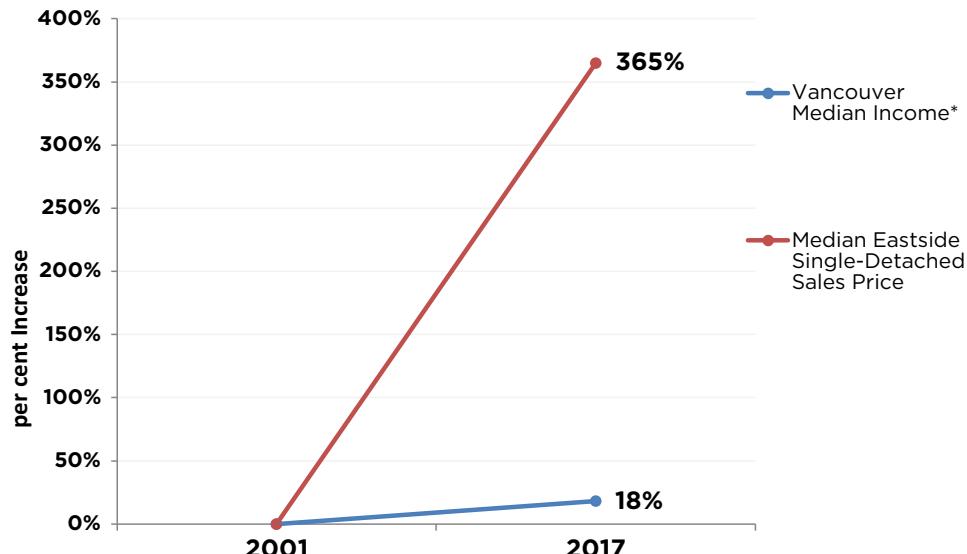
Housing costs are a function of a broad set of factors linked to the demand for and supply of housing. In Vancouver, both supply and demand factors are behind the rapid increase in housing costs in recent years.

### Demand Factors: Role of Economic Growth, Population Change, and Investor Demand

Vancouver and the Metro Vancouver region are experiencing high and increasing demand for housing. In part, rising demand is a reflection of the city and region's economic growth and desirability as a place to live. The Metro Vancouver region continues to be a key economic growth centre in western Canada, with 77,800 new jobs added in the region from 2015 to 2017.<sup>3</sup> Overall, Metro Vancouver has forecasted that population will expand by 11% from 617,200 in 2011 to 685,000 by 2021, with seniors and younger generations driving a significant proportion of population gains.<sup>4</sup>

However, demand from economic and population growth alone is insufficient to explain the rapid escalation in housing costs relative to local incomes in recent years. Several factors have been suggested as additional drivers of housing demand beyond local population and job growth, including access to low-cost financing enabling investment in Vancouver properties from local, nation-wide, and global investors. We learned from our engagement with housing experts around the world that Vancouver and other major cities around the world are experiencing significant speculative housing demand from investors, who view housing as an asset that can generate significant financial returns. This phenomenon is often referred to as the 'financialization' of global housing markets and characterizes the purchase of housing as investments rather than homes.

Figure 1. Incomes Have Not Kept Pace with Ownership Prices



Source: Census 2001 and 2016, Statistics Canada and MLS Home Price Index 2001 and 2017  
\*Note: Data adjusted for inflation

Investor demand can be part of a healthy real estate market. In cities like Vancouver, however, investor demand has contributed to housing market distortions, creating an environment where, in many respects, housing serves investors before people seeking a place to live. A weak Canadian dollar and historically low interest rates have contributed to making Vancouver residential property an attractive investment for investors both locally, nationally, and around the world.

Though limited available data makes it difficult to quantify investment capital flows into real estate, there is mounting evidence of strong investor presence in Vancouver's housing market, including the widening gap between home prices and local median incomes.

There is also evidence that an increasing number of homes in the City are being held empty as investment properties or used as short-term rentals rather than occupied as full-time homes. New data released for 2016 indicates that the number of homes that were empty or occupied by a temporary resident on Census day has increased by 15 per cent since 2011, to a total of approximately 25,500 out of a stock of over 309,000 homes.

3 Statistics Canada, *Labour force survey estimates (LFS)*, by census metropolitan area.

4 Metro Vancouver Regional Growth Strategy, 2017; Note: Vancouver's population over 65 grew 19 per cent between 2011-2016, making it the fastest-growing demographic group in the City. Significant growth is also taking place among younger households - 25-34 year olds were the City's most populous group in 2016, making up 20 per cent of the overall population. Within this group, the population of 30-34 year olds grew by 16 per cent, making it the second-fastest growing population after seniors.

## Supply Factors

Supply is also a key determinant of housing costs. Housing costs may increase in response to an insufficient housing supply or supply that is mismatched to local household needs. Constrained housing supply can also exacerbate the impact of high local and investor demand on housing costs.<sup>5</sup>

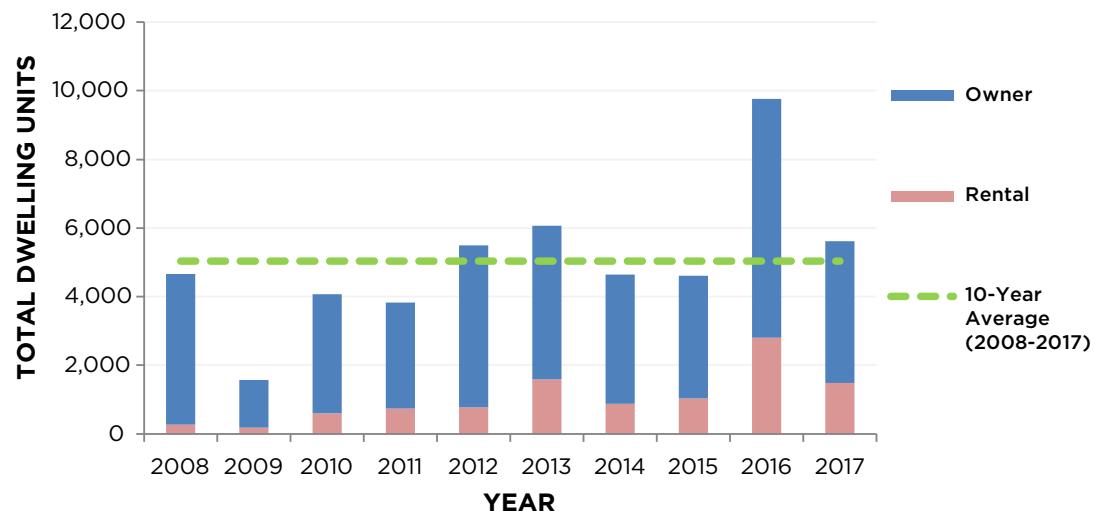
The price elasticity of housing supply in Vancouver (the rate at which housing supply responds to changes in price) may also be limited by other factors including limited new land for housing, constraints on existing land, and availability of construction crews. While the number of new housing development approvals in Vancouver has increased significantly over the last few years, we have not seen a concurrent increase in the number of housing starts, indicating potential structural issues within the construction and development industry that need to be addressed in order to see new approved supply affect the price of new homes.<sup>6</sup>

Despite these constraints Vancouver has still enabled significant new housing supply. New housing starts in the City continue to meet or exceed the number needed to meet regional population growth estimates, and have also exceeded the 10-year average in recent years.

Even with new supply being added, Vancouver has continued to experience rapid increases in housing prices across all types of housing and a high level of housing cost burden among local residents, a sign that supply alone may be insufficient to address cost pressures in the City. One key issue identified is that much of the new supply in the city and region is not appropriate to local needs and incomes – consisting of 1-bedroom condominium units rather than affordable rental homes and homes suitable for families.<sup>7</sup>

This finding signals a need for a significant shift in new housing production toward rental and social housing, as well as housing that is suitable for families with children. This shift is already underway through recent community plan policies that specifically identify opportunities for new rental and social housing, and is a key goal of the *Housing Vancouver* strategy, action plan and housing targets. Chapter 1 of this strategy details the City of Vancouver's housing supply targets for the next 10 years.

**Figure 2. Annual Housing Starts in the City of Vancouver (2007-2016)**



Source: CMHC (Starts and Completions Survey)

5 CMHC, *Analysis of Home Prices in Large Canadian Metropolitan Areas*, Forthcoming (2018)

6 City of Vancouver Development and Building Permit System and CMHC Starts and Completions Survey

7 *Housing Vancouver* Emerging Directions Report to Vancouver City Council (March 2017)

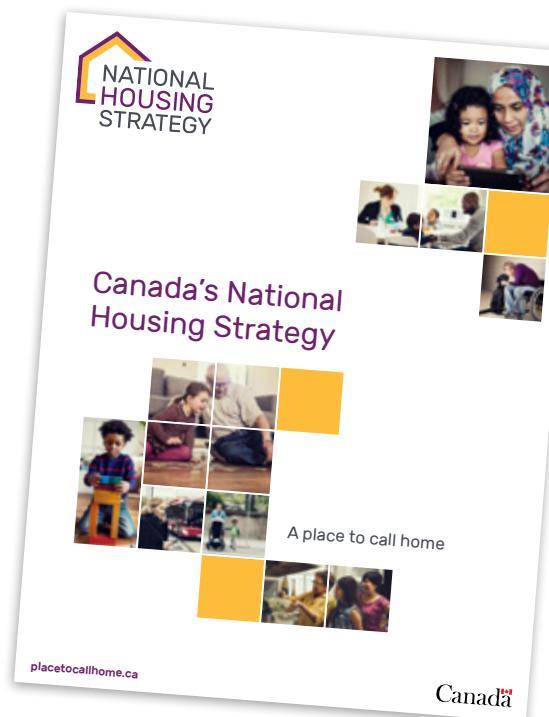
## Role of Government

Government policy at all levels is also a key determinant of housing trends over time. Governments set policy around housing in several ways – including tax incentives for individual capital gains and business investments in housing; federal insurance for mortgages; and direct assistance for affordable housing construction and renewal. Many of these tax arrangements also have the effect of encouraging home ownership over other tenure options, for instance by exempting profits from the sale of a primary residence from capital gains taxes.

Recent decades have witnessed substantial reductions in the level of direct assistance and funding provided under federal housing programs. Non-profit and co-op housing programs, along with tax incentives for purpose built rental housing construction, supported the creation of much of Vancouver's affordable housing stock from the 1960s to 1980s. However, by the early 1990s all of those programs had been canceled. The impacts of government cuts continue to this day, with limited new affordable housing to replace the rapidly-aging existing stock of social and rental housing.

This issue is particularly urgent as operating agreements that cover operating and capital expenses in social housing are set to expire for a significant proportion of BC's existing social housing residences. In the private rental sector, the removal in the early 1970s of federal tax arrangements supporting market rental housing meant a dramatic reduction in the amount of new rental housing developed in recent decades – driving today's extremely low rental housing vacancy rates.

The promise of a new National Housing Strategy as well as new commitments to affordable housing and renter protections from the provincial government, signal the potential for important support for the City's housing agenda. A new Metro Vancouver Regional Affordable Housing Strategy and Regional Homelessness Strategy will also be a foundation for regional collaboration on housing issues. In advancing this strategy, it will be important to advocate to other government partners and agencies and align the City's efforts with emerging policies and programs at the federal, provincial and regional levels.

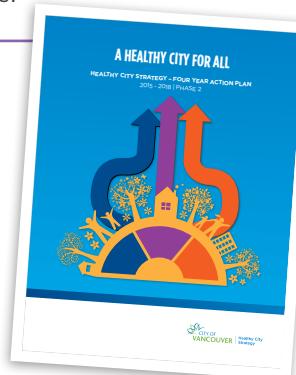


# A HOME FOR EVERYONE: HOUSING VANCOUVER AND THE HEALTHY CITY STRATEGY

Adequate housing for Vancouver residents is critical to ensuring a healthy city, as envisioned in the City of Vancouver Healthy City Strategy.

The Healthy City Strategy (2014-2025) is an equity-focused social sustainability plan that includes key actions and priorities for supporting health and well-being for all. This includes actions to address poverty in the city, foster social connectivity and inclusion, create a home for everyone, and ensure the right services and supports are in place where people need them most.

Ensuring affordable and supportive housing is available across all neighbourhoods creates mixed communities where families and individuals across the spectrum of socio-economic status can flourish, have access to green space and recreation opportunities, local schools, and cultural opportunities.



## Vancouver's Housing Crisis – What Does it Mean for Vancouver's People and Diversity?

Affordable housing with adequate, accessible services and supports is crucial to fostering a diverse, vibrant community where people of all incomes and backgrounds can thrive. Vancouver's affordability crisis poses real, immediate risk to Vancouver's diversity – with households across the income spectrum facing the prospect of leaving the city in order to access more affordable, suitable housing for themselves and their families.

**Vancouver renters today are facing extremely low vacancy and rising rents.** Vancouver's rental housing vacancy rate continues to sit below 1 per cent - which means renters have limited options when they are looking for rental housing, and face substantial competition for a small number of available homes. Rents also continue to outpace incomes, with over 46,000 renters in Vancouver across the income spectrum paying over 30 per cent of their income on rent, the CMHC measure for unaffordability of housing. Out of these households, 15,000 are paying over half their income on rent – 58 per cent of these are headed by individuals aged 20 to 45, 15 per cent are families with children, and a further 14 per cent are seniors over 65.<sup>8</sup>

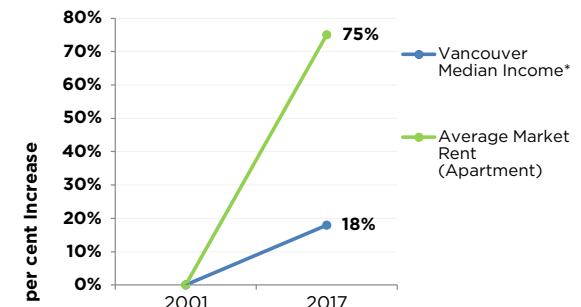
**Vancouver's most vulnerable residents are facing a crisis situation:** Housing pressures continue to bear heavily down on the City's most vulnerable residents. The 2017 Metro Vancouver Homeless Count found 2,138 sheltered and unsheltered homeless individuals in Vancouver – a 19 per cent increase over the 2014 Metro Vancouver count, with seniors, youth under the age of 25, and Indigenous residents disproportionately represented in comparison to other populations. An additional 4,000 people are living in private Single Room Occupancy Hotels (SROs), many of them in inadequate conditions. Lone-parent mothers are also more likely to have low incomes and face precarious, unstable housing than dual-parent households,

and are significantly more vulnerable to housing cost pressures.

**Vancouver's Indigenous residents have unique housing challenges and needs:** Statistics available demonstrate the ongoing inequities between Indigenous and non-Indigenous residents, with additional socio-economic inequities more prominent in Vancouver, than the region as a whole. The average household income for Indigenous households in the City of Vancouver (2010) was approximately 20 per cent lower than the Metro Vancouver Indigenous income average (\$55,500 vs. \$69,223) and 31 per cent lower than the average non-Indigenous income in Vancouver (National Household Survey, Census 2011). Indigenous residents are also less likely to own their own home than non-Indigenous residents.

The recent 2017 Metro-wide homeless count identified 3,605 homeless individuals across the region, with 34 per cent being of Indigenous background (39 per cent in Vancouver). As a City of Reconciliation, Vancouver's key priority will be to address the disproportionate effect of intergenerational cycles of poverty, often including trauma and homelessness, within urban Indigenous communities.

**Figure 3. Incomes Have Not Kept Pace with Rents**



Source: Census 2001 and 2016, Statistics Canada and CMHC Rental Market Survey

\*Note: Data adjusted for inflation

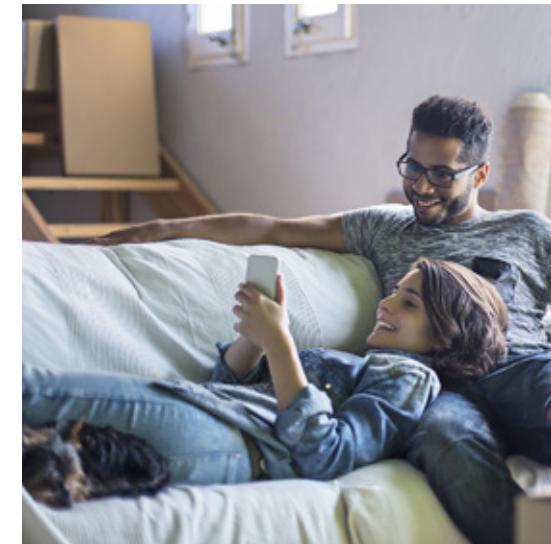
**Young households and families are increasingly unable to think of Vancouver as their long-term home:** Though Vancouver continues to be an attractive place for young people to study and start their careers, the high price of housing, the growing inaccessibility of homeownership, and the costs associated with raising a family makes it difficult for these households to stay in the city long-term. This means the loss of key mid-career workers in Vancouver's local economy, as well as the loss of families and children from local neighborhoods. In the case of lone parent families, of which about 85 per cent are female led, access to affordable housing is even more daunting. According to the 2016 Census, 35 per cent of lone parent households are considered to be low income compared to 15 per cent of families with two parents.<sup>9</sup>

## FOCUS ON YOUNG PEOPLE AND FAMILIES

In recent years, there has been a growing focus on households who earn moderate incomes - between \$30,000-\$80,000 per year in 2016 - who are increasingly underserved by private market housing in the city. Included in this group are a significant number of singles and families between the ages of 20 and 40, many of whom are students or key early- and mid-career workers in the city and region, whose long-term presence in the region is crucial to supporting regional businesses.

There is a growing body of research on the 'squeeze' facing Canada's younger generations when it comes to housing, earnings, and cost of living. According to the Vancouver-based advocacy and research group Generation Squeeze, the amount of time required for a typical young Canadian to earn enough for a 20 per cent down payment on an average home has increased from 5 years to 23 years in Metro Vancouver since the mid-1970s. Incomes for younger households in their 20s, 30s, and 40s have been outstripped by the dramatic increase in home prices – leaving Canada's current working households with less opportunity to accumulate housing wealth and benefit from a stable place to live.

Already, there are signs that young people and families are compromising to stay in the city: many younger households are



opting to live at home with parents for longer, while families and key workers are renting for longer periods, or choosing to leave the city to find more affordable options elsewhere. There are already early signs that Vancouver's families are choosing to leave. The most recent census revealed that the population of young children in the city is falling – with the population of children aged 0-4 declining by 1 per cent since 2011. This trend, if it continues, has serious implications for the city's economy and vibrancy long-term.

<sup>9</sup> 2015 Taxfiler, Statistics Canada

## What Has the City Accomplished?

Since approving the *Housing and Homelessness Strategy (2012-2021)*, the City has already taken significant action to address housing affordability, in many cases innovating with new policies and approaches that have become models for other municipalities in Canada and around the world. These actions include:

**Reversing the lack of investment in purpose-built rental housing of the past three decades**, by introducing innovative programs to incentivize purpose-built rental construction, including the STIR and Rental 100 program. This has resulted in over 7,000 new rental units since 2010, far exceeding the targets set out in the *Housing and Homelessness Strategy (2012-2021)*. As a direct result of the expansion in new rental housing in Vancouver and the region, CMHC has forecasted a rise in the Metro Vancouver region's rental vacancy rate from 0.6 per cent to 1.1 per cent as these units reach occupancy by 2019.

**Facilitating a significant increase in overall housing supply**, with 9,800 housing starts in 2016 compared to the 10-year average of 5,000 starts annually. There has also been a 70 per cent increase in building permits issued in 2016 compared to the 10-year averages of 4,600 permits annually.

**Taking steps to limit speculation and ensure housing provides homes for Vancouverites** through a new tax on empty homes, the first tax of its kind in Canada intended to bring under-utilized investment properties back into use as rental housing, limit speculative investment and ensure housing is used as homes first. The City is also creating new regulations on the use of short-term rentals to help protect renters who want to live and work in Vancouver.

**Recently approved community and station area plans** in the West End, Downtown Eastside, Marpole, Grandview-Woodland and Joyce-Collingwood that will include new housing opportunities, including market rental housing, social housing, secondary rental suites, as well as more diverse forms of ownerships housing – including duplexes, infills, and townhouses.



The BRice is the first completed building for the Community Land Trust Foundation partnership, an agreement between the governments of Canada and British Columbia, the City of Vancouver, and the co-op and non-profit housing sector to build 358 secured affordable rental and co-op housing units in Vancouver.

**Using innovative tools and partnerships** to create and retain affordable housing for the city's most vulnerable residents:

- Opportunities for 1,700 social housing units and nearly 1,300 secured market rental units have been secured through inclusionary housing policies on major project sites including Oakridge Centre, Little Mountain, Pearson Dogwood, Oakridge Transit Centre, and East Fraserlands
- From 1994-2016, 2,812 units (41 per cent) within the SRO stock in the downtown core have been converted to non-profit, permanent affordable housing for vulnerable residents

**Leveraging City-owned land** to create affordable housing

- Created the Vancouver Affordable Housing Agency (VAHA), which has offered 20 sites of City-owned land for senior government partnerships to build affordable housing. In early 2017, VAHA delivered the first 40 temporary modular units in Western Canada and is in the process of developing more than 2,500 below market units by 2021
- Established Vancouver's first Community Land Trust, in partnership with the Co-Op Housing Federation of BC, which will open its first 358 units in 2017 and 2018
- Developed a framework to guide lease negotiations for co-op housing on City land, prioritizing maintaining affordability for residents

## **Creating Pathways out of Homelessness**

- Secured provincial support for 600 units of temporary modular housing, now underway
- Partnering with the province and non-profit partners to open over 300 temporary winter shelter beds – the largest number ever
- Achieved 1,702 new units of supportive housing since 2012

**Introducing a new Tenant Relocation and Protection Policy**, which provides the strongest protections to tenants out of all BC municipalities to mitigate the impacts of displacement due to redevelopment of rental housing.

**Innovating new approaches to housing options and home ownership for families**, including an increase in the required number of family-sized units in new rental and strata projects, expanding ground-oriented housing options in single- and two-family neighbourhoods, enabling Vancouver's first co-housing project, and exploring a new Affordable Home Ownership Program.

**Expanding options for introducing new housing tenure models and forms**, including expanded options for secondary rental suites in low density areas and enabling rented laneway housing city-wide.

**Partnering with senior levels of government on key affordable housing initiatives**, including 1,414 units of social housing on 13 City-owned sites, opening winter shelters, and SRO acquisitions and upgrades. The City is also an active participant in the Federation of Canadian Municipalities' work with the federal government on actions relating to housing and cities, particularly advocacy surrounding the forthcoming National Housing Strategy.

These actions have established Vancouver as a leader in Canada and the world in efforts to address housing affordability across the spectrum of incomes and housing needs. However, more action is needed, urgently, to address the continuing housing crisis facing Vancouver's households and communities.



The Big Conversation event brought Vancouver residents together to talk about housing challenges and ideas.

## **What We Heard from Our Partners, Stakeholders, and the Community**

The ideas, objectives, and actions in *Housing Vancouver* are the result of over a year of intensive community and partner engagement and public consultation. Staff provided several updates to Council on the evolving policy and engagement process, including a report to Council on the *Housing Vancouver* emerging directions and an update to Council on engagement and quick starts. These presentations, report to Council, and summary reports on the *Housing Vancouver* public engagement process are available at [vancouver.ca/housing](http://vancouver.ca/housing). In summary, the process included:

- Engagement with five Creative Advisory groups, comprised of local experts and stakeholders, in order to determine best practices and innovative ideas around key housing issue areas

- Multiple conversations with key stakeholders over twelve months, including the Mayors' Advisory Committee, the Development Advisory Group, the SRO Task Force, and the Urban Development Institute

- The Re:Address Conference and Re:Address Week in October 2016, which brought together local and global experts on housing, affordability, and community development to discuss global issues around housing and cities. It successfully engaged both the public and partners, with over 35 speakers representing Vancouver, Calgary, Winnipeg, Toronto, San Francisco, New York, Edinburgh, Amsterdam, Glasgow, Vienna, Melbourne, Sydney, and Tamaki Makaurau (Auckland)

- Engaged national stakeholders in a series of discussions in Fall 2016 hosted by the Federal Ministry of Finance, focusing on challenges and opportunities for expanding housing supply in Canada's cities experiencing serious housing affordability issues. The City also made a comprehensive submission to the federal government on their National Housing Strategy, in early November 2016, following the Re:Address conference
- Engagement with Vancouver residents, including two on-line surveys which drew over 10,000 responses, *The Big Conversation*, a one-day workshop which saw nearly 200 Vancouver residents from diverse housing and household backgrounds come together to discuss their personal housing challenges, and their visions for the future of Vancouver housing, and embedded engagement in City planning dialogues and open houses
- Hosted government and non-profit housing leaders from Vienna, Austria in June 2017 for a week of engagement and dialogue regarding the importance of social housing and the role of government in supporting long-term housing affordability. The week of events included a workshop comparing the Austria and Vancouver approaches to housing delivery. Attendees included the Vienna delegation, City, and local academic partners from Simon Fraser University and the University of British Columbia



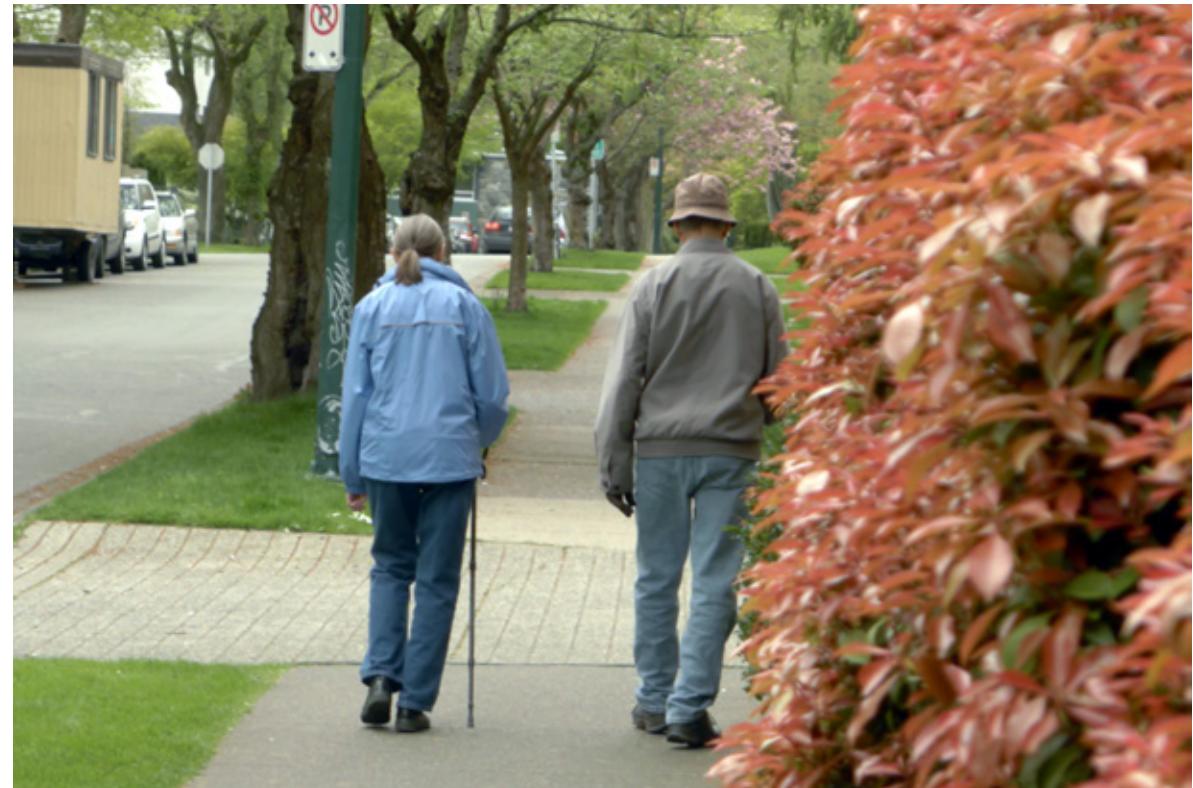
Through this engagement, we learned about the housing challenges facing Vancouver residents across the income spectrum, including renters, owners, and people living at home or in insecure or precarious housing situations. We also learned about their priorities and vision for the city's future when it comes to housing. Some key findings were:

- **Affordability is the top value for Vancouverites when it comes to housing.** Vancouver residents ranked affordability as the number one priority for housing in the city – but also put high value on diversity, security of tenure, and community connection. When we asked former Vancouver residents about the reasons why they chose to leave, we heard that affordability was a primary driver, along with desire for more living space and the desire to own a home rather than rent

- **People love living in Vancouver, and are making trade-offs to stay.** Vancouverites love living in the city, and value its diverse neighborhoods and people, amenities and features, and proximity to jobs and school. As a result, they are making real and significant trade-offs so they can afford to stay in the city – compromising on space, delaying ownership, or living at home with parents

- Renters are uncertain about whether they can afford to live in Vancouver in the near future.** When we asked Vancouver residents whether they think they'll still be living in Vancouver in the next 3-5 years, we heard that many residents are uncertain about their future in the city, in large part because of housing. They also have serious concerns about the affordability of existing rental housing, and about being evicted due to renovations or redevelopment of their existing housing
- Vancouver residents want to see the 'Right Supply' of housing in the city, and greater diversity in the type of housing choices available to them.** Vancouver residents believe the city needs more housing, but insist that this housing must be affordable to people who live and work in the city – like rental, co-op, and social housing linked to local incomes. Vancouver residents are open to considering a diverse range of housing options for their next home – including low- and mid- rise apartments, townhouses, and laneway homes
- Vancouver residents have high expectations for action for all levels of government.** Vancouver residents expect the City and partners at the provincial, regional, and federal level to address concerns about investment demand driving price growth, and to prioritize equity between generations and tenures through planning and taxation policy. Residents also called for partnership between all levels of government to invest in the current and future supply of affordable housing

Ongoing engagement with the public and key stakeholders is a core principal of *Housing Vancouver*. The City will continue to engage and seek feedback from the public on the strategies and key actions laid out in *Housing Vancouver* moving ahead.



## HOUSING VANCOUVER VALUES

**DIVERSITY:** Housing should respond to the diversity of people and households who call Vancouver home.

**SECURITY:** Housing is about 'homes first' and security of tenure, and is an important foundation a sense of belonging in the city.

**AFFORDABILITY:** All residents should have access to housing options within their means that meet their needs.

**CONNECTION:** The right mix of homes supports resilient communities, with strong connections between people, places, and communities.

**EQUITY:** Housing should promote equitable access to jobs, education, and other opportunities for economic prosperity for people of all ages, incomes, and backgrounds.



New purpose-built housing in the West End neighborhood

# CHAPTER 1: 10-YEAR HOUSING TARGETS

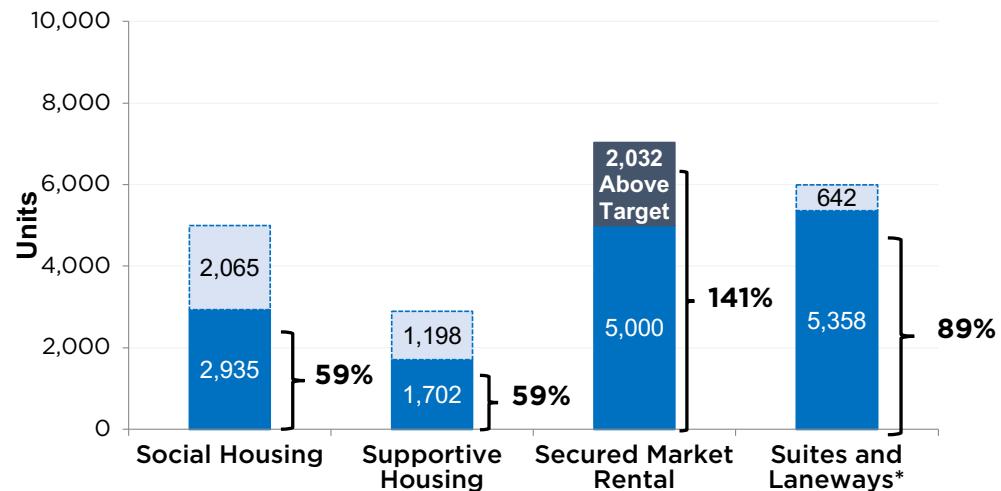
## Defining Housing Targets

Housing targets set clear objectives for the type and amount of housing that the City plans to enable over the next 10 years. Housing targets provide direction to the market and housing providers regarding the type of housing the City will be prioritizing as part of its development and planning processes in order to support a diverse population over the next 10 years. Monitoring and evaluation of progress towards each target provides a framework for ongoing policy evaluation and priority setting.

## Progress Toward Existing Targets

The previous *Housing and Homeless Strategy* (2012-2021) set targets for housing growth through 2021. At the midway point, the City has surpassed its 10-year market rental target by 41 per cent and reached 59 per cent of its social, 59 per cent of its supportive, and 76 per cent of its secondary suite and laneway housing targets (Figure 4).

**Figure 4. Progress Towards 10-Year Housing & Homelessness Strategy Targets  
(as of September 30, 2017)**



## Housing as a Foundation for a Diverse Population

Vancouver is home to a diverse population – with a broad range of backgrounds, household types, incomes, and occupations. Over 50 per cent of Vancouver households rent their homes, including families, seniors and singles at a wide range of income levels.

However, as housing prices continue to rise, Vancouver's diversity is at risk – with low- and moderate income residents, families, and other households increasingly choosing or being forced to leave the city to find more affordable or suitable housing. While significant supply is being delivered, analysis has revealed the following key gaps in the type and affordability of new housing:

- Rental housing for single-person households earning less than \$50,000 – which generally means rents below new market levels
- Rental housing for families earning less than \$80,000 – also generally means rents below new market levels
- Ground oriented homeownership options such as townhouses and coach homes.

In order to maintain a diverse, vibrant city going forward, the City needs to ensure that Vancouver's housing stock can accommodate a broad range of incomes, occupations, and households at all life stages across the city.



Street life in Vancouver's Grandview Woodland neighborhood

## DEFINING AFFORDABILITY

Affordability is a measure of a household's ability to pay for housing – it relates the price or cost of housing to household income. Housing is considered to be affordable when it comprises 30 per cent or less of a household's total income before taxes. For example, rental housing that is affordable to the median household income in Vancouver of \$65,327 in 2016 would need to rent at \$1,633. Households paying over 30 per cent of their total income on housing costs are considered to be 'housing cost burdened.'

This is particularly relevant for low- and moderate income households whose household expenses take a higher overall share of their monthly budgets, whereas higher-income households may be able to absorb higher housing costs.

In order to better understand housing cost burdens on Vancouver's households, we looked at the population broken down by income bands (Figure 5).

## Targeting the Right Supply

The *Housing Vancouver* targets were set based on several core objectives:

1. Retaining diversity of incomes in the city
2. Shifting current housing production toward rental housing in order to meet the greatest need
3. Setting ambitious targets for housing for very low-income households, which are achievable with coordinated action from the City and partners

The *Housing Vancouver* targets indicate the amount of new housing required along a continuum of housing types, in order to maintain Vancouver's income diversity. Of the 72,000 new homes projected as part of the new targets, nearly 50 per cent will serve households earning less than \$80,000 per year, and 40 per cent will be family-size units.

**Figure 5. Housing Vancouver 10-Year Housing Targets (2018-2027)**

Building Type	Renters					Renters & Owners	Owners	Total	% of Total
	<\$15k/yr.	<\$15-30k/yr.	\$30-50k/yr.	\$50-80k/yr.	\$80-150k/yr.	>\$150k/yr.			
Apartment	5,200	1,600	2,000	3,000	200			12,000	17%
Infill			2,500	12,000	5,500			20,000	28%
Townhouse				6,500	16,500	7,000		30,000	42%
				2,000	2,000			4,000	5%
				300	700			1,000	1%
				1,700	3,300			5,000	7%
Total	5,200	1,600	4,500	23,500	26,200	11,000	72,000	72,000	100%
% of Total	7%	2%	6%	33%	37%	15%			

Legend:

- Supportive and Social Housing
- Purpose-Built Rental
- Condos
- Laneways (Rental)
- Coach Houses (Strata)
- Townhouses

*The social and supportive housing target will encompass opportunities to create housing for non-profit cooperatives.*

## Low-Income and Non-Market Housing Targets

*Housing Vancouver* also includes targets for housing to meet the needs of low-income residents, with 12,000 social, supportive and non-profit co-operative housing units - of which 4,100 will have supports. The new social and supportive housing target will include homes for homeless individuals and vulnerable SRO tenants currently living in inadequate housing and requiring supports. The targets include 2,000 units of SRO replacement housing (See Chapter 6). This target will stretch the previous 10 year social and supportive housing target set in the *Housing and Homelessness Strategy (2012-2021)* by 50 per cent. The City will achieve this target through collaboration with non-profit, for profit and senior government partners.

Currently, the city's stock of non-market housing consists of approximately 23 per cent co-ops (5,780 units). Given the strong public support for more of this type of housing, the City will look to expand this number by setting a new 10-year target of 2,000 co-op units.

**Table 2. Breakdown of Low-Income and Non-Market Housing Targets by Housing Type**

HOUSING TYPE	UNITS
Social housing (Independent)	5,900
Supportive Housing	4,100
Co-operative Housing	2,000
<b>Total Low-Income and Non-Market Housing Units</b>	<b>12,000</b>

## Rental Housing Targets

Expanding the supply of rental housing is a key priority in the new *Housing Vancouver* targets. *Housing Vancouver* aims to enable 20,000 new purpose-built market rental units over the next 10 years, quadrupling the previous target under the *Housing and Homelessness Strategy (2012-2021)*. 20 per cent of these new rental units are targeted as developer-owned affordable rental with deeper levels of affordability secured for the long-term. In addition, it is anticipated that one-third of new condominiums will be used as secondary rental.

The City has also set a target of 4,000 rental laneway homes. Approximately 35 per cent of the purpose-built rental and 50 per cent of the laneway homes will be suitable for families, anticipated to create up to 9,000 new rental options for families with children.

Overall, two-thirds of new homes will be available for renters, including low-income, non-market, and below-market and market rental housing.

## Targets for Ownership and New Housing Forms

*Housing Vancouver* also sets targets for ownership housing, in the form of condos, coach houses, and townhouses, in order to provide more options for households including first-time homebuyers, families, and downsizing seniors. The target for condominium apartments is 30,000 units. To address the ownership demand for ground-oriented forms the City has included specific targets for 1,000 coach houses and 5,000 townhouses. Family ownership options will be provided by setting targets for 2 and 3 bedroom units in each of these housing types. This strategy sets a family housing target of 35 per cent of condo units, 100 per cent of coach houses and 100 per cent of townhouses. In total, these targets will result in over 16,000 ownership housing units suitable for families with children.

**Table 3. Breakdown of Rental Housing Targets by Housing Type**

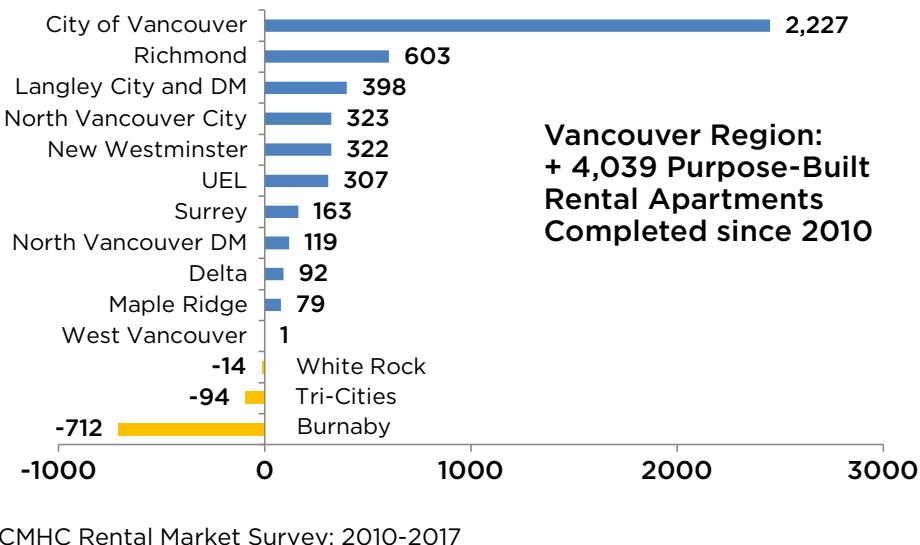
HOUSING TYPE	UNITS
Purpose-Built Market Rental	16,000
Developer-Owned Below-Market Rental	4,000
Laneways	4,000
<b>Total Rental Units*</b>	<b>24,000</b>

\*Note that portions of the ownership targets will serve as rental homes, which includes 9,900 condo units and 1,700 townhouses.

**Table 4. Breakdown of Ownership Housing Targets by Housing Type**

HOUSING TYPE	UNITS
Condos	30,000
Coach Houses	1,000
Townhouses	5,000
<b>Total Ownership Units</b>	<b>36,000</b>

**Figure 6. Change in Apartment Units in CMHC Rental Market Survey Universe (2010-2017)**



## How Will We Know if We're Successful?

The City will regularly report out on its performance towards meeting the new 10-year targets. The reporting system will be structured to track each new housing supply target by affordability level, buildings type, and tenure. The inventory of existing affordable housing stock will also be assessed and monitored to ensure that growth in new housing is balanced with renewal and retention of existing rental housing.

Progress toward the *Housing Vancouver* targets is just one of a suite of metrics that will be used as a benchmark as *Housing Vancouver* is implemented. We also need to measure the outcomes of our actions and assess their impact on the housing situation in Vancouver. Further actions related to monitoring are outlined in Chapter 10 – Implementing and Monitoring *Housing Vancouver*.

## Retaining and Renewing Existing Affordable Housing

Currently, the City leads the region in net gain of rental housing, which has been accomplished by both growing supply and preserving existing rental housing. Some local municipalities have incentivized significant new secure market rental housing in recent years, but much more can and must be done to increase the supply of rental housing in the Metro Vancouver region. Addressing the rental housing crisis across the region requires action from our regional partners and municipalities. A new regional focus and call to action for all municipalities to work together is essential.

Vancouver's existing rental stock consists of approximately 57,000 purpose built market rental units, 4,600 private market SRO units and an additional 25,800 non-market rental units, summing to nearly 90,000 existing rental homes. In this stock, older units are generally more affordable to low- and moderate-income households. In addition to new supply targets, the City will continue to implement measures that retain and renew this older rental stock to ensure no net loss, including requiring at least one-for-one replacement of rental housing in certain zones. This City will also explore opportunities to reinvest in this housing or replace existing rental units and their levels of affordability (Chapter 7).



# CHAPTER 2: ADDRESSING HOUSING DEMAND AND SPECULATION

## WHAT WE HEARD

**The issue of foreign investment and overall investment demand was a key issue of concern among Vancouver residents in *Housing Vancouver* consultation.**

***"So long as speculation plays a major role and houses sit empty, building more will only further fuel speculative buying and drive prices beyond local residents' wages."***

***"Housing is an investment today in a way that it wasn't for our parents' generation, and it means young people are getting shut out while older generations accumulate wealth. We need to radically re-think the way we tax different kinds of wealth in this country."***

## OVERVIEW

In the five years since Council approved the 2012-2022 *Housing and Homelessness Strategy*, Vancouver has experienced even more rapid housing price growth than what was predicted in 2012. By 2016, the price of a single-detached home had far outpaced local incomes, indicating that housing prices were being driven by forces much greater than simply households looking for primary homes. Investment demand – from locals, from the region and the rest of Canada, and from foreign sources – has long been a factor in Vancouver's housing market. A long period of low interest rates, combined with a weak Canadian dollar in recent years, likely fuelled high levels of investment and speculation in Vancouver's housing market in the period leading up to 2016. Despite the public interest in this area over recent years and the call for more information, there is limited data on the structure and composition of the capital driving home prices.

Recognizing that action was needed to understand and address foreign demand, in Spring-Summer 2016 the province began collecting citizenship data during the land transfer process, and introduced a new Foreign Buyers' Tax. In 2016, the City introduced Canada's first Empty Homes Tax, aimed at bringing non-occupied investment properties back into use as long-term rental housing. Vancouver has also seen record levels of housing supply added to the city, including the most substantial amount of new rental housing in decades.

However, even with the actions taken so far, housing and land prices continue to rise in Vancouver and the region, a reflection of the

depth of demand for housing in the city. While many existing homeowners have benefited through increased housing wealth, younger generations and those with lower incomes and less wealth face increasingly high barriers to entry into the housing market. Government incentives for home ownership, including capital gains tax exemptions for primary residences and programs like the Home Owner Grant, have also resulted in housing wealth receiving more favourable treatment than other forms of earned income. The culture and perception of home ownership as the pinnacle of Canada's housing system, and the reinforcement of this with recent large wealth gains among many existing homeowners, further contribute to a growing equity gap between those who own and those who do not.

Upward pressure on land prices is a significant contributor to the rising cost of housing in Vancouver. The rising cost of land has also been identified as a barrier to developing affordable rental and social housing, with excessive speculation – the purchase of property based on anticipated price growth – contributing to distorted land prices. This is a critical barrier to affordability in new housing.

Action is needed to ensure that existing and new housing is serving the needs of current and future Vancouver and area residents, and that the gains of today's homeowners are not to the detriment of future generations. While the City proposes to take significant action to address housing demand, stabilize land values, and address speculation, a broader rebalancing of Canada's housing system at the local, provincial and federal level is crucial to make lasting change.

**The Strategies and Key Actions below** outline steps for City and senior levels of government to address **demand and speculation** and ensure equity in our housing markets. These actions are also detailed in the 3-year *Housing Vancouver Action Plan*.

### Strategy 1: Ensure existing housing is serving people who currently or intend to live and work in Vancouver

With rental vacancy rates below one per cent and rising home prices across Vancouver's housing stock, new initiatives are underway to ensure that Vancouver's existing housing is prioritized as homes for locals who live, work, and study in Vancouver, or those who would like to in the future. There may also be opportunities to explore new approaches to prioritizing housing for locals in new strata in order to limit speculation and prioritize new housing for local buyers. It will also be important to monitor the anti-speculation measures taken by other global cities and regions.

#### KEY ACTIONS:

- Implement the Empty Homes Tax and consider further amendments to strengthen the tax in order to bring under-utilized housing back into use as rental
- Implement Short-Term Rental (STR) regulations to protect long-term renters while also enabling homeowners and renters to make supplemental income from their principal residence
- Pilot approaches to prioritize newly-constructed housing for people who intend use housing as homes first, particularly affordable housing created under City programs and policies

### CASE STUDY

#### Empty Homes Tax: Prioritizing housing for locals by bringing under-utilized housing back into use as rental

On July 28, 2016, the province amended the Vancouver Charter to enable Council to pass a bylaw introducing a tax on empty homes. After hearing from more than 15,000 people and consulting with many experts, the City saw both support and need for a tax on empty homes in Vancouver. On November 16, 2016, Council enacted the Vacancy Tax By-law with the first tax year commencing on January 1, 2017.

Homeowners with vacant or under-utilized residential properties are required to pay the EHT at a rate of 1 per cent of the property's assessed taxable value. The City expects the tax will motivate owners to rent out their empty or under-utilized

properties – creating more rental homes for the people who live and work in the city.

All Vancouver homeowners will be required to submit a property status declaration each year to determine if their property is subject to the tax. Failure to do so will result in the property being deemed vacant and subject to the EHT, as well as a \$250 fine. Owners who make a false declaration will be subject to fines of up to \$10,000 per day of the continuing offense.

As a result of the EHT, the City anticipates that between 1,500 and 4,200 new rental homes will be available in 2018.

## **Strategy 2: Use City regulations and tools to increase certainty in land use policy and rezoning processes, discourage speculation, and reduce upward pressure on land prices**

Increasing clarity in City planning policies and processes is a key action the City can take to discourage speculation and stabilize land values, by increasing certainty in the process of acquiring and assessing the value of land for development. Key steps include action to better align and clarify housing and land-use policies; shifting toward density bonusing; and new ideas to discourage speculation in rental zones and other priority areas for affordable housing.

### **KEY ACTIONS:**

- Provide clarity regarding affordable housing requirements through a shift from rezoning and community amenity contribution (CAC) negotiations in 100 per cent rental projects toward density bonusing in district schedules, where appropriate
- Develop a new policy to stabilize land values prior to the launch of any new planning program by determining base land values and/or quantifiable requirements for contributions to public benefits

## **Strategy 3: Work with partners at the regional, provincial, and federal level to understand key drivers of demand and take action to address speculation**

Partners in senior government are empowered with the authority and resources to address investment and speculation in major cities across Canada, and introduce greater equity and fairness in the approach to taxing housing-related income and wealth. Vancouver will work with partners in other municipalities and senior government to explore additional opportunities to ensure a more balanced and equitable real estate market.

### **KEY ACTIONS:**

- Coordinate existing intergovernmental housing discussions and new expert partnerships to identify global, national, regional, and local trends impacting housing affordability and to identify key gaps in existing housing and demographic data
- Work with partners in senior government on tax and financial regulations to limit speculative housing investment and introduce greater equity in current approaches to taxing housing-related income and wealth

## **BUILDING A GLOBAL NETWORK OF CITIES**

*Housing Vancouver* and the Housing Re:Set brought Vancouver together with a growing network of global cities working to learn, share, and address the global challenges of urban growth, affordability, and sustainability. This work has revealed the linkages between Vancouver's challenges and those of cities across Canada, North America, and the rest of the world – and underscored the importance of collaboration and learning to inform our solutions.

A key lesson from this process is that cities around the world are facing the brunt of housing challenges and yet do not have all the tools, authority or financial capacity to address them. Cities cannot solve today's housing affordability challenges alone – new tools, partnerships, and networks are critical for moving ahead. These learnings informed the City submission to the National Housing Strategy, and will continue to inform our advocacy regarding the role of cities in Canada's housing system.

The City is committed to launching a global network of like-minded cities that are struggling with the same issues, and has already begun dialogue with San Francisco, New York, Sydney, and London under the banner of the Shaping Futures initiative. Under *Housing Vancouver*, Vancouver will both broaden and deepen this dialogue, bringing in new city voices and seeking further areas of alignment and knowledge transfer between our partner cities around the world.



Purpose-built rental housing on Vancouver's west side

# CHAPTER 3: THE RIGHT SUPPLY

## OVERVIEW

Achieving the 10-year *Housing Vancouver* targets demands a shift in housing production in Vancouver toward the “Right Supply.” This means creating housing that specifically meets the needs of people who live and work in Vancouver. This involves looking at:

1. **Location:** Where housing is located impacts residents’ access to transit, jobs, key services and amenities e.g. schools, parks, childcare, stores, and its safety and suitability for different types of households
2. **Type of Building:** A building’s form – including its height, shape, density, and design – has a direct impact on who it serves, its affordability, and how it fits into existing neighborhoods. Various types of buildings are also needed to accommodate a diverse population. For example, ground-oriented units or apartments with two or more bedrooms with child-friendly amenity spaces are considered to be better suited for families, while units that have no barriers to access are needed for people with mobility challenges

3. **Incomes and Tenure:** In order to be the ‘Right Supply,’ new housing must be in line with the broad range of local incomes in Vancouver. This means creating a variety of housing across the continuum of income affordability and types, including social housing, below-market rental, market rental, and a diversity of ownership options. Housing tenure describes the conditions under which housing is held or occupied. While the most common tenures in Canada are typically ownership and rental, there are a variety of tenures that do not fall directly into either category or combine aspects of both, such as co-op housing, rent-to-own models, and co-housing

The location, building type, and tenure of housing all impact its suitability and affordability for people who live, work, and contribute to the city. In the context of Vancouver’s market, secured rental housing – particularly below-market rental and social housing - and more diverse ground oriented housing are cornerstone examples of the ‘Right Supply.’

The need to shift toward the ‘Right Supply’ is also a response to Vancouver’s changing population and housing preferences and needs. The most recent census data demonstrates that low density areas in the western and southern areas of the city have experienced a population decline, both overall and in the number of children, while higher-density areas along transit corridors have experienced high rates of population growth. This trend likely reflects the un-affordability of housing in low density areas, the growth in availability of apartment housing near transit hubs enabled through community planning, as well as a possible shift in household preferences toward locations that are more

accessible to jobs and amenities. The new 10-year housing targets will introduce substantial new rental and social housing in areas near transit, as well as opportunities for new ground-oriented housing forms in low density areas.

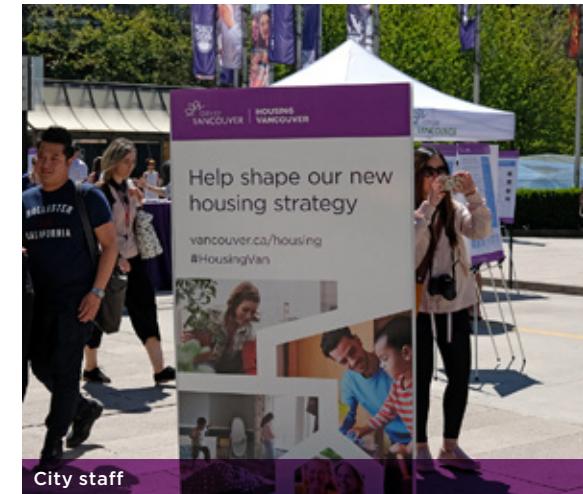
### Beyond Housing Costs – Transit, Childcare, and Other Key Household Cost

Housing costs typically represent the largest share of a household's monthly budget – but they are not the only major costs facing Vancouver residents. Transportation, childcare, food, and debt expenses like student loans are other major costs that residents must balance. The City's Healthy City Strategy includes goals to address all of these areas as part of its social sustainability objectives for all residents.

Fees paid for childcare services outside of the home are often the second largest share of a household budget for families with young children. Research indicates that the majority of Vancouver families who are able to access licensed group childcare are paying more than 10 per cent of their household income on childcare. Lone-parent households, often headed by single mothers, face an even higher cost burden for childcare.

Many studies have also begun to consider the combined impact of transportation and housing costs when discussing the overall affordability of housing in urban areas. A recent study by Metro Vancouver found that working renter households in the Metro Vancouver region have an estimated housing and transportation cost burden (combined housing and transportation costs as a share of monthly pre-tax income) of 49 per cent, compared to 40 per cent for owners. The combined transportation and housing cost burden was highest among renters earning less than \$50,000 per year, nearing 70 per cent of monthly income.

In this context, a household's access to transit is key to managing their combined transportation and housing costs. The Metro Vancouver study found that renters are more likely than owners to take transit to work, and further found that renters living near transit (within 800 meters of rapid transit or 400 meters of a bus stop) are better able to absorb housing costs than renters living farther away from transit. One of the five goals of the 2016 *Metro Vancouver Regional Affordable Housing Strategy* is increasing the rental housing supply along the regional Frequent Transit Network. *Housing Vancouver* shares this goal, and will emphasize expanding the stock of market and below-market affordable rental housing on and adjacent to major transit corridors.



City staff

## WHAT WE HEARD

These trends are reflected in feedback received from Vancouver residents through *Housing Vancouver* public consultation. Residents called for a plan for neighborhoods across the city that prioritizes equity, access, and affordability for future generations, and also shared concerns about preserving the city's history and character.

- “*Providing more rental housing and preserving existing rental seems to be the most important aspects of the Housing Strategy.*”
- “*The City should zone all major arterials to allow 2 and 3 storey apartment buildings and freehold townhouses on all other arterials, and look at ways to bring more rental and density near neighborhood centres.*”
- “*Facilitate the ability to live car-free through access to good public transit.*”
- “*Need more housing options in the ‘Missing Middle’ between single-family homes and one/two bedroom condos, like townhouses and duplexes.*”
- “*Promote more co-ops as means of building community and putting agency in the hands of renters and not developers.*”
- “*My current condo is wonderful but doesn’t have an elevator, so longer term we see problems finding a home when we can’t handle four flights of stairs.*”
- “*Housing for people with disabilities is very limited, and people with disabilities will end up living with their parents forever or having to move far away.*”

**The key strategies below** outline the steps the City will take in the next 10 years to enable the **Right Supply**, across the dimensions of location, type, form, and tenure.

### Strategy 1: Prioritize market and below-market rental and social housing near transit hubs and around arterials

Increasing the supply of market and below-market rental and social housing along key transit corridors will improve access to jobs, school, and community amenities for renters earning low and moderate incomes. Sites at and near current and future transit hubs and amenity-rich areas will be prioritized for new secured rental and social housing, including housing developed under new programs that secure affordability in new market rental.

#### KEY ACTIONS:

- Identify areas around current and future transit hubs and corridors as areas for growth and new rental and social housing
- Introduce new programs that deliver permanently secured affordable rental housing targeted to households with annual incomes between \$30,000 and \$80,000
- Review existing housing programs to identify opportunities for deeper affordability and encourage the Right Supply, including a review of the Rental 100 and the Interim Rezoning Policy
- Identify opportunities in existing and future community planning processes to plan for affordable housing in amenity-rich areas, while preserving and reinvesting in existing rental housing



### CASE STUDY

#### The West End Plan: Planning for Rental and Social Housing and Protecting Existing Housing in a Diverse and Amenity-Rich Community

The West End is a vibrant, diverse, walkable and densely populated community surrounded by world-class parks and beaches, as well as Vancouver's downtown and Central Business District. The West End Plan provides a clear but flexible framework to guide positive change, development and public benefits in the community over 30 years. This includes areas such as land use and built form, housing, transportation, public spaces, heritage, arts and culture, local economy, community facilities and amenities, and environmental sustainability.

The West End planning process began in April 2012 and took place over 19 months. It involved broad public engagement, including 110 public events and meetings, and more than 7,500 participants. The plan was adopted by Council on November 20, 2013.

A significant goal of the plan is to increase the availability of affordable housing for a diversity of residents, while maintaining neighbourhood character and existing rental housing. The plan addresses this in two key ways.

First, the plan focuses growth in select areas ("Corridors"), which are primarily on the edges of the community. In most of these areas, density bonusing or rezoning policy

requires the provision of on-site social or rental housing to achieve additional density (requirements vary depending on the area). This approach could be adapted to other Vancouver neighbourhoods, either in a tower or mid-rise form, depending on the local context. The inclusionary housing requirements could also be tailored to meet different needs.

Second, the innovative "Laneways 2.0" strategy was developed as part of the plan. This allows a new form of infill rental housing (three to six storeys), that are particularly suitable for families. The existing rental building is retained and the infill is developed on underutilized portions of the site, such as surface parking, with improved landscaping along the lane frontage. This strategy could be adapted to other areas as a way to incrementally densify and diversify the rental housing stock while maintaining neighbourhood character and existing rental housing.

Overall the West End Plan has a target of achieving 1,600 social housing units and 1,900 secured market rental units over 30 years. To date, 158 social housing units and 640 secured market rental units have already been approved.

## Strategy 2: Advance transformation of low-density neighborhoods to increase supply, affordability, and variety of housing options

The current cost of housing in low-density neighbourhoods is unsustainable and unaffordable to the majority of residents seeking to own or rent a home. The City seeks to continue to transform low density neighbourhoods by intensifying housing choices around transit and neighbourhood centres and by creating opportunities to build new types of housing, beyond the current limit of 3 units per lot in RS zoned neighbourhoods. Current and future planning regulations will be revised to reflect this transformation of low-density neighbourhoods to create more affordability. A greater diversity of housing forms will be considered, including ground oriented forms like coach homes and townhouses up to low-rise apartments, and higher forms in strategic locations (e.g. transit).

### KEY ACTIONS

- Transform low-density areas near transit corridors and neighborhood centres by intensifying housing choices and creating variety through new policies and community planning programs (eg. Oakridge Municipal Town Centre, Station Areas)
- Enable new opportunities to evolve low-density areas through creative ground-oriented, infill, and low-rise options
- Expand availability of legal secondary and lock-off suites and laneway houses across Vancouver neighborhoods through existing and future planning processes



Row houses in midtown Vancouver

## CASE STUDY

### The Right Supply: Planning for More Diverse Ground-Oriented Forms

In recent years, a selection of Vancouver's low density neighbourhoods have become home to a greater diversity of low-rise, ground-oriented housing types. Introduced through comprehensive community plans, these new types of housing – including townhouses, rowhouses, and smaller homes on small lots – provide new options for families, downsizing seniors, and other households seeking the kind of housing that sits in the 'missing middle' between single-family homes and higher-density forms. These new forms also provide opportunities for secondary rental housing – such as secondary suites, lock-off units and rented laneway houses – while integrating into the character of existing neighborhoods.

removing barriers for infill development on standard lots.

### MARPOLE COMMUNITY PLAN

The Marpole Community Plan, approved by Council in 2014, includes directions that encourage a wider variety of housing options for families with children, such as townhouses and rowhouses, through new zones (RM-8 and RM-9) that enable these forms in areas that were previously zoned for single-family homes. Since the plan was approved in 2014, 269 new townhomes and rowhomes have been approved or are in the process of being approved in Marpole.

### NORQUAY COMMUNITY PLAN

The Norquay Community Plan, approved by Council in 2010, aims to create opportunities for new housing options in existing low density areas. The cornerstones of the plan are new zoning districts – RT-11, RM-7, and RM9-A, - to enable duplex, infill, and multiple small houses; traditional townhomes; stacked townhomes; and low-rise apartments. Since the three new zones were approved in 2013 and 2016, there have been 172 development permit applications, with over half for new two-family and multifamily developments as of February 2017.

### GRANDVIEW-WOODLAND AND MOUNT PLEASANT COMMUNITY PLANS

The Grandview-Woodland and Mount Pleasant Plans are both introducing new ground oriented housing forms in existing two-family zones (RT-5, RT-5A, RT-5N and RT-5AN, and RT-6), through the introduction of laneway houses and a new detached option to standard duplex. These opportunities are offered in part as incentives for character house retention, by increasing floor area and

### **Strategy 3: Adopt city-wide planning approaches and ensure current and future plans and initiatives are aligned with *Housing Vancouver* objectives**

Accomplishing the objectives of *Housing Vancouver*, including the new 10-year targets, will require alignment across current and upcoming programs, policies, and initiatives. All City departments must be aligned to ensure the effective, efficient, and affordable delivery of housing, with priority on rental and social housing serving low- and moderate incomes.

#### **KEY ACTIONS:**

- Complete City Core 2050 to convene a broad public dialogue on the future of the city core and bring inter-related planning programs together into a new long-range city plan
- Update the Metro Vancouver Regional Context Statement to weave together a comprehensive and holistic picture of ongoing and existing planning and city-wide processes and policies
- Integrate ‘Right Supply’ approaches into current and future policies, plans, and processes, including a review of the Sustainable Large Sites Policy, modest adjustments to height and density requirements to enable non-market housing in recently-approved community plans, and an amended approach to rezoning/CAC negotiations on 100 per cent rental projects to prioritize delivery of secured rental housing

### **FOCUS ON SENIORS**

Seniors are the city’s fastest-growing demographic group. Vancouver’s population of seniors grew by 19 per cent between 2011 and 2016.

By 2041, the demand for seniors facilities in Vancouver will increase dramatically along with the city’s seniors population. Based on projections from 2012, there could be an 80 per cent increase of residents aged 65 – 74 and a 100 per cent increase of residents older than 75. This growing and diverse population will have complex and intersectional needs for services and supports that enable health and well-being.

Older seniors are more likely to be women and encounter gendered obstacles to accessing income, transportation, housing and services. Seniors speaking non-English languages or from non-European backgrounds may face further barriers and discrimination. The 23 per cent of Vancouver seniors who rent their homes are also at risk of displacement from the city, given the drastic increase in market rents and a limited supply of non-market housing. Approximately 1,500 seniors are on the social housing waitlist in the BC Housing Registry, 32 per cent of all waitlisted households.

Moderate-income seniors are often over-housed in single-family homes across the city, but have limited options in the city even if they choose to sell their home and move. Housing accessibility is a key issue for seniors as well as people with disabilities or mobility concerns.



## **Strategy 4: Ensure new housing types incorporate design principles that meet the needs of Vancouver's diverse households and populations**

As the City adopts plans and policies in order to enable the 10-year targets for the Right Supply, it will also need to ensure that the new housing is of the *right type* to be suitable for households with specific needs - including younger households, dual- and lone-parent families, Indigenous residents, seniors, people with disabilities, and low-income individuals. This means creating and incorporating design principals for family-oriented and accessible housing where appropriate, and introducing Indigenous design principles in housing for Indigenous populations. Where needed, housing should also be accompanied by childcare services for families with children, along with key services and supports for people with intersecting housing, health, and economic challenges.

### **KEY ACTIONS:**

- Ensure that an adequate share of new housing is designed to meet the needs of families, including single-parent households that are disproportionately likely to be female-headed and low-income
- Ensure that an adequate share of new housing is accessible and meets the needs of people with mobility challenges, disabilities, and other populations with specific accessibility needs
- Encourage social cohesion and strengthen community resilience in higher density buildings via design and 'soft' infrastructure
- Integrate Indigenous design principles into a wider variety of housing options, especially social housing intended for Vancouver's urban Indigenous residents (See Chapter 5, Aboriginal Housing and Wellness)
- Develop housing policies to improve care and wellness for seniors and the development of affordable independent living options for seniors in need

## **Strategy 5: Ensure new housing accommodates diverse housing arrangements**

It is important to create opportunities for diverse housing arrangements - including rental, and co-op housing, as well as approaches like co-housing, collective housing, hybrid rental-ownership models, and Affordable Home Ownership. Many of these approaches emphasize long-term security of tenure, family housing, and affordability opportunities (e.g. co-ops) while others aim to help households access homeownership over time. Approaches like collective housing aim to facilitate community, social connectivity, and affordability through a collaborative household relationship to housing.

### **KEY ACTIONS:**

- Enable collective housing as a way to improve affordability and access to existing housing for a broader range of households
- Explore opportunities for new tenure models that encourage security of tenure and community building, including co-op, cohousing, rent-to-own, and other hybrid tenures
- Develop a policy that will consider micro suites as an option to enable more affordable rental housing
- Create and support opportunities for homeownership that is affordable to entry-level home buyers

## **Strategy 6: Work with partners to enable the 'Right Supply'**

Creating the Right Supply requires collaboration with other levels of government, partners in key sectors, and local and regional communities. *Housing Vancouver* aims to cultivate existing partnerships, and seek out new partnerships to support housing for local residents and workers, particularly in key industries.

### **KEY ACTIONS:**

- Work with Metro Vancouver and regional partners to implement the Regional Affordable Housing Strategy, including expanding supply and diversity of housing in Vancouver and the region
- Work with academic institutions on options for employer and university-supported housing for key workers and students
- Deliver *Housing Vancouver* targets for social housing, co-op housing, and market- and below-market rental housing through partnerships with the private sector, non-profits, and senior government (See Chapter 4, Strengthening Partnerships and Aligning Investments)

## **PARTNER CONTRIBUTIONS TO SUPPORT THE RIGHT SUPPLY**

**Announced as part of the 2016 Federal Budget, CMHC is committing to provide \$2.5 billion in direct low-cost financing for market rental housing construction over four years through the CMHC Rental Construction Financing Initiative**

**The program includes affordability provisions for the first ten years to ensure that housing created under the program is affordable to moderate-income households.**

# ALIGNING WITH OTHER CITY STRATEGIES

## GREENEST CITY ACTION PLAN 2015-2020

The Greenest City Action Plan includes concrete goals and targets for energy efficiency in new construction and existing buildings, including goal of requiring that all buildings constructed from 2020 onward to be carbon neutral in operations, and reducing energy use and greenhouse gas emissions in existing buildings by 20 per cent over 2007 levels.

## HEALTHY CITY STRATEGY

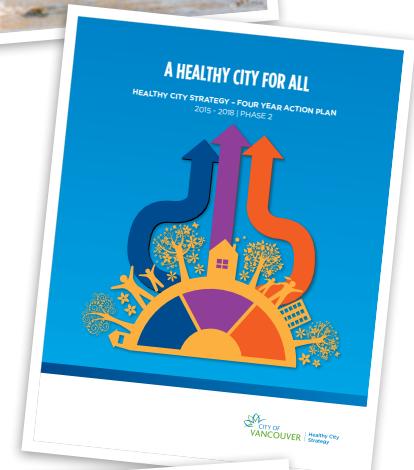
Ensuring Vancouver's housing is the 'right supply' means ensuring the 'right supports' for all communities - including access to wellness, mental health and addiction supports, affordable and accessible childcare, social facilities and community-based organizations, arts space, and sustainable food systems. Several Healthy City Strategy policy objectives are closely tied to *Housing Vancouver*, including aligning locational criteria for new affordable childcare spaces with *Housing Vancouver* targets; a forthcoming Mental Health and Addictions 4-Year Action Plan, Social Infrastructure Plan for City-owned and supported social facilities and community-based organizations; and implementing the Vancouver Food Strategy target to increase food assets, ensure the right food retail mix in the right location, and support food entrepreneurs.

## TRANSPORTATION 2040 STRATEGY

The Transportation 2040 policy prioritizes land use planning and access to transit as critical to creating complete, affordable communities in Vancouver - comprehensive land use planning can reduce distances between homes and key amenities and accommodate healthier and more sustainable modes of transit like walking or cycling.

## HERITAGE ACTION PLAN

The City's Heritage Conservation Program encourages and fosters the retention and conservation of historic places across the city, while supporting the ongoing sustainable development of its neighbourhoods.





Railyard Housing Co-op is a below-market building in Southeast False Creek with 135 affordable homes, over half with two or three bedrooms suited for families, operated by Community Land Trust

# CHAPTER 4: STRENGTHENING PARTNERSHIPS AND ALIGNING INVESTMENTS

## OVERVIEW

The City has long recognized that the success of its efforts to address housing affordability depends on partnerships, locally, regionally, provincially and nationally. Strong, sustainable partnerships are the key ingredients to a successful recipe for delivering affordable housing, particularly for lower income residents.

Homes for residents who cannot afford market rental or ownership housing require additional investment and subsidies in order to be financially viable for development. The City has learned important lessons about how to create these investments, based in combinations of several essential elements. First and foremost, the housing must be financially viable; otherwise it will never be built. The degree of affordability achieved depends on the unique combination of ingredients that are aligned together in a particular project or program.

INGREDIENTS TO ENABLE NON-PROFIT AND PRIVATE DEVELOPERS TO CREATE AFFORDABLE RENTAL HOUSING		
For Moderate Income Households (\$30-80k/yr)	For Lower Income Households (<\$30k/yr)	Key Potential Contributors
Developable land available at a reasonable cost / long-term lease rate	Developable land available at subsidized or nominal cost/long-term lease rate	City, Metro Vancouver, BC Housing, Federal Gov't, Community Non-profits and Indigenous organizations
Appropriate density and/or bonus density for multi-unit housing	Appropriate density and/or bonus density to enable deeper affordability	City
Low-cost and predictable financing for construction and the long-term	Low-cost, predictable and/or forgivable financing for below-market rental housing	CMHC, BC Housing, Financial Institutions
Investments from equity partners expecting modest but consistent returns	Grants and investments from equity partners expecting modest or no financial returns	Financial institutions and investors, government Agencies (BC Housing, CMHC), Foundations (Streetohome), City capital grants, etc.
	Ongoing operating subsidies or tax credits to supplement rents and ensure building will be well-maintained over the long-term	Provincial and federal governments
	Ongoing individual rent supplements and/or housing benefits	Provincial and federal governments
	Adequate shelter allowance as part of income assistance	Provincial government

*Housing Vancouver* sets new ambitious targets for social and supportive housing, identifying the need for 12,000 units over the next 10 years. Achieving this target will rely on strengthening partnerships that are already in place with government agencies, including BC Housing, CMHC and VCH. Better coordination at the level of the region will also be critically important, acknowledging that housing and labour markets are fundamentally regional in scope and linked to infrastructure and rapid transit investment.

Achieving the new *Housing Vancouver* targets will also require strengthening existing and building new relationships with the non-profit and co-op sector, including urban Indigenous organizations. Non-profit and co-op housing providers may require more land or security in their assets in exchange for taking on the risks and debt associated with larger multi-unit development. For instance, faith communities and non-profit service organizations have significant land assets and often have strong values alignment with the City, but activating those resources will require additional focus and coordination.

The City also needs to rethink its approach to delivery of affordable housing alongside partners. This includes new approaches to acquiring and deploying land assets, maximizing investment and granting programs, and exploring new ownership and portfolio approaches. The Vancouver Affordable Housing Agency – created to facilitate the development of affordable housing on city-owned land – can play a crucial role in advancing new and strengthening existing partnerships.

*Housing Vancouver* is being developed at a promising time for partner alignment on affordable housing. The federal government is poised to release a new National Housing Strategy, and has already committed to new increases in federal funding for affordable housing, including \$11.2 billion for the National Housing Strategy. The new provincial government has highlighted housing and other aspects of affordability as a top priority. Community-based partners, like the BC Non-Profit Housing Association and the Co-op

Housing Federation of BC, have sharpened their focus on building the capacity of the sector to deliver the scale of affordable housing that is needed. The private sector, and in particular the development industry, have also demonstrated a willingness to bring its sizable capacity to bear on this issue, which will be an important factor in our ability to deliver at scale in the short term.

## ENGAGING NON-PROFIT AND CO-OP PARTNERS THROUGH HOUSING VANCOUVER

Meeting the new *Housing Vancouver* targets for social and supportive housing will require even stronger partnerships with non-profits at a significant scale. A key goal of the *Housing Vancouver* consultation and engagement process was to determine actions for the City and non-profit partners to further leverage these partnerships over the next 10 years.

An outcome of this process was the recognition that City/non-profit partnerships exist on a continuum, from transactional or regulatory relationships to more relational development co-partnerships. A five-year action plan with opportunities to strengthen and scale partnerships across this continuum was developed, which includes key actions for non-profits, the City, and additional partners involved in delivering, operating, and supporting affordable housing.

### Strategy 1: Strengthen partnerships to deliver more affordable housing

The City will take action to align *Housing Vancouver* strategic directions with senior government initiatives, strengthen existing and new partnerships with the non-profit/co-op sector, and pursue new cross-sector partnerships for affordable housing.

#### KEY ACTIONS:

- Develop a social purpose real estate incentive and investment program to support development and redevelopment of existing non-profit housing on non-profit owned sites
- Create a regional partnership table to align City housing programs with investment priorities of other levels of government and non-profit housing providers to deliver more housing at deeper levels of affordability
- Assist the ongoing development of a strong and resilient non-profit and co-op housing sector
- Continue advocacy efforts to the federal government for the delivery of new and support for existing affordable housing

## Strategy 2: Integrate City affordable housing investments into a comprehensive financial strategy to deliver the 10-year *Housing Vancouver* targets for affordable housing

The City will optimize its use of land, capital grants, incentives, and other resources to lever and support housing partnerships, and explore new tools and opportunities to further scale contributions to affordable housing development.

### KEY ACTIONS:

- Develop a comprehensive Affordable Housing Delivery and Financial Strategy with new approaches and business models that will achieve the *Housing Vancouver* 10-Year targets
- Continue to offer City land as a key contribution to affordable housing partnerships with an emphasis on achieving affordability
- Clarify renewal of lease terms with non-market housing providers on non-profit and City sites with redevelopment potential, with the goal to increase social and co-op housing units
- Clarify key lease terms that will structure partnerships for the delivery of affordable housing on City-owned land



## CASE STUDY

### Vancouver Community Land Trust

The Vancouver Community Land Trust is one of the City's new partnership-based approaches to creating affordable housing. The Land Trust - a non-profit organization created in 2014 by the Co-op Housing Federation of BC (CHF BC) - is on track to deliver 358 new affordable homes on City-owned sites to low- and moderate-income households across Vancouver.

Using an innovative 'portfolio' approach to funding and managing affordable housing, the Land Trust finances and operates a group of distinct housing developments together as a package rather than site by site. This allows the Land Trust to take advantage of economies of scale for development and management resources and to cross-subsidize rents. The portfolio model allows the Land Trust to access a diverse range of partners and funding sources, including the co-op

and non-profit housing sectors, the City of Vancouver, BC Housing, New Market Funds and Vancity Credit Union. The City provided a key contribution of land on a long-term lease to the Land Trust for a nominal rate.

The Land Trust is just one way the City has partnered with non-profit, co-op, private sectors, and other levels of government to create affordable housing across Vancouver. There is significant potential for replicating the Land Trust model across Vancouver and in other municipalities as other co-ops, non-profit housing developers, and non-profit organizations like churches, legions, and community living associations, can easily replicate and benefit from a land trust model. Land trust models could also be used to help maintain affordability in the nearly 175,000 affordable homes across Canada that will be losing their federal housing subsidies in coming years.

### **Strategy 3: Increase the use of inclusionary housing policies and improve city processes to deliver affordable housing for low income households**

Staff will ensure that City inclusionary housing policies and planning and development processes are aligned with the goals of *Housing Vancouver* and facilitate projects aimed at delivering the Right Supply.

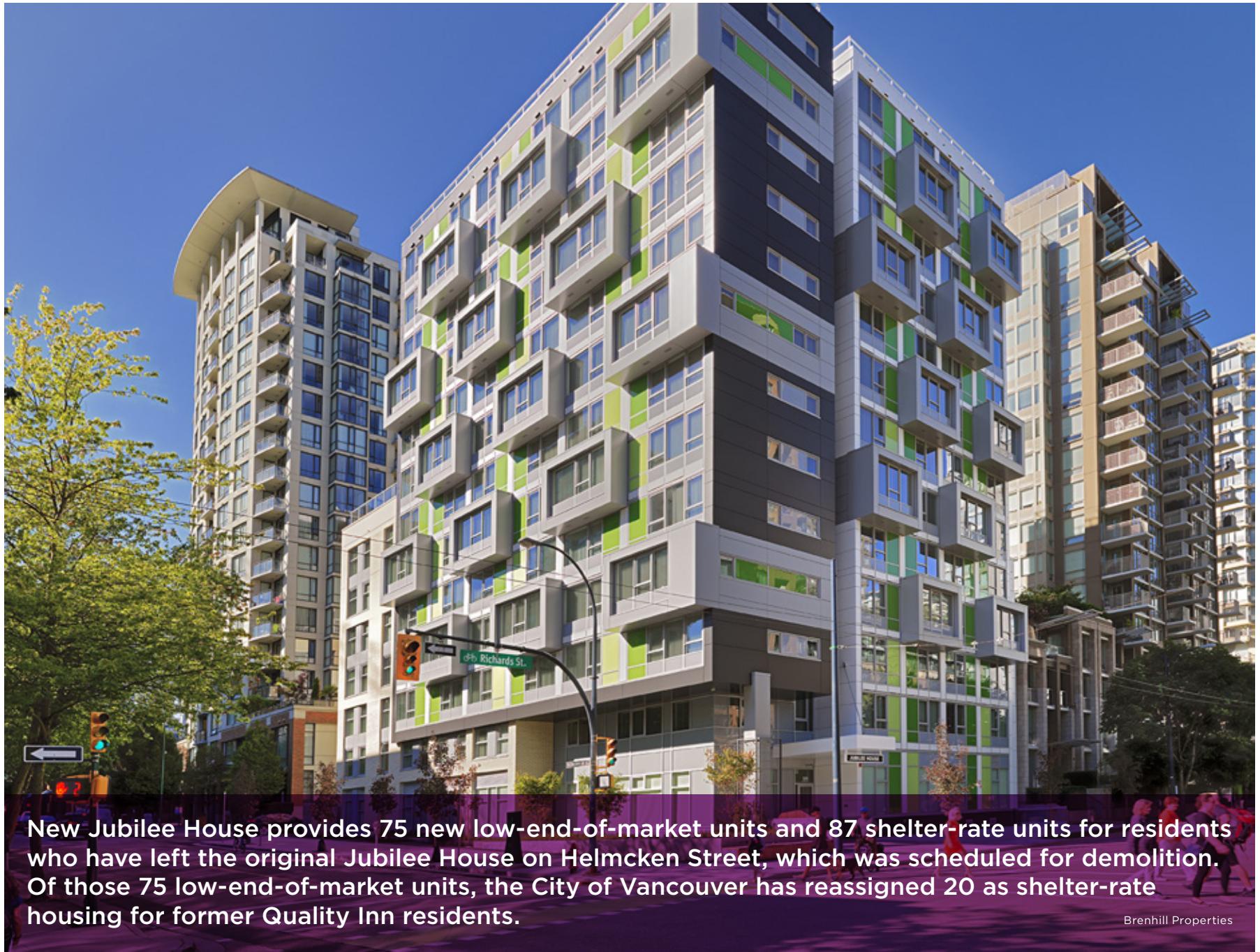
#### **KEY ACTIONS:**

- Ensure that new affordable housing serves those with greatest need, including groups with specific housing and support needs, like women fleeing domestic violence or in need of shelter, low-income single parents, low-income seniors at risk of homelessness, and youth aging out of foster care
- Expand and enhance the use of inclusionary housing policies through a review of the Sustainable Large Sites Policy and community and station area planning programs, with expanded opportunities for private and non-profit ownership of affordable housing assets
- Prioritize affordable housing development by reducing approval times and simplifying city regulations (see Chapter 9, Expediting, Clarifying, and Simplifying City Processes For Housing Development)



### **PARTNER COMMITMENTS**

The 2017 provincial Budget Update includes funding for new affordable housing for BC's most vulnerable residents, including \$208 million for construction of 1,700 new affordable homes. This contribution represents a renewed commitment from senior government to expanding the province's stock of affordable housing for low-income residents.



New Jubilee House provides 75 new low-end-of-market units and 87 shelter-rate units for residents who have left the original Jubilee House on Helmcken Street, which was scheduled for demolition. Of those 75 low-end-of-market units, the City of Vancouver has reassigned 20 as shelter-rate housing for former Quality Inn residents.

Brenhill Properties



# CHAPTER 5: INDIGENOUS HOUSING AND WELLNESS

## OVERVIEW

Vancouver is located on the unceded territory of the Musqueam, Squamish and Tsleil-Waututh Nations. Vancouver is strengthened by Indigenous culture and values, lived and practiced by both on- and off-reserve Indigenous residents.

The City has intensified its commitment to strengthening relationships with both on- and off-reserve Indigenous partners through its City of Reconciliation initiatives, making important shifts in *how* we work together moving forward. This commitment has provided opportunities to improve competencies to work effectively with First Nations and urban Indigenous communities as we move towards reconciliation and healing.

An examples of a recent commitment includes the Memorandum of Understanding (MOU) agreement with the Metro Vancouver Aboriginal Executive Council (MVAEC). Additionally, Mayor and Council work under the advisement of the Urban Indigenous People's Advisory Committee.

In partnership with urban Indigenous agencies, the City remains dedicated to addressing the short and long-term housing and wellness needs of urban Indigenous residents. Housing and wellness for urban Indigenous residents remains a key focus of *Housing Vancouver*, as well as the City's implementation of the Healthy City Strategy, local area plans, and Indigenous healing and wellness initiatives.

In 2016, MVAEC issued a report entitled, "Towards an Urban Aboriginal Housing and Wellness Strategy for Metro Vancouver", calling for 1,500 new social housing units with

integrated wellness components by 2020. The City responded that same year with a commitment to support five Indigenous housing and wellness projects together with partners in Vancouver, expected to provide over 600 new homes and a new permanent Indigenous shelter for urban Indigenous residents, and a new youth hub. Considerations for culturally inclusive decision-making and design are being taken into account as these projects progress.

## Understanding Vancouver's Urban Indigenous Population

Given the negative impacts of colonialism and stereotypes that resulted from Canada's residential school system, current data on Canada's Indigenous population does not provide a complete picture. More work needs to be done to address data gaps and better plan for the housing and wellness needs of Indigenous residents. Data currently available through the Census shows that the Indigenous population is one of the fastest growing populations in Canada. Many Indigenous people are moving to urban areas to pursue opportunities, including employment and education. Indigenous people in the region also commute or relocate to Vancouver to access cultural and community connections, including services and programs offered through the Vancouver Aboriginal Friendship Centre Society, Native Education College and the Urban Native Youth Association, among others.

Conservative estimates indicate that there are over 61,000 Indigenous residents living off-reserve in Metro Vancouver municipalities as of 2016, with approximately 14,000 or 23 per

cent living in Vancouver.<sup>10</sup> The urban Indigenous population has been described as relatively young population, with 40 per cent under the age of 25 compared to 28 per cent for all Metro Vancouver residents. Current statistics indicate that Indigenous youth deserve particular attention when addressing issues around housing and wellness. Indigenous children and youth represented over half of the 8,106 children and youth in care in BC in 2012/2013, and according to Vancouver Coastal Health are twelve times more likely to enter care than their non-Indigenous counterparts.<sup>11</sup> Intergenerational living models may provide opportunities to address the specific needs of Indigenous youth and elders, another key demographic in Vancouver's urban Indigenous population.

Although urban Indigenous residents are diverse and are represented across the entire income continuum, statistics available demonstrate the ongoing inequities between Indigenous and non-Indigenous residents, with additional socio-economic inequities more prominent in Vancouver, than the region as a whole. The average income for Indigenous households in the City of Vancouver (2010) was approximately 20 per cent lower than the Metro Vancouver Indigenous income average (\$55,500 vs. \$69,223) and 31 per cent lower than the average non-Indigenous income in Vancouver.<sup>12</sup> Indigenous residents are also less likely to own their own home than non-Indigenous residents.

The recent 2017 Metro-wide homeless count identified 3,605 homeless individuals across the region and 2,138 in Vancouver, with 34 per cent being of Indigenous background (39 per cent in Vancouver). Young people under 25 years made up 16 per cent of the homeless population in 2017 compared to 20 per cent in 2014. As a City of Reconciliation, a key priority will be to address the disproportionate effect of intergenerational cycles of poverty, often including trauma and homelessness, within the urban Indigenous community. This cycle is the direct result of colonization and the impacts of residential schools. The Healthy City Strategy's poverty

reduction strategy and action plan will enact solutions to systemic inequities for Indigenous residents and strive to enhance leadership and integrate strengths already present in Vancouver's Indigenous community into policy and decision making.

### The Interdependent Nature of Housing

Unique approaches are needed to further understand the needs of Indigenous communities when it comes to housing and wellness, and what diversity of opportunities will meet these within Vancouver's urban environment. Opportunities include, but are not limited to, strengthened partnerships through community engagement, service delivery and capacity building, as well as data collection, culturally relevant practices, and outcome measures. Under the principles of reconciliation, the urban Indigenous community should be involved at every stage of the housing design, delivery, development, and evaluation process in order to ensure each step is respectful and aware of the diverse needs of the urban Indigenous community.

Indigenous culture can further support dynamic housing options that foster healing and wellness through the provision of services which are integrated into the built form and design of the project, for example:

- on-site childcare
- space to accommodate resident elders and Indigenous healing programs
- social programs for tenants
- links to meaningful employment
- tenant counselling services

For such a service-delivery model to work, these "soft services" must be incorporated from the outset of a project's design in order for the building form to support activities in common and communal spaces. It is also important to secure senior government funding and other partnerships to provide the necessary resources

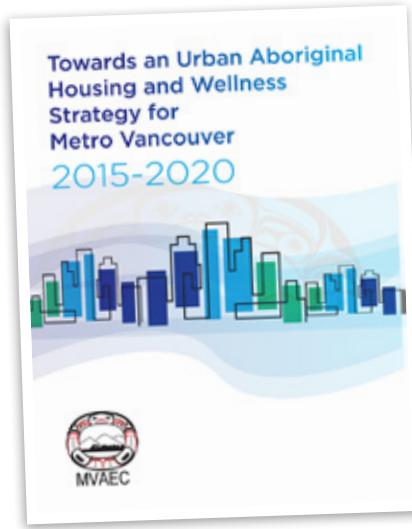
and programs that support a housing and wellness model.

*Housing Vancouver* provides an opportunity to advance our existing commitments as a City of Reconciliation. The strategies to advance cultural belonging, equity and prosperity for Indigenous people living in Vancouver must continue to strengthen the broader commitment to engage Indigenous partners and families, to reflect Indigenous culture across the city, and align and support a longer-term strategy with housing goals and targets for Indigenous people across all incomes in the Metro Vancouver region.

10 Census 2016, Statistics Canada

11 Representative for Children and Youth, and BC Office of the Provincial Health Officer, "Growing Up in BC - 2015,"

12 National Household Survey 2011, Statistics Canada



## MVAEC's CALL TO ACTION: Towards an Urban Aboriginal Housing and Wellness Strategy for Metro Vancouver

In 2016, the City signed an MOU with MVAEC that formally established working relationships with 25 urban Indigenous agencies. MVAEC's strategy outlines seven guiding principles for the development and delivery of services and the ways in which they are designed, implemented and managed. MVAEC encourages a respectful approach to engagement, including culturally appropriate housing and services and considering the social determinants of health and wellness provided to all urban Indigenous residents. The principles used to approach the issue of urban Indigenous housing and wellness in Metro Vancouver reflect international best practices in housing and multi-stakeholder governance to ensure that the vision, objectives and actions are provided with respect and in the spirit of reconciliation and self-determination. MVAEC encourages all levels of government to engage with urban Indigenous peoples following these same principles.

1. There must be recognition of the historical and ongoing effects of colonization in Canada and the resulting systemic discrimination and oppression experienced by all Indigenous peoples
2. Housing and services for Indigenous persons must be culturally appropriate and respectful
3. Housing and services must include some consideration to the social determinants of health and wellness and respond to the additional needs of residents
4. Housing and services must be provided to all Indigenous persons, regardless of their Constitutional status as an Indigenous person
5. Urban Indigenous peoples must be provided the opportunity and right to be consulted and engaged in developing housing strategies and plans that directly affect the services they access
6. Indigenous organizations or individuals must either be consulted in the development of, or be responsible for delivering, all Indigenous housing services
7. A clear monitoring and evaluation plan is necessary to provide transparency and accountability at all levels of engagement



## CASE STUDY

### Lu'ma Aboriginal Children's Village

Lu'ma's Aboriginal Children's Village is a unique 24 unit family project, featuring 10 large units which can house approximately 30 foster children, 3 youth-in-transition, and 7 families. Units in the Children's Village are assigned to the foster child in order to ensure a sense of safety and stability. The project also includes Lu'ma's offices, amenity and programming space, as well as street level commercial units. There are several visible

design elements that point to Indigenous culture and fosters a sense of belonging amongst the residents.

As part of the Village, Lu'ma offers Indigenous Youth with mentorship and housing to support the transition from foster care to adulthood. The mission of the mentorship program is to end Indigenous youth homelessness and to provide knowledge of living in a holistic manner, taking care of their physical, emotional, spiritual and mental needs.

## CITY OF RECONCILIATION: VISION & PRINCIPLES

As a City of Reconciliation, the City of Vancouver will form a sustained relationship of mutual respect and understanding with local Nations and the urban Indigenous community, including key agencies, to incorporate a First Nations and Urban Indigenous perspective into the work undertaken and decisions made by the City of Vancouver and, ultimately, to provide services that benefit members of these communities.

The City of Reconciliation framework has three foundational components that further strengthen our services and ongoing relationships with the Musqueam, Squamish, and Tsleil-Waututh First Nations, and the urban Indigenous community:

- Cultural Competency
- Strengthening Relations
- Effective Decision-Making

### Long Term Goals:

- Strengthen local First Nations and Urban Indigenous Relations
- Promote Indigenous Peoples Arts, Culture, Awareness and Understanding
- Incorporate First Nations and Urban Indigenous perspectives for effective City services

## **Strategy 1: Supporting strengthened capacity for Indigenous partners working together towards a Regional 10-Year Indigenous Housing and Wellness Plan**

The regional Indigenous population is shared almost evenly on either side of the Fraser River across the region. An aligned regional strategy has been identified by MVAEC as a key next step in planning for current and future housing and wellness needs. The emergence of MST Development Corporation also provides new opportunities to partner with the local First Nations to support their vision for housing and wellness on their lands.

### **KEY ACTIONS:**

- Engage senior levels of government in making urban Indigenous housing and wellness a priority across the housing continuum and across all income levels
- Work with senior levels of government, Indigenous organizations and local First Nations to resolve data issues to better reflect the housing and wellness needs of Indigenous people
- Work with urban Indigenous agencies to protect existing rental housing and explore opportunities for redevelopment and expansion
- Identify short and long-term goals, targets and sites for Indigenous housing and wellness in the region over the next 10-years in partnership with Indigenous housing and wellness providers (MVAEC), including identifying specific targets for Vancouver
- Recognize the leadership role of Indigenous partners in delivering housing for Indigenous residents, including families and youth, through a prioritization framework and dedicated incentives and resources

## **Strategy 2: Commitment to deepening urban Indigenous engagement**

Meaningful and ongoing engagement to gather input from urban Indigenous residents will ensure that housing is culturally responsive, meets the needs of the community, and incorporates cultural considerations into the planning, design, and implementation of Indigenous housing projects.

### **KEY ACTIONS:**

- Recognize the distinct cultural needs of urban Indigenous residents
- Create opportunities for dialogue on creating culturally safe housing that promotes overall Indigenous wellness
- Partner with urban Indigenous organizations to design and deliver urban Indigenous housing developments and explore opportunities for capacity-building and training for broader engagement of Indigenous residents
- In alignment with the City and MVAEC MOU, continue to engage MVAEC's Housing Committee/Table to plan for and identify housing and wellness needs and solutions, both short and long-term
- Support the MST Development Corporation to expand housing opportunities and increase economic prosperity

## **Strategy 3: Integrating Indigenous design into housing and wellness projects**

Design plays a key role in providing a sense of cultural belonging, promoting wellness, recognizing Indigenous culture and the diversity of Indigenous family and household structures, and supporting the need for gathering or cultural community space that reflect traditional practices. (See also Chapter 3, The Right Supply, Strategy 4.)

### **KEY ACTIONS:**

- Develop and commit to a set of Indigenous design principles for the City of Vancouver
- Create housing that recognizes the fluid family structures and community aspects of Indigenous life through the update of the City's Family Housing Design Guidelines, including innovative design opportunities for intergenerational and spacious and flexible living units
- Include 'culturally flexible' amenity spaces that reflect traditional lifestyle practices. These will vary depending on the population served and regulatory considerations (e.g. ventilation, fire code, etc), but may include smudging and sweat lodges, traditional food preparation areas for both gatherings and seasonal food preservation, and traditional craft-making and storage amenity areas



A resident at First Place in their suite. First Place, a 12-storey non-market housing complex run by Lookout Society, offers 129 units of low-barrier supportive housing for adults with a history of homelessness and who have few housing options.

# CHAPTER 6: PREVENTING HOMELESSNESS AND CREATING PATHWAYS TO HOUSING STABILITY

## OVERVIEW

Homelessness and housing insecurity are among the most significant issues in Vancouver today. The 2017 Metro Vancouver homeless count found 2,138 sheltered and unsheltered homeless individuals in the City, representing nearly 60 per cent of the total unsheltered homeless in the region. This is a 19 per cent increase over the 2014 Metro Vancouver count and the highest total number of all previous count years. An additional 4,000 people are living in inadequate conditions, such as private SROs.

In a prosperous community like Vancouver, no one should have to sleep outside at night, but an uneven distribution of resources and opportunities has left many people behind. The City, together with partners, has made significant progress in taking action to address homelessness, including increasing the supply of social and supportive housing, improving conditions in Single-Room Occupancy housing, increasing the interim Housing First housing supply (e.g. temporary modular housing), and ensuring access to emergency low-barrier services such as temporary winter shelters and warming centres to connect people with income, housing, and supports. We have reached 59 per cent of our previous supportive housing target under the *Housing and Homeless Strategy (2012-2021)*, largely through the supportive housing partnership between the City and province, which resulted in 1,414 new supportive housing units on 13 City-owned sites.

Housing the homeless continues to be a top priority for the City, and the persistence of homelessness despite all our collective efforts has sparked new thinking. The major underlying cause of homelessness is poverty, particularly

in a city with rapidly rising housing costs. As a result, poverty reduction is a large part of homelessness prevention. The City is embarking on the development of a Vancouver poverty reduction strategy in 2017 as a key action under the Healthy City Strategy. One in five Vancouver residents are currently living below federally-defined low income measures – a ratio which will not meaningfully decrease without targeted action amongst all levels of government. Another quarter of Vancouver residents are above the low income measure but make less than a living wage needed to meet basic needs in the city.

Women fleeing domestic violence, people living with disabilities, chronic health issues, or trauma sometimes find it impossible to secure housing in the highly competitive and expensive Vancouver market. Family breakdown, particularly in a low income context, results in a further escalation of risk of homelessness for women, youth and children, with youth aging out of foster care facing high risk of homelessness between the ages of 19-24. Finally, as a City of Reconciliation, it is crucial and urgent to address the disproportionate impact of homelessness on the urban Indigenous community.

Homelessness is not confined to municipal boundaries. Though Vancouver continues to have the largest share of the region's homeless population, homelessness is rising faster in neighbouring municipalities. The 2017 Regional Homelessness Task Force – co-chaired by the Mayors of the City of Vancouver and Maple Ridge – recognized that urgent, substantive and coordinated action is needed across the region, and must be led by the province. The provincial government has responded with significant investments, including urgent action and funding

to develop 2,000 units of temporary modular housing with associated support services as quickly as possible.

The housing affordability crisis and growing income inequity means that SROs continue to play a critical role in Vancouver's low-income housing stock as a last resort before homelessness for many of the city's most vulnerable tenants. Over 7,000 tenants are currently living in SROs, approximately 4,000 of which are still privately-owned. Longstanding Council policy is to replace all outdated SROs with self-contained social housing designated for singles on a one-for-one basis in order to maintain housing choices for our low-income residents. While new replacement social housing has been steadily expanding, the increasing demand from low-income tenants for housing mean that existing SROs continue to serve a critical need, even as replacement housing is built elsewhere.

Most SRO buildings are nearing the end of their life cycles and reflect an outdated housing form that compromise tenants' safety and dignity with small rooms and shared bathrooms and kitchens. However, upgrading ageing SROs while keeping rents affordable remains an impossible challenge without additional investment and subsidies, and private SROs are increasingly at risk of closure, sale or disinvestment, on the one hand, and loss of affordability and tenant displacement on the other. The situation is further compounded by the high number of vulnerable tenants and the acute need to deliver adequate supports to those struggling with mental health and substance use challenges. Where disinvestment and a lack of supports is coupled with poor management practices, criminal activity, and a lack of owner responsiveness, the health and safety of tenants, particularly women, is significantly at risk.

The 30-year goal is for SRA-designated units (both private and non-market) to be replaced with self-contained social/supportive housing units for low-income tenants, either in existing buildings through rehabilitation and conversion to self-contained units, or with new social housing on or off site directly linked to an existing SRA building.

*Housing Vancouver* actions over the next ten years will meet the most urgent need, particularly for the most vulnerable tenants in the worst SRO buildings. Data shows that there are currently 2,000 SRO tenants in critical need of new housing and supports, so an accelerated SRO replacement target of 2,000 new supportive housing units for incomes below \$15,000 has been set for low-income singles moving from SROs.

In the near term, the City will employ a strong regulatory framework for private SROs that connects proactive enforcement with funding and benefits in order to bring buildings to good repair, improve management operations, and ultimately improve overall safety and livability for tenants. At the same time, the City will enhance support to the peer-based rental advocacy network in Vancouver while continuing to advocate to the province for poverty reduction, increased tenant health supports, and improved tenant protections.

The strategies outlined below prioritize urgent action, such as taking advantage of opportunities to provide supportive housing immediately through a temporary modular initiative with the provincial government. They also prioritize work with partners on solutions that address the causes of homelessness, advance our short- and long-term strategic goals for SROs, and creating new permanent social and supportive housing for people who are currently homeless. The Strategy supports continued and enhanced action to keep people who are homeless safe and warm during the difficult winter months and ensure they are provided timely access to income, housing, and any necessary supports.

## WHAT WE HEARD

**The *Housing Vancouver* consultation process provided the opportunity for the City to work with local stakeholders, partners, and community members to identify key challenges and strategies to address the persistent challenges driving homelessness in Vancouver and the limited amount of housing choices for very low-income people.**

**The City's recent SRO Task Force also identified a series of specific actions to further improve and protect the SRO stock and its tenants while highlighting the need for shared responsibility, collaborative action, and increased engagement with all partners, including senior levels of government, non-profits, the private sector, SRO tenants, tenant advocates, and other community partners.**

**Persistent homelessness and housing insecurity was identified as one of the primary areas of public concern in the *Housing Vancouver* public consultation process. Nearly half of residents surveyed responded that addressing homelessness should be a key priority for people in Vancouver.**

***"The City needs to do what it can to increase the supply of welfare-rate housing and housing first approaches to homelessness."***

***"Being able to continue to live in the city we love is dependent on affordable and available housing for vulnerable residents."***

## WHAT IS HOUSING FIRST?

Housing First is an opportunity to offer housing to homeless citizens without prior interventions or criteria. The first thing that people need in order to find balance and heal is a home. The practice centers on quickly moving people experiencing homelessness into independent and permanent housing and then providing additional supports and services as needed.

The basic underlying principle of Housing First is that people are better able to move forward with their lives if they are first housed. This is as true for people experiencing homelessness and those with mental health and addictions issues as it is for anyone. People who have been homeless for any amount of time, whether it is a week or several years, deserve support to recover from the damaging stresses of their experience as well as any other underlying health issues they may have. The right supports include health care as well as access to education, employment, treatment and social connection depending on the needs of the tenants. Congregate-model Housing First projects should also be valued as a means of creating support safety and wellness for specific communities, including women and lone-parent families.

### Strategy 1: Continued leadership and advocacy on addressing the causes of and solutions to homelessness

The City will continue to work with partners on and advocate for actions to address the systems and structures that allow homelessness to occur and provide early intervention.

#### KEY ACTIONS:

- Work with partners on policy innovation and reform in areas of supported employment, income supports and connections to meaningful activity, including advocacy for an increase in the income assistance rate and innovative use of income support programs, an expanded rent supplement program (see Strategy 3), affordability and accessibility of services, and targeted actions to promote equity for all residents
- Support the development of financial tools to prevent evictions, including continued support for the Vancouver Rent Bank
- Work with Vancouver Coastal Health Authority and other partners to create and implement a comprehensive mental health care framework and addictions plan, including short and long-term addictions services
- Incorporate a specialized focus on Indigenous housing and healing through cultural connectivity (See Chapter 5, Indigenous Housing and Wellness)

### Strategy 2: Work with partners to deliver immediate supports and housing for people who are currently homeless

The City will ensure interim housing, shelters and supports are available for people who are currently homeless, including temporary shelters and emergency warming centres during winter months.

#### KEY ACTIONS:

- Take urgent action to increase the supply of supportive housing using the Housing First model with temporary modular units
- Create temporary shelters to address needs of people who are homeless while transitional and permanent social housing is made available
- Ensure emergency warming centres are available annually (December-March) to serve unsheltered homeless and address risks to life and health in extremely cold weather



## CASE STUDY

### 220 Terminal Avenue, Vancouver's first temporary modular housing

The Vancouver Affordable Housing Agency (VAHA) is a legally independent agent of the City of Vancouver mandated to deliver new, below-market rental housing on city-owned land through funding from public, private and community partners. In 2016, VAHA announced it was taking the next steps on a new solution for providing temporary housing for low-income residents.

Vancouver has an immediate need for both interim and permanent housing. The use of temporary modular housing on vacant and underutilized sites pending redevelopment quickly increases the supply of affordable housing until more permanent housing can be built. To facilitate a new modular housing project, the City of Vancouver provided undeveloped, City-owned land to VAHA for a modular housing development at 220 Terminal Avenue. Funding to support this development came from the Canadian Mortgage and Housing Corporation, Vancity, and a private donation.

Horizon North was selected from a shortlist of manufacturers to construct the temporary

modular housing project at 220 Terminal Avenue. Through use of innovative design ideas and products, the building can be relocated and reconfigured to fit a number of different sites; even the foundation system is reusable. The unique design allows the temporary modular homes to be relocated to future sites.

Completed in February 2017, the modular home development at 220 Terminal Avenue features 40 self-contained suites with a bathroom, a kitchen, shared laundry and communal indoor and outdoor amenity space. Four of the suites were designed to accommodate persons with accessibility requirements and featured customized layouts and a user-friendly adaptive design.

The innovative development was progressed from idea to occupancy in six months, giving 40 low and fixed income residents a secure, affordable new home in Vancouver.

VAHA continues to explore temporary modular housing projects on new sites to create even more below-market rental housing for Vancouver residents.

### Strategy 3: Collaborate on approaches to foster pathways into housing stability

The City will work with partners on actions to foster permanent pathways into housing stability, including housing and additional community supports and services to ensure an effective transition and settlement.

#### KEY ACTIONS:

- Leverage existing investments in supportive housing by transitioning tenants needing less support into new social housing, freeing up space for residents with higher support needs
- Implement a coordinated access and assessment approach for Housing First programs
- Prioritize the delivery of *Housing Vancouver* social and supportive housing targets for low-income residents (see Chapter 4, Strengthening Partnerships and Aligning Investments)
- Ensure City and partner strategies address the challenges and needs of specific groups facing housing insecurity and risk of homelessness, including women fleeing domestic violence, low-income lone-parent families, youth aging out of foster care, and renting seniors and people with disabilities facing displacement from existing housing.
- Advocate for a universally available provincial rent supplement program, modeled on the current SAFER program that currently serves seniors but with additional measures in place to ensure ease of access to the program and that assistance is scaled to rents in various geographic areas

## Strategy 4: Accelerate SRO replacement while improving the existing stock to enhance affordability, livability and supports for SRO tenants

The City will enhance and leverage its role as a regulator of SROs, an investor with other partners, and an advocate for new powers and partnerships, to accelerate SRO replacement housing while improving affordability, liveability, safety and supports for tenants in the existing SRO stock.

### KEY ACTIONS:

- Accelerate replacement of SROs with self-contained social housing with a goal of converting 50 per cent of the remaining SROs in the next 10 years
- Leverage federal, provincial, and community-based investors through a *Call-to-Action* to initiate an SRO Revitalization Fund to secure SROs and upgrade rooms to self-contained units, with a focus on private SRO buildings
- Implement a proactive enforcement and regulatory approach that links enforcement escalation with funding and capacity building in order to steer better “public good” outcomes in private SRO buildings
- Strengthen regulatory powers in order to mitigate further loss of affordability and building closure in the private SRO stock
- Build capacity among SRO tenants through increased support for peer-based, citywide advocacy network and improved channels for reporting and sharing information
- Support provincial action that supports SRO tenants through development of a BC Poverty Reduction Plan, expansion of health and social supports in private SRO buildings, and improved tenant protections through amendments to the RTA



## CASE STUDY

### Renewal of the Asia Hotel

Single Resident Occupancy (SRO) hotels are rooming houses and residential hotels largely built in the early 1900s that contain small single rooms with shared bathrooms and cooking facilities. A critical housing option for low-income residents in Vancouver, SROs are often considered a last resort before homelessness for many of the City’s most vulnerable residents. Long standing Council policy is to replace all SROs with self-contained social housing units on a one-for-one basis. Since 1991, over 3,000 units of SRO replacement housing designated for singles have been achieved inside the Downtown Core. While SRO replacement continues to be a key Council priority, the high demand for low-income housing means that SROs still serve a critical need even as replacement housing is built.

The Downtown Eastside Plan, adopted by Council in 2014, recognized the importance of improving the condition of the existing SRO stock while ensuring affordability and adequate tenant supports. As part of the plan, Council approved the SRA Upgrade grant program, which provides grants of \$5,000 per door. The Asia Hotel, a 36-room SRO located in the DTES and owned by the Mah Society, is one of the first SROs to benefit from this program. Between March 2016 and May 2017, the Mah Society, in partnership with the City of Vancouver, BC Housing, and Atira Property Management, renovated this Class C – 5 Storey - Heritage Building to improve livability

and conditions for its 36 renters. Critical repairs and necessary upgrades, including building envelope, heritage, building services, and fire and life safety, were completed.

The 15-month project cost \$2.5 million and was completed in May 2017. The City of Vancouver provided \$180,000 in SRA upgrade grants, \$200,000 in Chinatown Revitalization Grants and \$50,000 in DTES Capital Grants, while BC Housing provided \$500,000 and the Mah Society provided \$1.6 M. Atira managed the units in the building and oversaw the relocation of all tenants both before and after the renovations. Upon completion of the project, original tenants from the Asia Hotel were provided with first right of refusal at the same affordable rents. One third of the units in the building were secured at the shelter component of income assistance through a Housing Agreement.

As part of *Housing Vancouver*, the City has requested partnership funding to launch a new SRO Revitalization Fund to expand SRO reinvestment on a larger scale so that all the SRO stock in the city is habitable, supported, and affordable for low-income tenants. The priority focus will be on the ten worst-managed SROs that house the most vulnerable tenants. Partnerships with government, non-profit organizations and the private sector are critical to success in scoping and funding building improvements, coordinating tenant relocation during renovations and operating the building once renovations are complete.

## ALIGNMENT WITH OTHER CITY STRATEGIES

### HEALTHY CITY STRATEGY

The Healthy City Strategy (2014-2025) is an equity-focused social sustainability plan that includes key actions and priorities for supporting health and well-being for all. This includes a commitment to addressing poverty in the City, fostering social connectivity and inclusion and a home for everyone, and ensuring the right services and supports are in place where people need them most.

Specific actions and targets aligning with *Housing Vancouver* Strategy homelessness goals and low-income housing target include:

**GOAL 4** - Healthy Human Services: Access to the ‘right supports’ is a key objective of the Healthy City Strategy. The right supports include the ability to access the right level of support at the right time, such as specialized mental health and addictions treatment and recovery, Indigenous healing and wellness, supportive housing, and connections to primary care and community services. The right supports work both to prevent homelessness and ensure housing stability for the long-term

**GOAL 5** - Making Ends Meet and Working Well: With partners, the City will develop a Vancouver Poverty Reduction Strategy in 2017/2018 aligned with *Housing Vancouver*, the Community Economic Development Strategy, City of Reconciliation and urban health initiatives to support collective targets including reducing poverty by 75 per cent and increasing median income by at least 3 per cent every year

**GOAL 6** - Being and Feeling Safe and Included: The Healthy City Strategy aims to increase the sense of belonging and safety among all residents. The Vancouver Immigration Partnership New Start strategy for immigrants and refugees also identifies priority actions to enhance newcomers’ access to services and to support governments and public institutions addressing needs. Safety for women and addressing gendered violence, including through safe housing and homelessness prevention, is a key priority under this initiative

### DOWNTOWN EASTSIDE LOCAL AREA PLAN

The Downtown Eastside Plan aims to improve the lives of all those who currently live in the area, including low-and middle-income residents, the homeless, seniors, women, children and families, and improve the diversity of affordable market and non-market options in the neighbourhood.

### TRUTH AND RECONCILIATION

In January 2016, Council approved in principle the City’s response to the 27 Truth and Reconciliation Commission Calls to Action that fall within its jurisdiction, in the areas of healthy communities and wellness, Indigenous and human rights and recognition, and advancing awareness, knowledge and capacity.

### MAYOR’S TASK FORCE FOR MENTAL HEALTH AND ADDICTIONS

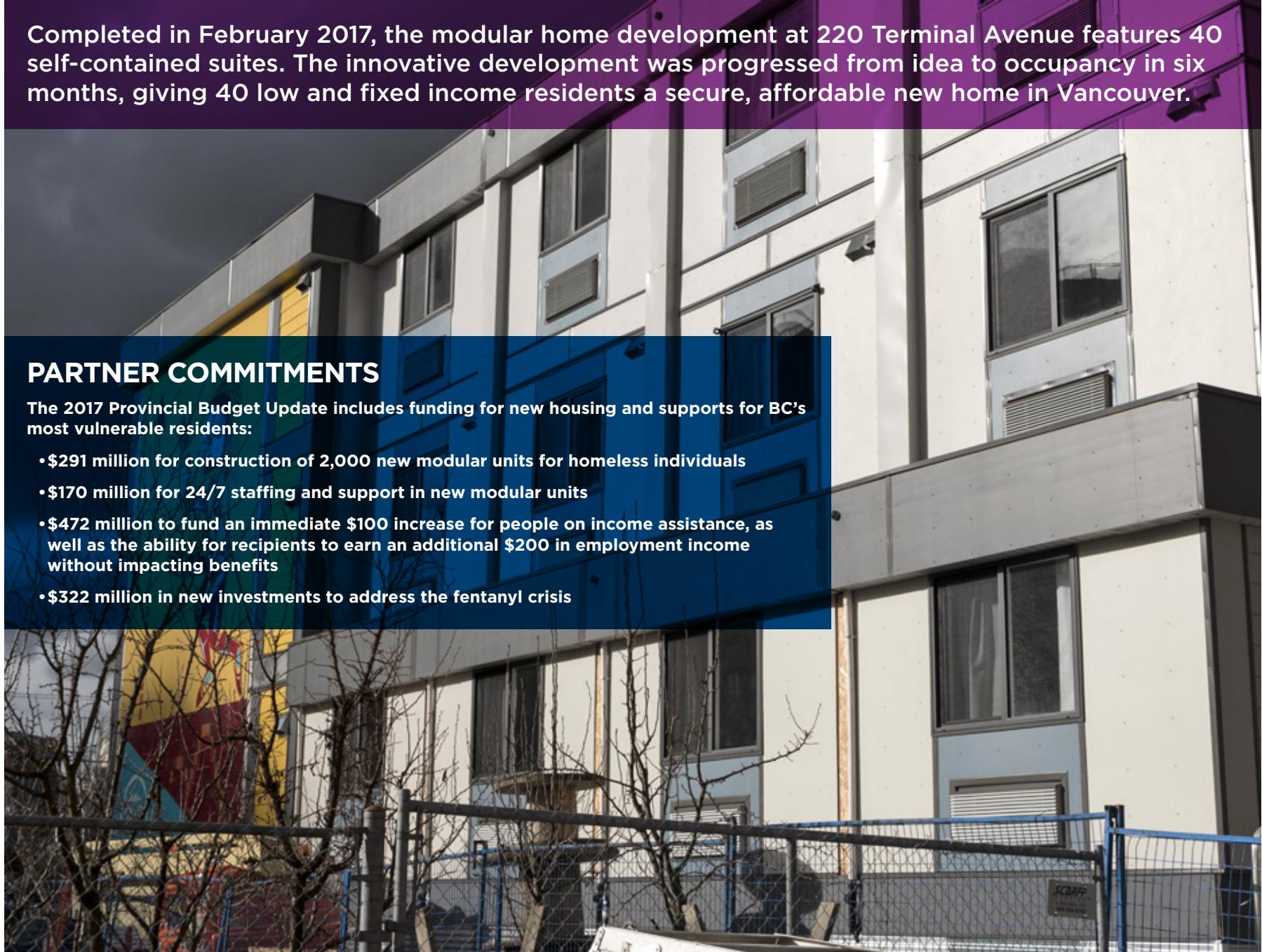
In September 2014, Council approved Caring for All: Priority Actions to Address Mental Health and Addictions, setting out priorities with partners to address Vancouver’s mental health and addictions crisis. The transition to an Urban Health Leaders Action Council under the Healthy City Strategy Leadership Table occurred in 2017, tasked with developing a 5-Year comprehensive Mental Health and Addictions Strategy in partnership with Vancouver Coastal Health and other community partners.

Completed in February 2017, the modular home development at 220 Terminal Avenue features 40 self-contained suites. The innovative development was progressed from idea to occupancy in six months, giving 40 low and fixed income residents a secure, affordable new home in Vancouver.

## PARTNER COMMITMENTS

The 2017 Provincial Budget Update includes funding for new housing and supports for BC's most vulnerable residents:

- \$291 million for construction of 2,000 new modular units for homeless individuals
- \$170 million for 24/7 staffing and support in new modular units
- \$472 million to fund an immediate \$100 increase for people on income assistance, as well as the ability for recipients to earn an additional \$200 in employment income without impacting benefits
- \$322 million in new investments to address the fentanyl crisis





Existing purpose-built rental housing in Vancouver's  
West End neighborhood

# CHAPTER 7: RETAINING AND RENEWING EXISTING RENTAL, CO-OP, AND SOCIAL HOUSING WHILE PRESERVING AFFORDABILITY

## OVERVIEW

Rising land and construction costs coupled with an extremely tight rental market has resulted in higher rents for new buildings. The key to preserving affordability requires policies and programs that aim to extend the useful life of the aging rental stock. In Vancouver, the older stock of low-rise, wood-frame market rental buildings, largely constructed before 1980, makes up over 80 per cent of the city's purpose-built rental housing stock and has rents that are nearly 30 per cent lower than newly-constructed rental housing.<sup>13</sup> Located in some of the city's most desirable neighborhoods, this stock has come under redevelopment pressure in recent years, driven by housing price growth and development opportunities.

Though representing a much smaller proportion of the overall housing stock, existing co-op and social housing are key sources of affordable housing for low- and moderate income households in Vancouver, including properties either owned by the City or with long-term leases on City land. Many of these homes have rents or housing charges geared to residents' incomes, making them a truly affordable option for families, seniors, key workers, and vulnerable residents.

The private SRO stock, which includes approximately 4,000 rooms, comprises some of the cheapest market rental housing in the city. The 100-year old stock houses some of the city's lowest income residents, but increased development interest combined with the

challenging economics of operating buildings at low rents puts SROs at increased risk of disinvestment or loss of affordability.

The one-for-one rental housing replacement policy mandated by the 2007 Rental Housing Stock Official Development Plan has been effective in protecting Vancouver's supply of purpose-built rental housing. Similarly, the City's Single Room Accommodation By-Law has been effective in slowing the rate of change in the SRO stock. However, as rental, co-op, and social housing properties age, they face growing need for major system and seismic upgrades, renovations, and repairs. These improvements are important for ensuring a healthy, sustainable rental stock with adequate supply to meet the needs of Vancouver's current and future renters. In some cases, redevelopment of existing rental can also help to expand the stock of secured rental housing for the future.

However, renovation and redevelopment of purpose-built rental housing often drives higher rents, increasing affordability pressure on existing renters. There is also the additional concern that major renovations or redevelopment could lead to the permanent displacement of renters from their homes. This is a particular concern for older market rental buildings that are home to large numbers of vulnerable residents, many of whom are at high risk of homelessness if they are not assisted with identifying alternate accommodations.

Aging co-ops and social housing buildings, including buildings on City-owned land, are also facing increasing need to undertake major

<sup>13</sup> CMHC Market Rental Survey 2017

upgrades and address deferred maintenance requirements, as well as the uncertainty created by the expiry of operating agreements with senior levels of government. These units provide some of the most affordable housing within the city due to their age and subsidies that were provided by senior levels of government. Much of this housing was developed decades ago under previous affordable housing programs. A key ask in the City's input to the National Housing Strategy was the need to maintain the current levels of federal subsidy and provide additional grants and financing in order to maintain and improve both the affordability and building conditions.

The Strategies in this chapter include actions the City will take in the next 10 years to prioritize reinvestment in the existing stock of rental, co-op, and social housing, in order to protect this critical stock, preserve affordability, and minimize impact on existing tenants. Single-Room Occupancy properties are a critical part of our protected affordable rental housing and are dealt with separately in Chapter 8.

## WHAT WE HEARD

**The importance of this housing stock is echoed in the feedback received from residents through *Housing Vancouver* public consultation:**

*"I'm worried about the condition of my building if structural issues aren't addressed, or the possibility of getting evicted if they choose to do major repairs. I don't know where I would go."*

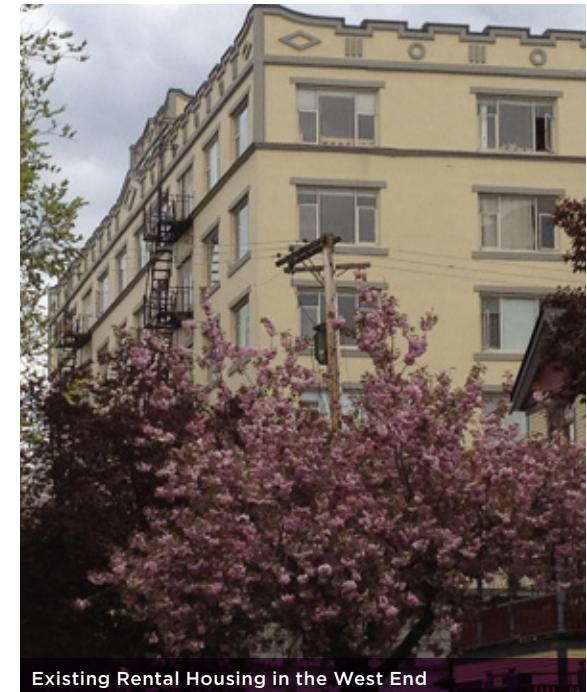
*"Co-ops and social housing are a lifeline for so many people in Vancouver...there has to be a plan for keeping it up."*

### Strategy 1: Encourage reinvestment in existing purpose-built rental housing while prioritizing affordability and minimizing displacement

The City will explore tools and partnerships to support needed reinvestment in existing rental housing while prioritizing affordability and minimizing or mitigating tenant impacts.

#### KEY ACTIONS:

- Understand key barriers to reinvestment, feasibility of reinvestment versus redevelopment, and areas of opportunity for existing purpose-built rental housing through study and consultation with industry
- Explore opportunities to incentivize major structural renovations and energy conservation mechanisms in existing purpose-built rental housing, including studying the impact of various measures to encourage major capital improvements in existing rental housing, such as low-cost loans, grants, and fair rent increases, while ensuring stability and security of tenure for existing renters
- Enhance and streamline City permitting processes for major renovations to existing purpose-built rental (See Chapter 9, Expediting and Improving City Processes)
- Enhance tenant protections for renters in properties undergoing major structural upgrades (See Chapter 8, Supporting Renters)



Existing Rental Housing in the West End

## **Strategy 2: Explore strategic opportunities to redevelop purpose-built rental housing in order to increase rental supply, while protecting affordability**

The City will explore and identify opportunities to redevelop existing rental housing in order to increase the overall supply of rental housing, while prioritizing affordability and ensuring protections for existing renters.

### **KEY ACTIONS:**

- Undertake a review of the Rental Housing Stock ODP and Rate of Change areas, including consideration of enhancing protection to below-market rental housing and identifying opportunities to redevelop and expand existing rental housing in Rate of Change areas as part of new community and station area planning processes

## **Strategy 3: Retain and renew existing social, non-market, and co-op housing, while identifying opportunities to increase social and co-op housing supply through redevelopment**

The City will work with its partners and with City-owned housing to retain and renew existing housing, while identifying opportunities to redevelop in order to expand social and co-op housing supply. Many of these buildings have the potential for reinvestment or redevelopment for additional affordable housing opportunities, but significant investments will be needed. The Rental 100 incentive program has been very effective at creating new market rental housing supply, so a similar but enhanced approach may be effective at encouraging non-market and co-op housing owners to bring their land forward.

### **KEY ACTIONS:**

- Develop, test, and implement a framework for co-op and non-profit lease renewal with provisions for affordability and identification of key sites for redevelopment to increase the number of affordable units

## **Strategy 4: Work with partners in regional and senior government on opportunities to support reinvestment in private market rental, and renewal in existing social, co-op, and SRO housing**

The City will work with partners at all levels of government on opportunities to support reinvestment in existing private market rental and social and co-op housing, including opportunities through the new National Housing Strategy.

### **KEY ACTIONS:**

- Advocate and partner with other Metro Vancouver municipalities to strengthen rental retention regulations and tenant protection policies, as set out in the Metro Vancouver Regional Affordable Housing Strategy
- Request the authority to create “Rental Only Zones” to prioritize the delivery and retention of rental housing; immediately implement zoning in RM “Rate of Change” protected areas if the authority is granted
- Continue to engage with the federal government through the Federation of Canadian municipalities (FCM) on key housing issues relating to supporting critical repairs and reinvestment in existing affordable housing through the national Housing Strategy, including implementation of NHS programs dedicating funding to urgent repairs in social and co-op housing.
- Encourage reinvestment in the Private SRO stock while maintaining affordability and minimizing renter displacement (see Chapter 6)

## **ENCOURAGING ENERGY EFFICIENCY IN EXISTING RENTAL HOUSNG - GREENEST CITY ACTION PLAN 2015-2020**

The Greenest City Action Plan 2015-2020 includes targets and actions for energy-efficiency in existing residential housing, with the goal of accelerating improvements to the environmental performance of existing building stock. Actions include:

- Updating the retrofit requirement options in Vancouver's Building By-Law to further reduce energy use and greenhouse gas emissions.
- Expanding the Green Landlord program
- Requiring annual energy benchmarking and reporting for large residential and commercial buildings.
- Launching a program for green industry partners



# CHAPTER 8: SUPPORTING RENTERS

## OVERVIEW

A growing population, increased demand, and limited construction of purpose-built rental housing until recent years have made Vancouver one of Canada's tightest rental markets, with a vacancy rate in purpose-built rental housing of just 0.9 per cent per cent in October 2017. This has put substantial pressure the 53 per cent of Vancouver households who rent their homes. This pressure is particularly acute for renters who are at high risk of displacement from their housing and face significant challenges finding replacement rental homes, including lone-parent families, seniors, newcomers to Canada, first-time renters, persons with disabilities, and people living on income assistance.

Rents in Vancouver continue to outpace incomes, with over 52,000 renters in Vancouver paying over 30 per cent of their income on rent. Out of these households, 19,000 are paying over half their income on rent, with 13 per cent of these households comprised of families with children.<sup>14</sup> While 2016 data is unavailable for certain demographics as of time of printing, we know from the 2011 National Household Survey that 58 per cent of rental households paying over half their income on housing were households aged 20-45, and a further 14 per cent were seniors over 65.<sup>15</sup> If rents continue to rise faster than incomes in the city, this proportion can only be expected to increase. Very low-income renters living in private SRO rooms are also increasingly challenged to meet rising market rents, resulting in displacement and sometimes homelessness. Rising homeownership costs also have ripple effects on the rental market. With less affordable

homeownership options, more households are renting for longer, which is adding more pressure to an already-tight rental market.

Pressure on renters is an issue across the region, with rents rising across Metro Vancouver's purpose built rental stock. In spite of this trend, there is evidence that some regional municipalities are not protecting their existing affordable rental stock, allowing it to be redeveloped without additional protections for displaced renters or replacement of rental housing. Region-wide action across municipalities is necessary to address widespread displacement of renters.

The City has gone above and beyond any other municipality in British Columbia. The City requires additional protections for renters when they are displaced due to redevelopment (see case study on page 65), and also requires one-for-one replacement of purpose-built rental housing units. However, reforms to the provincial Residential Tenancy Act are still the best and most direct means of strengthening the rights and protections of all renters.

Support is also growing for housing tenures that break away from the traditional renter-ownership dichotomy. These new approaches can provide long-term housing stability and, in some cases, opportunities to accumulate equity. Municipalities are also taking action to ensure that their existing secondary rental housing stock, including basement suites and rented condominiums, are being maximized as a source of long-term rental housing.

14 Census 2016, Statistics Canada

15 National Household Survey 2011, Statistics Canada

These efforts are outlined in the Strategies below:

### **Strategy 1: Create and enhance community-based supports for renters in Vancouver**

Community-based resources – including legal advocacy organizations, neighbourhood houses, and seniors' centres – provide crucial services for renters seeking information and assistance about their tenancies. City staff are also key resources for tenants, as well as for development applicants looking to comply with the City's tenant relocation policies and procedures. The City will develop resources to assist renters and applicants, take steps to boost the capacity of community-based organizations assisting tenants, and ensure sufficient internal capacity to assist applicants and renters.

#### **KEY ACTIONS:**

- Develop a tool kit to enhance supports for renters in their neighborhoods and the capacity of local legal assistance agencies and community-based organizations
- Develop resources to assist development and rezoning applicants to administer tenant relocation plans during the redevelopment process (See also Chapter 7, Retaining and Renewing Existing Rental, Co-op, and Social Housing)

### **Strategy 2: Strengthen City protections for renters, co-op members, and residents of non-profit owned housing**

While the City's existing renter and rental housing protections are among the strongest in BC, additional action will ensure that the broadest possible set of renters are protected, that the policy is tailored appropriately to different types of rental housing, and that renovation activity in existing rental is tracked and monitored over time.

#### **KEY ACTIONS:**

- Strengthen the Tenant Relocation and Protection Policy for renters impacted by renovations or redevelopment
- Adapt the Tenant Relocation and Protection Policy for social housing and co-op residents
- Improve and enhance data collection on tenant impacts of renovations in existing purpose-built rental housing
- Enhance City capacity to apply and enforce the Tenant Relocation Policy and assist tenants impacted by redevelopment
- Integrate renter protections into current and future community plans

## **WHAT WE HEARD**

**Vancouver's competitive and increasingly expensive rental market has created a situation ripe for abuse. Concerns about renters' rights were among the most common when we spoke to Vancouver residents as part of the *Housing Vancouver* public consultation process:**

***"A rental household should not have to spend half, and in many cases more, of their available income on rent, with a new notice of rent increase every year - all in the face of stagnant wages."***

***"I have been evicted twice in the past year from homes due to landlords deciding to take over the property and demolish or renovate. It is next to impossible to find affordable housing without a risk of renoviction."***

***"Because of fixed-term leases, every year we have been kicked out or had our rent increase by \$300-\$500."***

### **Strategy 3: Support security and stability for renters in secondary rental housing**

Secondary rental housing – including basement suites, rented condominiums, and laneway homes – makes up the majority of Vancouver's rental housing stock and is a key source of affordable rental housing for moderate-income renters. However, this stock tends to be less secure than purpose-built rental housing. Securing this housing as long-term rental and supporting stable tenancies is key to ensuring this housing remains a viable option for renters in the city.

#### **KEY ACTIONS:**

- Ensure that secondary rental stock is being prioritized as long-term rental by implementing the Empty Homes Tax and Short-Term Rental Licensing Policy
- Support owners of secondary rental homes in legalizing suites and entering and maintaining stable, secure tenancy agreements

### **CASE STUDY**

#### **City of Vancouver Tenant Relocation and Protection Policy**

Vancouver's existing supply of rental homes is aging, and most building are in need of major repairs to keep them safe, secure, and energy-efficient. The combination of rising land values and market rents creates new economic opportunities for rental owners who redevelop their aging buildings into new rental housing. While this is positive for the long-term health of Vancouver's rental supply, it has difficult short-term implications for their existing renters. Recent years have seen a rising number of renters displaced due to renovation or redevelopment of existing rental buildings.

With rising rents and a vacancy rate well below one per cent, it is challenging for renters to find a new home that does not require them to pay a significantly higher rent or to relocate to a new neighbourhood or out of Vancouver. This is extremely destabilizing for renters. Vulnerable residents like seniors, low-income families, and people with disabilities rely on their neighborhoods for social support and access to key amenities. The protections offered by the provincial Residential Tenancy Act – two months' notice

and one month of free rent – are often not enough to help these renters in their transition to a new home.

The City of Vancouver has taken several steps to protect renters and existing rental housing. The City requires rental developers to go above the requirements of the Residential Tenancy Act for renters being displaced by major renovations or redevelopment. Eligible renters are entitled to up to six months of free rent, as well as compensation for moving expenses. Vulnerable renters like seniors or people with disabilities may receive additional support and assistance to ensure they have the help and resources they need to transition to a new home.

The Rental Housing Stock Official Development Plan (2007) also requires new developments which demolish existing rental homes to provide the same number of rental homes in the new building. In many neighborhoods, this requirement has effectively slowed or halted the demolition of existing rental housing.

## Strategy 4: Collaborate with partners on actions to enhance renter protections and affordability

Federal and provincial initiatives could also have significant impact on renters. Current and future action to reform the Residential Tenancy Act will help to cement renters' rights in BC, while potential action from the federal government to address affordability for renters across Canada could bring additional support to Vancouver tenants.

### KEY ACTIONS:

- Support provincial action to strengthen the Residential Tenancy Act to enhance security of tenure and affordability for renters
- Continue to engage with the federal government through the Federation of Canadian Municipalities (FCM) on key housing issues relating to improving housing affordability for renters through the National Housing Strategy

## PARTNER COMMITMENTS

The 2017 BC Budget Update included early actions to improve supports for BC renters, including \$7 million in new funding for Residential Tenancy Branch to address existing backlogs in landlord-tenant disputes, a commitment to reduce wait times for dispute resolution and information services, and establishment of a dedicated unit to start investigating non-compliance with tenancy legislation. The BC Government has also brought forward legislation to end the practice of using fixed-term tenancies as a means of circumventing allowable annual rent increases.

The City is also working with the province on additional opportunities to enhance protections for renters in the Residential Tenancy Act, including:

- Improving protections for renters being evicted as a result of renovations, including the right of first refusal to return to a replacement unit in the property with limited rent increase
- Clarifying the types of renovations that can be legitimate grounds for a Notice to End Tenancy for Landlord's Use
- Revisiting the annual rent increase and exploring the possibility of reducing regular increases, while incorporating a fair and transparent system for allowing rent increases to reflect improvements to properties
- Creating a specific category in the Residential Tenancy Act (RTA) for SRA-designated properties by tying rent increases to the room as opposed to the renter in order to slow rent increases and renter displacement





# CHAPTER 9: EXPEDITING AND IMPROVING CITY PROCESSES FOR HOUSING DEVELOPMENT

## OVERVIEW

Development has surged in Vancouver over the past four years. New housing starts have reached an all-time high, peaking at over 7,500 dwelling units in 2015 and over 7,100 in 2016. Currently, there are 1,458 residential new construction projects, or ~11,000 units, with applications to construct in process and ~32,320 more units planned in Rezoning and Pre-application stages.

This surge in development has put significant pressure on the City's development and rezoning application process. Rezoning applications have doubled since 2014 and 2017 development and building permit volumes will exceed 8,500, the second highest volume of permit applications on record, next to over 8,700 applications in 2014.

Further, development has become increasingly complex, compounding the challenges associated with increased permitting volumes. The City has put forward a number of new policies over recent years that have improved the quality of our communities and buildings, including the Greenest City Action Plan and the Healthy City Strategy, as well as improved building codes and tenant protections. These efforts have helped to make Vancouver one of the greenest, healthiest cities in the world, but they also increase the complexity of development in the city. Furthermore, most development projects are re-developments, infill, or on difficult land types (e.g. peat bogs), adding to the complexity of building infrastructure, public amenities, and housing.

We have heard from the development industry and partners that lack of clarity and alignment between the City's affordable housing policies, community plans, and other by-laws is a source

of considerable uncertainty. A key objective of *Housing Vancouver* is to streamline affordable housing requirements across the city, while retaining flexibility to tailor affordable housing policy to specific communities. This was a key lesson learned through consultation with housing experts from large global cities.

The City is pursuing initiatives to transform planning and development processes and expand its capacity to conduct rezonings and process permits across all types of development, in order to reduce bottlenecks, improve efficiency, and reduce permit issuance times. With considerable pressure on the City's planning and development processes and staff, affordable housing must be prioritized. As the City expands its targets for new rental and social housing, it is crucial that all City departments, regulations, and processes are aligned to support delivery of affordable housing and rental housing. In order to achieve the 10-year targets established in *Housing Vancouver*, the City will seek to establish processes that simplify development of new rental housing, major renovations to existing purpose-built rental, and all housing and community amenities near transit stations and arterials.

In order to transform low-density neighborhoods (see Chapter 3, The Right Supply), the City must improve development processes in single- and two-family zones. This will include enabling more outright development and establishing more condensed processes for creative infill strategies on low density lots, including new ground-oriented ownership forms and laneway rental homes.

While the City will focus on streamlining specific housing development processes to support this

strategy's 10-year goals, it will also concurrently pursue systemic changes to better align policies, engage partners, and utilize technology. These broader measures will help to transform Vancouver's planning and development processes and enable more housing production.

### **Strategy 1: Create a planning and development process that prioritizes multi-family affordable housing**

Staff will establish planning and development processes that prioritize and expedite affordable housing development.

#### **KEY ACTIONS:**

- Implement a pilot program for high impact affordable housing projects, which will test new methods and tools with the goal of reducing planning and processing times by half
- Explore opportunities to expand successful methods from the pilot to additional affordable multi-family housing projects
- Create a process to expedite affordable modular housing developments on City land or private property awaiting longer-term development
- Evaluate lessons from the modular implementation to find other ways to support and enable fast permitting for additional pre-fabricated housing models

### **Strategy 2: Expedite and improve processes for developing market and below-market rental housing**

Staff will update planning and development processes to align with the goals of the *Housing Vancouver Strategy* and facilitate projects aimed at delivering market- and below-market rental housing.

#### **KEY ACTIONS:**

- Identify opportunities to speed up the production of new rental housing, particularly near transit hubs and arterials
- Evaluate a new approach to better enable major renovation of existing purpose-built rental buildings

### **Strategy 3: Enable the transformation of low-density neighborhoods**

Staff will take a more risk-based approach to speed up outright development and will simplify processes to support new infill, townhome, or other forms of housing in single- and two-family areas.

#### **KEY ACTIONS:**

- Convert 1.5 storey laneway homes from conditional to outright developments and expedite all laneway development
- Simplify outright single- and two-family development in order to reduce permit processing times and facilitate development of new ground-oriented ownership and rental forms
- Pilot a performance based approval process for outright low-density housing
- Identify processes to incentivize new forms of housing in single- and two-family zones
- Create a Housing Renovation Center to centralize knowledge and improve processes for renovations, with a focus on creative infill projects to help encourage density on low density lot developments

## **Strategy 4: Review existing planning and development policies and regulations for opportunities to streamline, clarify, and speed up processes**

Planning, development, and building staff will emphasize *Housing Vancouver* priorities as part of a three-year interagency review of City planning- and development-related regulations, with a focus on simplifying unnecessary complexity; reconciling competing objectives; accelerating reviews; and aligning vision and desired outcomes with policies and regulations. The regulatory review and update will aim to improve decision-making for industry and staff and simplify and speed up the planning and development processes.

### **KEY ACTIONS:**

- Initiate a review of City regulations with a focus on simplifying unnecessary complexity, reconciling competing objectives, accelerating reviews, and aligning vision with policies and regulations
- Review development and building fee schedules to ensure fees collected on development and building applications reflect processing costs

## **Strategy 5: Improve engagement, consultation, and capacity building to improve housing planning and development**

Clear and transparent information about housing and planning initiatives is crucial to ensuring that members of the public and stakeholder are informed about *Housing Vancouver* priorities. This is especially important for ensuring that under-represented groups are informed and engaged in City processes, including renters, younger residents, families, low-income groups. Facilitating participation and engagement of these groups may also require that the City consider new ways of delivering information to the public and collecting public feedback.

### **KEY ACTIONS:**

- Improve public information about housing and planning initiatives and make information available on a broader set of platforms
- Create more opportunities for engagement with housing and planning priorities, with emphasis on initiatives to enhance engagement of under-represented groups

## **Strategy 6: Utilize technology to transform service delivery and streamline processes**

Over the next few years, the City will pursue technology solutions to allow significantly more online, simplified permit processing for developers, home owners, business owners, and staff. These technology solutions will help minimize the need for customers to physically come to the City, improve clarity and transparency of information and expectations, and reduce workflow inefficiencies.

### **KEY ACTIONS:**

- Create customer-oriented tools that provide status of permits, offer check lists of needed information or materials, and note issues with applications
- Enable online submission of documents and drawings for all permit types
- Create ability to print some permits in the field



# IMPLEMENTING AND MONITORING HOUSING VANCOUVER (2018-2027)

**Creating opportunities for 72,000 new housing units** - including 12,000 units for low-income residents - and **preserving an additional 90,000 units** is a significant undertaking. *Housing Vancouver* provides strategic direction for future investments in housing over the next 10 years and beyond, a 3-year action plan that will guide the initial phase of implementation, as well as direction for monitoring and tracking progress toward the *Housing Vancouver* 10-year targets and other metrics.

## 1. IMPLEMENTING HOUSING VANCOUVER

### 3-Year Action Plan

*Housing Vancouver* will be accompanied by a 3-year action plan, which will detail concrete goals and actions the City will take in relation to each of the Strategies outlined in this document.

### Affordable Housing Delivery and Financial Strategy

Affordable housing can be provided by government, non-profit, and for-profit partners along the entire housing continuum. The degree of housing affordability results from the relationship between the cost of housing and household income.

**City tools for funding affordable housing:** The City achieves affordable housing through a range of tools, including partnerships to develop social housing on City-owned land, capital grants to support non-profit housing projects, and inclusionary housing policies that require or incentivize the inclusion of affordable housing in private developments.

**City funding sources for affordable housing:** The City funds new affordable housing in several ways, including development cost levies, density bonusing, and community amenity contributions. Renewal of City-owned or operated social housing is funded through property taxes.

**Partner contributions:** The City uses its funding sources to leverage significant contributions from partners, including senior governments, non-profits, and the private sector. Vancouver

has advocated for additional support and authorities from senior government. The promise of a new National Housing Strategy and the arrival of new governments at the province and federal levels bring the potential of new support for the City's housing agenda. A new Metro Vancouver Regional Affordable Housing Strategy and forthcoming regional homelessness strategy will also be a foundation for regional collaboration on housing issues.

Additional resources and tools are required to achieve the vision set out in *Housing Vancouver* and the 10-year housing targets. Staff will return to Council in 2018 with a comprehensive Affordable Housing Delivery and Financial Strategy for *Housing Vancouver*, which will lay out a strategy for supporting investments in affordable housing across the spectrum of income needs.

## 2. MONITORING AND REPORTING ON PROGRESS

A *Housing Vancouver* progress report will be presented annually to Council to track progress towards achieving the strategy goals. Baseline indicators will be established to measure and evaluate our progress which will help fine tune priority actions or shift focus as necessary.

### Report Back Annually on Progress Toward Targets and Action Plan

The City will release regular reports on progress toward *Housing Vancouver* targets and other key housing indicators. Progress reports will include statistics to measure outputs and outcomes (Table 4).

**Table 4: Output and Outcome Measures**

OUTPUT MEASURES	OUTCOME MEASURES
<p><b>1. Progress towards identified targets by:</b></p> <ul style="list-style-type: none"> <li>• Type of Housing</li> <li>• Supportive Housing</li> <li>• Social Housing</li> <li>• Co-ops</li> <li>• Below Market Rental</li> <li>• Purpose Built Market Rental</li> <li>• Rental Laneway Homes</li> <li>• Condominiums</li> <li>• Coach Homes</li> <li>• Townhomes</li> <li>• Income Level Served</li> <li>• Type of Household Served</li> <li>• Singles</li> <li>• Seniors</li> <li>• Families</li> <li>• Accessible Units</li> <li>• Building Type</li> <li>• Apartments</li> <li>• Infill</li> <li>• Townhomes</li> <li>• Location</li> </ul> <p><b>2. Progress on implementation of measures that retain and renew the older existing rental stock to:</b></p> <ul style="list-style-type: none"> <li>• ensure no net loss</li> <li>• renew leases with non-profit housing operators on city-owned sites to ensure long-term affordability</li> <li>• collect information on permits related to re-investment in existing purpose-built rental housing</li> </ul> <p><b>3. Stock of housing for low-income singles in the downtown core, including SROs</b></p>	<p><b>1. Number of sheltered and unsheltered homeless in the city and region</b></p> <p><b>2. Number of households spending over 30 per cent of income on housing in the city and region</b></p> <p><b>3. Rental market indicators available in the annual CMHC Rental Market Report (city and rest of metro)</b></p> <ul style="list-style-type: none"> <li>• Vacancy and availability rates</li> <li>• Number of units in the rental universe and change over time</li> <li>• Change in average rents over time</li> </ul> <p><b>4. Ownership market indicators available from the Real Estate Board of Metro Vancouver (city and rest of metro region)</b></p> <ul style="list-style-type: none"> <li>• Benchmark prices</li> <li>• Active listings</li> <li>• Sales volumes by size and age</li> <li>• Home sales affordable to local incomes</li> </ul> <p><b>5. Property status declaration data collected through the implementation of the empty homes tax</b></p> <p><b>6. Indicators relating to security of tenure in existing rental, including number of tenants impacted by renovation and redevelopment, and other drivers of displacement</b></p> <p><b>7. Other measures of housing affordability and availability to be determined through ongoing collaboration with partners</b></p>

**Ensuring transparency:** Access to information is key to ensuring accountable government decisions and an informed public. *Housing Vancouver* will prioritize transparency and ease of access to information about housing, development, and community plans.

**Requesting new data from senior government:** Municipalities generally do not have the authority or capacity to monitor aspects of the broader housing market. This includes indicators that are increasingly relevant to municipal policy, including data related to housing investment, declared income, residency, and wealth. Under *Housing Vancouver*, the City will continue to work with senior government partners to improve the data available on these and related indicators.

# GLOSSARY

## Affordable Housing

Affordability is a measure of a household's ability to pay for housing – it relates the price or cost of housing to household income. Housing is considered to be affordable when it comprises 30 per cent or less of a household's total income before taxes. Households paying over 30 per cent of their total income on housing costs are considered to be 'housing cost burdened.'

This is particularly relevant for low- and moderate income households whose household expenses take a higher overall share of their monthly budgets, whereas higher-income households may be able to absorb higher housing costs.

In order to better understand housing cost burdens on Vancouver's households, we looked at the population broken down by income bands.

## BC Housing

Formerly known as the *British Columbia Housing Management Commission*, BC Housing is the crown corporation that develops, manages and administers subsidized housing in the province.

## Canada Mortgage and Housing Corporation (CMHC)

A federal Crown corporation that functions as Canada's national housing agency. The CMHC's mandate is to facilitate access to housing and contribute to financial stability in order to help Canadians meet their housing needs. The CMHC is a leading source of housing data and market information.

## Community Amenity Contribution (CAC)

A voluntary in-kind or cash contribution provided by a developer when additional development rights are granted through a *Rezoning*. CACs can help address the increased demands new residents and/or employees can have on city facilities. CACs are used to fund community centres, libraries, parks, and other community spaces.

## Community Plan

As a forward-looking document, a community plan addresses a broad range of issues including land use, urban design, transportation, housing, parks and open space, community facilities, local economy, heritage, culture, environment, and public safety. A successful community plan is clear in its intentions while setting a vision framework that can be responsive to changing circumstances over time. Community plans are adopted by City Council to guide growth and change in a neighbourhood over time.

## Density

The size of a building (measured as the amount of floor area in square metres or feet), relative to the size of the site on which it is located. Density is often described as a ratio (see *Floor Space Ratio*).

## Density Bonus

A density bonus allows a developer to add more density (e.g. construct a larger building or more units) in exchange for providing specific public benefits for the community such as affordable housing.

## **Development Cost Levy (DCL)**

Most new development in the City of Vancouver pays Development Cost Levies (DCLs). A DCL is paid by property developers based on square footage. DCLs are an important source of revenue for City facilities such as:

- Parks
- Childcare facilities
- Social and non-profit housing
- Engineering infrastructure

## **Empty Homes Tax**

An annual tax on the assessed property value of empty or under-utilized properties in the City of Vancouver. The goal of the Empty Homes Tax is to incentivize the rental of residential properties that are currently vacant or under-utilized in order to increase the city's housing supply.

## **Floor Space Ratio (FSR)**

The measurement of a building's total floor area relative to the area of the site on which it is located. A building with a *Density* of 2.0 FSR has a built area equal to twice that of the land parcel on which it is located. For example, if the maximum FSR is set at 0.7, then for a 4,000 square foot lot, the maximum building size would be 2,800 square feet (4,000 x 0.7 FSR).

## **Form of Development**

The physical design of a building, including the height, massing, and architectural features. The City has form of development guidelines to ensure new buildings provide a pleasant street experience, do not shadow public spaces, etc. We also use the term 'form of development' to refer to specific types of housing, such as low density homes, townhomes, row homes, and low-, mid-, and high-rise apartments.

## **Inclusionary Housing Policies (also Inclusionary Zoning)**

A condition included in Official Development Plans and other City policies such as the *Rezoning Policy for Sustainable Large Developments* that requires new development

to make a proportion of the units available for affordable housing. This encourages balanced and diverse communities, and helps to create more opportunities for people with low and moderate incomes to live in conveniently located neighbourhoods that provide access to transportation and amenities.

## **Infill**

A type of residential building added to a lot which already contains an existing building.

## **Interim Rezoning Policy (IRP)**

The *Affordable Housing Choices Interim Rezoning Policy*, introduced in 2012, encourages innovative types of affordable housing by allowing consideration of a limited number of rezoning proposals that meet specific affordability, location, and form of development criteria.

## **Laneway House**

A laneway house is a small, detached home built on a low density lot at the lane. Laneway homes are permitted in addition to a secondary suite in the main house, and like secondary suites, are for rental or family occupancy only and cannot be strata-titled.

## **Moderate Income Rental**

Purpose-built rental housing with below-market rents targeted to qualified households earning moderate incomes (single income households earning between \$30,000 and \$50,000 per year, and dual income households earning between \$50,000 and \$80,000 per year). These income ranges encompass households that generally do not access or qualify for government subsidized social housing, but also cannot afford market rents.

## **Multifamily Housing**

A residential building containing 3 or more dwelling units.

## **Purpose-Built Market Rental Housing**

Multifamily housing built with the intent to be rented in the private market. Includes rental

housing secured by legal agreement. See *Secured Market Rental Housing*.

## **Rate of Change Policy (Rental Housing Stock ODP)**

The rate of change policy protects existing rental housing by requiring that redevelopment projects in certain zoning districts replace and secure any converted or demolished rental units. The Rate of Change Policy works alongside the *Tenant Relocation and Protection Policy*, which gives protection and assistance to tenants who are displaced by redevelopment.

## **Rental 100**

Rental 100 is a City of Vancouver program to encourage the development of buildings where 100 per cent of the residential units are rental. Units created through this policy are required to remain rental for 60 years, or the life of the building (whichever is longer). The policy provides several incentives such as DCL waiver, additional density and parking reductions.

## **Rental Housing Stock Official Development Plan**

See *Rate of Change Policy*.

## **Residential Tenancy Act (RTA)**

The RTA is the provincial legislation that supports and protects the rights of most tenants and landlords in British Columbia.

## **Regional Affordable Housing Strategy**

The policy document adopted by the Greater Vancouver Regional District Board in 2016 to provide leadership on housing needs in the Metro Vancouver region, and to advance the goals of the Regional Growth Strategy, *Metro Vancouver 2040: Shaping Our Future*.

## **Regional Context Statement**

The City of Vancouver's Regional Context Statement Official Development Plan By-law demonstrates how the City's existing plans and policies support the goals, strategies and actions identified in the Regional Growth Strategy, *Metro*

*Vancouver 2040: Shaping our Future.* All Metro Vancouver municipalities are required to have a Regional Context Statement.

## Rezoning

The City's Zoning and Development Bylaw - along with the Land Use and Development Policies and Guidelines - help shape Vancouver, and make our communities more liveable. They legally define the type of development that is permitted across all areas of the city. A rezoning is a legal change to the bylaw to permit an alternate type of development. Rezoning is either initiated by City staff following a change in policy for an area, or by the public, through a rezoning application submitted by a developer. Council makes all decisions regarding changes to bylaws.

## Secondary Rental Housing

Secondary rental housing refers to units rented on the private market that are not purpose-built and secured as rental. This includes housing options such as secondary suites, laneway houses, rented condominiums and rented houses.

## Secondary Suite

Typically an additional unit within a principal residence; includes basement suites in detached houses and lock-off suites in townhouses or apartments.

## Secured Market Rental Housing

Housing units that can only be used as rental housing. This is guaranteed with a legally binding covenant or housing agreement registered on title, which restricts the use to rental housing for 60 years or the life of the building (whichever is longer), or for another term agreed upon by the City and the owner.

## Short-Term Rental

This term refers to rental of a residential dwelling unit for less than 30 consecutive days.

## Single Room Accommodation (SRA, SRA-Designated)

Single room accommodation includes single room occupancy (SRO) hotels, rooming houses, and non-market housing with rooms less than 320 square feet located within the Downtown Core boundary. The Single Room Accommodation (SRA) By-Law manages the rate of change in this low-income housing stock by regulating its alteration, conversion, and demolition.

## Single Room Occupancy (SRO) Hotel

SROs were built primarily in the early 1900s to provide transitional housing, largely for men working in the resource industries. A typical SRO room consists of a 10' by 10' room with shared bathrooms and minimal or no cooking facilities. Non-Market SROs are owned and operated by a government or non-profit agency. Private SROs are owned by a private owner and may be privately operated or operated by a non-profit. The vast majority of SROs in Vancouver are located in the Downtown Eastside.

## SRO Task Force

The SRO Task Force was convened by the City to bring together a diverse range of partners and stakeholders to explore and develop recommendations to improve living conditions and supports in SROs, protect and improve the stock, and maintain affordability. SRO Task Force membership has included senior levels of government, non-profit organizations, private owners and landlords, SRO tenant and advocates. The outcomes and recommendations were formalized as part of an SRO Action Plan, and have been integrated into *Housing Vancouver's Key Strategies and Actions*.

## Social Housing

The City of Vancouver Zoning and Development By-Law defines social housing as rental housing:

- In which at least 30 per cent of the dwelling units are occupied by households with incomes below housing income limits, as set

out in the current "Housing Income Limits" table published by BC Housing

- Which is owned by a non-profit corporation, by a non-profit co-operative association, or by or on behalf of the city, the Province of British Columbia, or Canada
- Is secured by a housing agreement or other legal commitment

In the Downtown Eastside, social housing is rental housing in which at least one third of the dwelling units are occupied by persons eligible for either Income Assistance or a combination of basic Old Age Security pension and Guaranteed Income Supplement and are rented at rates no higher than the shelter component of Income Assistance.

## Supportive Housing

Supportive housing is subsidized housing with supports that help individuals to maintain housing stability. Supports help tenants stabilize their lives, enhance their independent living skills, and reconnect with their communities. The services provided to tenants are flexible, and vary from building to building. Some services are provided by on-site staff, and some services are delivered through outreach programs.

There are several forms of supportive housing available:

- Buildings where all of the units are supportive (dedicated)
- Social housing buildings where some of the units are supportive (mixed)
- In scattered market apartments with rent supplements

## Tenant Relocation and Protection Policy

This City of Vancouver Policy provides protection and assistance to tenants who must move if their building is redeveloped. This policy requires that owners or developers complete a *Tenant Relocation Plan* or *Tenant Impact Statement*, and provide eligible tenants with compensation that may include free rent, assistance in finding alternate housing, contributions towards moving costs and a priority opportunity to move back into the new building once complete.

## Tenant Relocation Plan

For projects subject to the City's Tenant Relocation and Protection Policy, if a development displaces the tenants of an existing rental building, the developer is required to provide a plan to help those residents find new housing options. This may include providing multiple, comparable housing options in the neighbourhood, contributing to moving costs, and providing the opportunity to return to their original address after construction is complete.

## Tenure

Housing tenure refers to the type of arrangement through which a person or household has the right to occupy a dwelling unit. The most common types of housing tenure are rental and owner-occupancy.

## Vacancy Rate

Rental vacancy rates are published by the Canada Mortgage and Housing Corporation (CMHC) as part of the annual Rental Market Survey. According to the CMHC, a unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental. The rate is equal to the number of vacant rental units as a percentage of total rental units.

## Vancouver Affordable Housing Agency (VAHA)

Created in 2014, VAHA is a legally independent agent of the City of Vancouver. VAHA liaises with investment, development, and community partners to create below-market housing options. Using innovative building techniques and unique partnerships, VAHA is focused on building high quality rental housing for individuals and families on moderate incomes across Vancouver. VAHA is working toward the delivery of 2,500 new homes on City lands by 2021.

## Winter Shelters and Warming Centres

The City partners with *BC Housing* to open temporary winter shelters that operate between November and April. Winter shelters save lives by offering an opportunity for people facing homelessness to come in out of the cold, and connecting them with health, social and housing services. As winter shelters are often full, warming centres are additional temporary spaces in community facilities that have been made available for people to come inside overnight during periods of cold weather.

## Zoning

The legal tool used to regulate how land can be developed. Each part of the city has a zoning district schedule that sets out rules for development. Zoning regulates the use of a site (retail, residential, office, etc.) and the characteristics of buildings on a site (height, density, and other physical aspects of the development).





**HOUSING  
VANCOUVER**