

TO: CITY MANAGER**DATE:** 2016 October 12**FROM:** DIRECTOR PLANNING AND BUILDING**FILE:** 42000 20*Reference: Housing - General***SUBJECT: NATIONAL HOUSING STRATEGY****PURPOSE:** To present a statement for submission to the Government of Canada regarding the development of a National Housing Strategy.

RECOMMENDATION:

1. **THAT** Council endorse the statement presented in Appendix A of this report for submission to the Government of Canada.

REPORT**1.0 INTRODUCTION**

The Government of Canada has begun public consultation on the development of a National Housing Strategy. The consultation is broad-based and invites input, in a variety of formats, from the general public, the housing sector, and all levels of government. The consultation website, LetsTalkHousing.ca includes a housing survey, an online bulletin board for housing ideas, and the opportunity to upload written submissions. Workshops and meetings have also been held throughout the country, including a 2016 September 23 workshop in Vancouver that was attended by staff.

Burnaby has long advocated for the development a national housing strategy. Now that this work is underway, staff recommends submission of a written statement expressing support for the process and outlining the ways in which a National Housing Strategy could address housing issues in Burnaby. A draft of the recommended submission, to meet the consultation deadline of 2016 October 21, is attached as Appendix A.

2.0 NATIONAL HOUSING STRATEGY

The National Housing Strategy is intended to provide a long-term vision for housing in Canada that addresses fundamental housing challenges. The draft vision statement for the National Housing Strategy is:

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*All Canadians have access to housing that meets their needs and they can afford.
Housing is the cornerstone of building sustainable, inclusive communities and a strong
Canadian economy where we can prosper and thrive.*

Ten key principles and a number of related themes are also presented for public comment:

National Housing Strategy – Key Principles	
<i>Principle</i>	<i>Statement</i>
<u>Environmental sustainability</u>	We want housing to contribute to a cleaner environment and support a greener tomorrow.
<u>Performance tied to results</u>	We measure our performance; evaluate our outcomes; and base our decisions on the best evidence of what works.
<u>Self-reliance</u>	We seek to support greater self-reliance for individuals, families and housing providers, where possible.
<u>Fiscal responsibility</u>	We seek fiscally responsible housing responses and leverage support from others.
<u>Flexibility</u>	We recognize that there is no one-size-fits-all solution to addressing housing needs.
<u>Community-centred</u>	We believe housing should be community-based and consider access to public transit, proximity to work, amenities and services.
<u>Economic stability</u>	We want a stronger housing system that supports stability in the Canadian economy and helps withstand fluctuations in the economic cycle.
<u>Innovation</u>	We encourage innovative new approaches.
<u>People-centred</u>	We remember that people are at the heart of all housing solutions.
<u>Collaboration</u>	We value collaboration and build respectful relationships.

National Housing Strategy – Themes		
Themes	Sub-theme	Outcome
<u>Sustainability</u>	Environmental sustainability	Housing is environmentally, socially and financially sustainable. <ul style="list-style-type: none"> • Housing and communities are healthy, resilient, and contribute to Canada’s climate change goals. • Housing is a foundation for improved life prospects and equal access to opportunities. • Canada has a strong housing system that supports economic stability and growth.
	Social housing renewal	
	Creating a better quality of life	
	Economic growth and stability	
	Supportive institutions and regulations	
<u>Affordability</u>	Affordable lands and financing	Canadians have housing that they can afford, and that meets their needs.
	Affordability pressures in cities	
	New and renewed rental housing	
	First-time home buyers	
<u>Inclusivity</u>	Low-income and vulnerable Canadians	Housing contributes to social inclusion and wellness for all Canadians
<u>Flexibility</u>	Use of data-based evidence	Canadians have access to housing options that meet their diverse and changing needs.
	Continuum of housing options	

These principles and themes convey the scope of the strategy, the major elements to be considered, and the general approach to be taken to address housing issues. A set of discussion sheets accompanying the themes are provided on LetsTalkHousing.ca and have been reviewed in developing the proposed submission.

The deadline for submissions is 2016 October 21. On 2016 November 22, results of the consultation will be released at an online Town Hall and posted on the LetsTalkHousing.ca website.

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3.0 CITY OF BURNABY SUBMISSION

In order to contribute to the dialogue on the National Housing Strategy, it is recommended that Burnaby provide a written submission expressing its support for the process and outlining the ways in which a National Housing Strategy could address housing issues in Burnaby. Due to its length, the text of the proposed submission is attached as Appendix A. In addition, a copy of the *Burnaby Housing Profile 2016* would be conveyed with the submission.

4.0 CONCLUSION

This report outlines the Federal public consultation process for the development of a National Housing Strategy, and includes a written statement on the strategy for Council review. Staff recommends that Council endorse the proposed statement for submission to the Government of Canada as part of its public consultation process for a National Housing Strategy.



Lou Pelletier, Director
PLANNING AND BUILDING

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cc: Deputy City Manager
City Clerk

STATEMENT OF CITY OF BURNABY ON A NATIONAL HOUSING STRATEGY

The City of Burnaby welcomes the development of a National Housing Strategy and commends the Government of Canada for initiating this process. Burnaby has long advocated for the development of such a strategy and encourages all efforts to expedite its progress.¹

The lack of affordable housing and the incidence of homelessness is a growing and complex problem affecting all Canadian communities. An incomplete continuum of housing options negatively impacts individual and family well-being, local economic growth and sustainable, complete community development.

The majority of housing in Burnaby, and indeed across Canada, relies on market mechanisms such as rental, sales, and leasing. However, the cost of market housing is too expensive for many, particularly lower income households and populations with special housing needs. Government programs, including the provision of public housing, subsidies for non-profit housing, partnerships, and controls on market activity are needed to meet the array of housing needs of the community.

Non-market Housing

Discussion: Burnaby has a significant stock of non-market rental housing – over 5,900 units, including 1,900 cooperative housing units. However, much of Burnaby's social housing stock is aging and the associated Federal operating agreements are expiring. A plan for renewal of existing social housing developments should be a priority of the National Housing Strategy. Burnaby supports the recent proposal of the Big City Mayors' Caucus of the Federation of Canadian Municipalities, which calls for \$12.6 billion of the Social Infrastructure Fund (Phase 2) to be set aside for social housing renewal.

While renewal of existing social housing is essential, the need for non-market housing extends beyond existing supply. The 2015 *Metro Vancouver Housing Data Book* reports that 1,199 Burnaby residents were on the BC Housing waitlist for non-market housing in 2015, a 35% increase since 2009.² According to the same source, in 2011, 9,410 renter households in Burnaby were determined to be in Core Housing Need, in that their homes failed to meet standards for adequacy, suitability, and/or affordability.³ Of these households, 3,455 spent more than 50% of their income on housing and are considered at risk of homelessness. Adequate funding for the construction of new non-market rental housing, through the Investment in Affordable Housing, Affordable Rental Housing Innovation Fund, or other

¹ See Union of British Columbia Municipalities (UBCM) Resolution # A3 (2008); B46 (2014); and B45 (2016); Federation of Canadian Municipalities Resolution (2014).

² Metro Vancouver. *Metro Vancouver Data Housing Book*. November 2015.

³ Adequate dwellings are those reported by their residents as not requiring any major repairs. Suitable dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Affordable dwellings are those that cost less than 30% of total before-tax household income.

programs is critical to addressing the needs of these households. Use of Federal surplus lands for non-market housing should also be explored.

Regarding future demand, preliminary estimates from Metro Vancouver indicate that in Burnaby, over the next ten years:

- Rental demand will increase by 6,800 households;
- 2,890 of those households (43%) will have very low income (< \$30,000 annually);
- An additional 1,440 (21%) of those households will have low income (\$30,000 to \$50,000 annually).

The above figures indicate significant housing need within the spectrum traditionally served by federal programs for non-market housing. A resumption of funding to meet these needs must be a cornerstone of the National Housing Strategy.

Recommended Directions:

1. Dedicate \$12.6 billion of the Social Infrastructure Fund (Phase 2) to renewal of social housing.
2. Provide adequate funding for construction of new social housing units to meet existing and future needs.

Market Rental Housing

Discussion: In the 1960s-1970s, federal tax incentives promoted the construction of market rental housing, particularly purpose-built rental apartments. Since 1985, when these incentives were removed, construction of purpose-built rental housing has slowed, redevelopment has focused on the more profitable condominium market, and land values have continued to rise. With the price of home ownership beyond reach for many, demand for rental housing has increased while the existing stock has aged.

Now, much of Burnaby's purpose-built market rental housing stock is 50 years old. Many of these older buildings offer affordable rents, due to their age and condition. As these rental buildings reach the end of their intended lifespans, efforts must be made to replace them with new purpose-built rental apartments and other options that increase the stock of affordable rental housing.

Federal tax incentives for affordable market rental housing and funding for non-market housing are needed to increase the supply of these housing types. Tax incentives for homeowners with legal secondary suites and other accessory dwelling units would improve the affordability of detached home ownership and increase the supply of affordable rental housing. Burnaby also supports the proposal to exempt the development of new rental housing from the Goods and

Services Tax (GST), and other tax incentives and programs to increase the supply of secured, purpose-built, affordable rental housing that is protected for this purpose over the life of the project.

Recommended Directions:

3. Restore federal tax incentives for secured affordable market rental housing, including purpose-built rental buildings and accessory dwelling units.
4. Exempt construction of secured, affordable purpose-built rental housing from the Goods and Services Tax (GST).

Role of Local Governments

Discussion: Like many municipalities, Burnaby has developed a number of programs to increase housing affordability within the limits of its mandate. These include:

- *Community Benefit Bonus Housing Fund* – a density bonus program that has achieved \$42 million dollars for affordable housing along with 19 constructed units.
- *City Lands Program for Non-Market Housing Projects* – a program that offers City land at nominal rates for development of non-market housing.
- *Development incentives for non-market housing* – incentives that include fast track approvals and deferral of permit fees and development charges
- *Affordable Units Policy* – a policy requiring 20% of units to be affordable on publicly held land
- *Rental Conversion Control Policy* – a moratorium on strata conversion of existing rental housing
- *Tenant Assistance Policy* – a policy requiring expanded relocation assistance as a condition of rezoning
- *Secondary Suites Program/Flex Suites Policy* – zoning regulations and other assistance for development of suites

Partnerships are another way in which municipalities can work with higher levels of government to increase housing affordability. In the past year, Burnaby has worked jointly with the Province of BC and private investors in the development of exciting new affordable housing

government input in the development and renewal of social housing, and that includes Federal contributions to innovative projects as another form of partnership to meet the community's housing needs.

Key to successful collaboration is the recognition of each party's distinct roles and responsibilities, and the contributions that each can uniquely provide. The role of local government in meeting housing need is unique but limited, and largely dependent on zoning powers that are provided by Provincial and Territorial governing legislation. The National Housing Strategy can assist local governments by acknowledging their important but limited role in housing development and by encouraging Provincial and Territorial governments to provide local governments the necessary powers to zone for affordable housing. For instance, zoning for tenure, which would permit rental-only zoning districts, is a power that is currently withheld in BC, despite advocacy from Burnaby and others.

Recommended Directions:

5. Engage local government in the development and renewal of social housing.
6. Promote intergovernmental partnerships that recognize the distinct roles of each order of government.
7. Encourage Provincial/Territorial legislative changes to permit zoning for tenure and other variables affecting affordability.

Homelessness

Discussion: Burnaby supports an increase in funding to end homelessness, through the Homelessness Partnership Strategy and other programs. Priority should be given to supportive housing programs that assist those experiencing homelessness and other barriers such as mental health issues, addiction, and physical disabilities. Burnaby supports progressive housing models that combine emergency shelter, transitional housing, and supportive housing in one facility, and that help homeless individuals reintegrate into their communities. The funding of these models, along with the provision of permanent housing for those with very low income, is the key to reducing homelessness and should be a priority of the National Housing Strategy.

Recommended Directions:

8. Increase funding for the Homelessness Partnership Strategy and other programs.
9. Ensure supports for those with barriers such as mental health issues, addiction, and physical disabilities.
10. Prioritize funding for progressive housing models that combine emergency shelter, transitional housing, and supportive housing.

11. Provide permanent social housing for those with very low incomes.

Sustainability

Discussion: Burnaby views sustainability through three lenses – social, economic, and environmental – that intersect in countless ways. Housing is integral to each of these spheres and underlies the sustainability of any community. Burnaby advocates for a National Housing Strategy that incorporates a broad perspective on sustainability.

Burnaby believes that sustainability and affordability need not be in opposition, but can be mutually supportive. For instance, passive design can decrease operating costs by reducing energy use and maintenance of mechanical cooling and heating systems. Energy efficiency increases affordability by reducing monthly utility costs, and should be a feature of all new social housing. New housing for all income levels supports social objectives and contributes significantly to the vitality of the local economy.

Recommended Directions:

12. Consider the social, economic, and environmental dimensions of sustainability in evaluating housing strategies.
13. Build housing that supports community development, local economies, and social objectives.
14. Encourage designs that reconcile affordability and environmental sustainability.
15. Increase energy efficiency standards and incentives, and support other innovative building practices, such as passive house and net zero energy designs.

Conclusion

Addressing the affordability of housing has been a federal role since the 1930s, and has shaped the range of housing opportunities available in Burnaby today. Much of Burnaby's housing stock, in particular our non-market rental housing developments, is the legacy of this involvement. The lack of federal funding in recent decades is also reflected in the significant unmet need for housing in our community. Burnaby welcomes the renewed commitment to affordable housing that this consultation represents, and looks forward to the further development and implementation of the National Housing Strategy in the coming months.