

PLANNING AND DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: METRO VANCOUVER DRAFT REGIONAL AFFORDABLE HOUSING
STRATEGY UPDATE - COMMENTS**

RECOMMENDATION:

1. THAT a copy of this report be sent to the Metro Vancouver Board, representing the City's comments on the draft *Regional Affordable Housing Strategy Update*.

REPORT

The Planning and Development Committee, at its meeting held on 2016 February 23, received and adopted the attached report providing a summary of responses from the Metro Vancouver Board for City comment on the draft "*Regional Affordable Housing Strategy Update*" dated August 2015.

Prior to adopting the report, the Committee AMENDED section 4.0 *Draft Regional Affordable Housing Strategy Update, Goal 2* requesting that an advocacy action be added to the Strategy for Metro Vancouver, being that the Provincial Government grant local governments the authority to zone for rental tenure.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor S. Dhaliwal
Member

Copied to:	City Manager Deputy City Managers Director Planning & Building Director Engineering Director Finance Director Parks, Recreation and Cultural Services
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TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT
COMMITTEE

DATE: 2016 March 2

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 2155 20

Reference: Metro Vancouver RAHS

**SUBJECT: METRO VANCOUVER DRAFT REGIONAL AFFORDABLE HOUSING
STRATEGY UPDATE – COMMENTS**

PURPOSE: To provide a summary of responses to the request from the Metro Vancouver Board for City comment on the draft “*Regional Affordable Housing Strategy Update*” dated August 2015.

RECOMMENDATION:

1. **THAT** a copy of this report be sent to the Metro Vancouver Board, representing the City’s comments on the draft *Regional Affordable Housing Strategy Update*.

REPORT

1.0 INTRODUCTION

At its meeting on 2015 October 9, the Metro Vancouver Board adopted a recommendation from its Housing Committee to approve the release of the draft *Regional Affordable Housing Strategy Update* (RAHS), draft housing demand estimates and draft performance measures to invite review and comment from member municipalities and to initiate external stakeholder consultation on the strategy. The strategy is an update of the 2007 Metro Vancouver Affordable Housing Strategy and is available in the Planning Department or at:

<http://www.metrovancouver.org/services/regional-planning/housing-affordability/strategy/Pages/default.aspx>.

The update was initiated in response to a changing landscape for affordable housing, particularly with regard to decreased senior government programs, as well as to strengthen the strategy’s integration with the land use goals of the Metro 2040 Regional Growth Strategy (RGS).

2.0 PROCESS

Metro Vancouver has been working on the RAHS update since 2013. The process has been extensive and included consultation with the Metro Vancouver Board and Committee members, local government representatives, and housing industry and non-profit agency stakeholders. The City provided comments on an earlier draft of the RAHS through a workshop with the Metro Vancouver Housing Committee. The next steps are to gather feedback from member municipalities and external stakeholders and incorporate this feedback into a revised RAHS to be

considered for adoption by the Metro Vancouver Board in May or June 2016. A letter from Metro Vancouver, dated 2015 November 23, requesting comments on the draft RAHS, housing demand estimates and performance measures was received by Council at its meeting on 2015 December 7 and was referred to the Planning and Development Committee for review.

3.0 REGULATORY STATUS OF A METRO VANCOUVER AFFORDABLE HOUSING STRATEGY

While some of Metro Vancouver's strategies are adopted by bylaw (e.g. the Regional Growth Strategy), the RAHS is adopted by the Metro Vancouver Board by resolution and is one of a suite of management plans meant to assist with implementation of the RGS. Therefore, there is no binding effect of the goals, strategies or actions set out in the RAHS on any of the partners. Progress on the strategy's actions is based on the actions of the regional partners. For this strategy, the regional partners are identified as Metro Vancouver, its member municipalities, the non-profit sector, the private sector, health authorities, TransLink, and provincial and federal governments. Through the collaborative actions of all partners, progress on regional affordable housing goals can be made.

4.0 DRAFT REGIONAL AFFORDABLE HOUSING STRATEGY UPDATE

The draft *Regional Affordable Housing Strategy Update* seeks to provide leadership on regional housing needs and challenges, as well as to support the land use goals of the Regional Growth Strategy. The RAHS outlines several housing challenges to which it seeks to address:

- A rapidly growing regional population and corresponding rapid increase in housing demand;
- An increasing gap between rental housing supply and demand, as construction of new rental housing is not keeping pace with demand;
- The impact of transportation costs on a household's overall housing cost burden;
- Senior governments' shift away from direct funding and tax incentives for construction of new market and non-market rental housing towards rent supplements for low income households; and
- A gap between the development costs for rental housing and market rental rates.

Like the 2007 strategy, the main focus of the draft strategy is on rental housing (affordable and market rental housing), not on emergency or transitional housing, nor at the other end of the spectrum, on affordable home ownership. Two new foci have been added to the RAHS:

- mixed income housing in transit-oriented areas; and
- reliance on the non-profit and co-op sectors to seek innovative ways to increase the non-market housing stock without senior government funding.

The framework of the draft strategy includes a vision, five goals, strategies for each goal, and also proposes actions of each regional partner, with a particular focus on Metro Vancouver's role. The RAHS recognizes that housing issues are increasingly complex and not the primary

responsibility of municipal and regional governments, and further recognizes that local conditions will result in varied municipal responses.

Adopted Goals of 2007 RAHS	Proposed Goals of draft 2016 RAHS
<ol style="list-style-type: none"> 1. Increase the supply and diversity of modest cost housing; 2. Eliminate homelessness across the region; and 3. Meet the needs of low income renters. 	<ol style="list-style-type: none"> 1. Expand the supply and diversity of housing to meet a variety of needs; 2. Preserve and expand the rental housing supply; 3. Meet housing demand estimates for low and moderate income earners; 4. Increase the rental housing supply along the Frequent Transit Network; and 5. End homelessness in the region.

Staff Comments: Burnaby's Residential Policy Framework of its Official Community Plan (OCP) generally supports the region's policy direction for accommodating regional housing demand estimates and providing a varied range and choice of living opportunities in the City. It further supports higher density land use designations in Town Centres providing increased housing opportunities in the community with a range of unit sizes and access to lower cost public transportation, both of which contribute to affordability. The City continues to investigate and consider housing initiatives through Metro Vancouver's Housing Committee, and supports broad objectives for non-market, affordable and rental housing.

As outlined in the RAHS, the issue of housing affordability is complex, challenging, and influenced by many external factors - supply and demand, projected population growth, income, federal and provincial taxation policy, and market costs of land and building construction - that lie outside the scope of local government regulation. As such, the City continues to urge senior levels of government to fulfill their constitutional mandates to provide non-market affordable housing; address the affordability of market housing; and find solutions to homelessness. While the City's land use powers provide some tools for encouraging housing affordability, local government has neither the resources nor the authority to fully address the issue, which remains a Provincial and Federal responsibility.

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

Four strategies address this goal:

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

Proposed Municipal Actions:

1. Monitor and report on progress towards achievement of the Metro 2040 housing demand estimates.
2. Demonstrate how Housing Action Plan policies and initiatives are intended to work towards achieving Metro 2040 housing demand estimates.
3. Use zoning and regulatory measures to expand the variety of types, tenure and built form of ground-oriented ownership and rental housing (i.e. coach houses/laneway houses, semi-detached and duplexes, micro units, townhouses including freehold townhouses, secondary rental market housing options such as accessory dwelling units in duplexes and townhouses, and other forms of infill and intensification).
4. Encourage a diversity of housing forms in proximity to the Frequent Transit Network including medium density ground oriented options in station shoulder areas.
5. Promote family friendly housing, as applicable, through policies for multi-family housing options with 3 or more bedrooms.

Staff Comments: To a great extent, existing City policy meets the intent of the RAHS Goal 1 actions outlined for municipalities. The City's housing policy framework encourages a diverse housing supply by focusing high and medium density development in its four town centres, while limiting change within its established lower density, single family areas. The City included housing demand estimates and committed to completing a Housing Action Plan within its 2013 Regional Context Statement, following Council adoption of an updated OCP in future.

There is a particular regional focus on encouraging 3+ bedroom units in multi-family buildings; with the City's current development activity and range of development from low to high rise buildings generating a broad range of units sizes and types. The RAHS includes direction for Metro to further research demand for various household types, including families, which is an important first step before the City would investigate any possible approaches to promote this policy direction.

The City established a baseline of housing data through the development of the 2015 Housing Profile. In order to better respond to the RAHS's request for monitoring and reporting on housing demand estimates, the City could consider re-alignment of our Housing Profile Report(s) to provide a status update on City progress towards the regional housing demand estimates.

Goal 2: Preserve and expand the rental housing supply

Three strategies address this goal:

To: *Planning and Development Committee*
From: *Director Planning and Building*
Re: *Metro Vancouver Draft Regional Affordable
Housing Strategy Update – Comments*

2016 March 2 Page 5

Strategy 2.1: Expand the supply of rental housing, including new purpose built market rental housing.

Strategy 2.2: Make retention and maintenance of existing purpose built market rental housing more attractive.

Strategy 2.3: Ensure that tenant relocations are responsive to tenant needs.

Proposed Municipal Actions:

1. Offer incentives that will help make development of new purpose built market rental housing financially viable (i.e. parking reductions, fee waivers, increased density, and fast-tracking).
2. Offer tools and incentives to preserve and sustain existing purpose built market rental housing (i.e. reduced parking, increased density for infill development, and transfer of density).
3. Facilitate non-profit housing organizations to purchase existing rental buildings for conversion to non-profit operation.
4. Require one for one replacement policies where existing rental supply is being redeveloped.
5. Enact standards of maintenance bylaws to preserve the stock in good condition and prevent further erosion of existing rental stock.
6. Support efforts to reduce rental operating costs by improving energy performance of purpose built rental buildings through the use of energy efficiency incentives offered by Fortis and BC Hydro, such as energy advisors, energy audits, demonstration projects, etc.
7. Establish bedroom mix objectives for new condominiums and purpose built rental housing.
8. Provide clear expectations and policies for increasing and retaining the purpose built market rental housing supply.
9. Require tenant relocation plans as a condition of approving the redevelopment of existing rental housing.
10. Ensure that developers notify tenants impacted by redevelopment of their rights under the Residential Tenancy Act.

Staff Comments: While there is an overall recognition that many types of market rental housing exist and no one form will meet the needs of all renters under this goal, the actions proposed focus on development of new purpose built rental housing while sustaining the existing stock.

To: Planning and Development Committee
From: Director Planning and Building
Re: Metro Vancouver Draft Regional Affordable
Housing Strategy Update – Comments

2016 March 2 Page 6

Burnaby has achieved actions under this goal including a Tenant Assistance Policy and supporting efforts to improve energy efficiency of rental buildings. Under certain circumstances, Burnaby has provided incentives and accommodations to make new purpose built market rental financially viable (e.g. parking reductions, and minor zoning variances through CD zoning).

Some of the proposed actions are a departure from Burnaby's established policy approach to purpose built market rental housing, with respect to incentives to preserve existing purpose built market rental housing; requirements for one-to-one replacement of rental housing; tools to facilitate the purchase of existing rental buildings by non-profit organizations for non-market housing; and enforcement of standards of maintenance provisions.

The City's approach to accommodating growth has been articulated, most recently in the report titled, "*Growth Management and Housing Policies in Burnaby*." The City's focus has been to offer financial incentives to support non-market, and therefore non-profit, rental housing to provide housing at rates affordable to households with low to moderate incomes. Likewise, Burnaby's Community Benefit Bonus Policy allows for support for affordable non-market rental units with grants to offset City fees and services costs. The regional proposal is a departure from Burnaby's approach, as it would transfer the value of the public supports, investments, and other accommodations for market rental from the public and non-market sectors to private investments and private ownership.

In responding to the RAHS, it is recommended that Burnaby's housing policy framework and how it meets multiple community objectives (accommodating growth, providing housing choice, building complete communities, meeting the needs of low income residents, etc.), while protecting and maintaining the value of the public investment in non-market housing forms be communicated to Metro Vancouver.

It is further recognized that local governments' ability to effectively encourage the development of new rental housing is hindered by its inability to control land use on the basis of tenure. Burnaby City Council passed resolutions in 1990 and 2007 that requested the Province to authorize local governments to enact land use regulations that would regulate residential rental tenure through zoning. It is recommended that an advocacy action be added to the Strategy for Metro Vancouver to request that the Provincial government grant local governments with the authority to zone for rental tenure as an additional, effective tool for encouraging new rental housing.

At this time, there is not a policy basis to support the Metro Vancouver approach for public 'investments' in private market rental development.

On a basis similar to the variances provided through CD zoning, in future, the City would continue to examine and consider measures that could be employed to further support market rental housing initiatives while respecting the current City policy position.

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

Four strategies address this goal:

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

Proposed Municipal Actions:

1. Offer incentives for proposed new mixed income housing (i.e. parking reductions, fee waivers, increased density, and fast-tracking) to assist in making these housing options financially viable.
2. Clearly state expectations and policies for development of new non-profit rental and cooperative housing.
3. Ensure a portion of amenity contributions or payments in lieu are allocated for housing affordable to low and moderate income households.
4. Allocate housing reserve fund monies to affordable housing projects based on clearly articulated and communicated policies.
5. Work with non-profit and cooperative housing providers to address issues related to expiring operating agreements.
6. Work with non-profit or cooperative housing providers on leased municipal land to renegotiate or renew the lease, if applicable, with suitable provisions for affordable housing; and/or facilitate redevelopment at higher density, if appropriate.

Staff Comments: The City has a well-established housing policy framework to support the development of new non-market, mixed income housing, which would help to meet the demands of low to moderate income households. These initiatives include grants to offset City fees and charges, fast-tracking applications, leasing of city lands at nominal rates, and consideration of zoning bylaw variances through the CD rezoning process. The City introduced a new program in 2015 to potentially lease city-owned sites to non-profits for the creation of housing. Future phases of the program could include examining existing leases of city-owned sites to look for further opportunities to add to the non-marking housing stock, as the site and opportunities arise. Staff are available to engage in these discussions and to advance proposals consistent with City policies and plans.

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

Three strategies support this goal:

- Strategy 4.1 Expand awareness of the affordable housing and transit connection.
- Strategy 4.2 Plan for transit station areas, stop areas and corridors to include rental housing affordable for a range of income levels.
- Strategy 4.3 Implement incentives to encourage new purpose built rental housing near transit.

Proposed Municipal Actions:

1. Establish transit-oriented inclusionary housing targets for purpose built rental and for housing affordable to low to moderate income households within 800 metres of new or existing rapid transit stations and 400 metres of frequent bus corridors that are anticipated to accommodate enhanced residential growth.
2. Purchase and hold sites/air space parcels for new non-profit housing to be made available as funding becomes available, focusing on the Frequent Transit Network.
3. Establish an agreement with TransLink and the Province with the objective of generating funding to achieve goals for low to moderate income housing near the Frequent Transit Network.
4. Consider providing incentives for new purpose built rental housing and mixed income housing located in transit-oriented locations to enable them to achieve economic viability.

Staff Comments: Burnaby's land use plans support density and new housing in transit oriented locations. Municipal actions under this goal propose to increase the supply of rental housing through inclusionary zoning, purchase of sites or units, or provision of incentives, within these areas. In many cases inclusionary requirements for rental housing is negotiated as an amenity and generally requires granting additional density to be feasible. At this time, there is not a policy basis in the City's approach for this scope of work and/or change of policy directions that would further these actions.

Action 3 contains an action for TransLink, the Province, and local governments to coordinate funding to achieve more affordable housing near transit. TransLink is included in this action as an agency that may have land holdings near transit and because they have a real estate division that may wish to capitalize holdings through redevelopment. This action has been included in the draft, and would await a response from TransLink. To staff knowledge, TransLink has yet to indicate that it has the financial resources to become a partner or contribute financially towards regional housing goals.

Goal 5: End homelessness in the region

Three strategies address this goal:

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

Proposed Municipal Actions:

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

Staff Comments: The RAHS recognizes that the primary responsibility for meeting the needs of homeless and at risk populations rests with federal and provincial governments and the health authorities. The municipal actions propose that municipalities have a role as facilitator in addressing homelessness. Burnaby's housing policy framework supports this role through various policy initiatives for the development of new non-market housing as discussed under Goal 3. The City has also developed specific criteria and guidelines for consideration of transitional housing. The second action (work with non-profit housing providers and private landlords to facilitate suitable housing options for persons who are homeless) is an action that responds to the "housing first" model and is an important step in supporting people in the private sector housing market; however, it is an action best responded to by other levels of government, as they have established relationships with non-profit housing providers, administer the rent supplement program and generally have the legislative tools for social services and income redistribution.

5.0 CONCLUSION


The draft RAHS reflects a collaborative approach that strives to advance a diverse and affordable housing supply in the region. It provides a focus on market and non-market rental housing to meet the needs of the region's housing affordability challenges. The goals and strategies are comprehensive and include actions for all levels of government as well as the non-profit and private housing sectors. Burnaby has established a comprehensive policy framework to support housing affordability, and specifically has a wide range of policy in support of non-market housing. Staff will convey reports on Burnaby's Housing Profile and Land Use Policies to the region for information.

Burnaby's current policy does not provide direction or financial incentives for the creation of market-rental housing in the ways set out in the strategy, and there is not a policy basis at the City to do so. It is noted that many of the significant actions (e.g. requiring rental replacement; inclusionary zoning near transit stations, etc.) contained in the regional proposals would

To: Planning and Development Committee
From: Director Planning and Building
Re: Metro Vancouver Draft Regional Affordable
Housing Strategy Update – Comments

2016 March 2Page 10

necessarily draw on a City's tax base, if any commitment was made to fully respond to these regional directions. This is not and would not be consistent with Burnaby's established policy direction, and is not a proposal that staff would advance in reporting out on the regional proposals in future. Nevertheless, there are a number of actions that could be reviewed and considered through a future OCP review process, based on a position that protects the City tax base from being impacted, that in doing so, would support the goals of the *Regional Affordable Housing Strategy*. Further work and investigations continue to be undertaken by staff and the Planning and Development Committee on ways and means to address the goals and intent of the regional directions that necessarily reflect the City's means, jurisdiction, and abilities in this area.


Lou Pelletier, Director
PLANNING AND BUILDING

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