

AFFORDABLE HOUSING AND HOMELESSNESS - A RESPONSE TO ISSUES AND PROPOSALS



PLANNING & BUILDING DEPARTMENT

2007 FEBRUARY 19

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TO: CHAIR AND MEMBERS COMMUNITY DEVELOPMENT COMMITTEE

FROM: DIRECTOR PLANNING & BUILDING

SUBJECT: AFFORDABLE HOUSING AND HOMELESSNESS –
A RESPONSE TO ISSUES AND PROPOSALS

PURPOSE: To provide Council with an overview of housing affordability and homelessness issues and to respond to various initiatives that others have proposed that could be used to facilitate affordable housing both in the region and the City.

RECOMMENDATIONS:

1. **THAT** a copy of this report be forwarded to the Honourable Monte Solberg, Minister of Human Resources and Social Development with the request that the proposed federal initiatives outlined in Section 5.1 be addressed.
2. **THAT** a copy of this report be forwarded to the Honourable Rich Coleman, Minister Responsible for Housing, and BC Housing with a request that the proposed provincial initiatives outlined in Section 5.2 of this report be addressed.
3. **THAT** a copy of this report, which provides a proposed City response in Section 5.3.1 to the Draft Discussion Paper on a Regional Affordable Housing Strategy for Greater Vancouver, be sent to the GVRD Board.
4. **THAT** a copy of this report, which provides a proposed City response in Section 5.3.2 to the City of Vancouver's 2006 November 28 motion on homelessness, be sent to the City of Vancouver.
5. **THAT** Council authorize staff to further explore those possible new City initiatives for facilitating affordable housing that have potential financial impacts, and as summarized in Section 6.0 of this report, through the use of specific case examples with the findings and conclusions to be submitted for the subsequent consideration of the Committee and Council.
6. **THAT** this report be sent to Burnaby MP's and MLAs.

REPORT

1.0 INTRODUCTION

The City of Burnaby has a vision to progress toward a City in which residents and businesses enjoy:

- ♦ **A healthy and livable community** with a high quality of life and wellness, connections in the community, and opportunities for the participation of all residents
- ♦ **A high quality physical setting** including a clean natural environment, a lively and livable urban fabric, and a wide variety of open spaces and parks, and
- ♦ **A robust, sustainable local economy** which provides jobs, attracts investment, and contributes to a fiscally strong local government.

These elements of community – social, physical and economic – are interrelated and cannot be treated in isolation from one another. Affordable housing is viewed as an important component of the social fabric of the City and is deserving of careful scrutiny and consideration. It is in this context that this report is undertaken.

In the fall of 2006, Council adopted a comprehensive resolution (see Attachment #1) regarding a growing concern about a lack of affordable housing, the lack of adequate treatment facilities for those suffering from mental illness and substance abuse, and the lack of adequate income support for the poor, seniors and new immigrants. The resolution further indicated that while the Provincial and Federal governments have the constitutional responsibility and fiscal ability to address these problems, cities are being asked to divert their scarce and relatively fixed revenue source (i.e. property tax) to address the provision of an adequate social infrastructure, including affordable housing and facilities for the homeless. The adopted motion requested that the federal and provincial governments provide meaningful funding and programs to address these growing needs. It was further previously requested that staff undertake a review of current federal and provincial programs for affordable housing.

Subsequently, at its meeting of 2006 December 05, Council adopted the following two motions:

“THAT staff be requested to prepare a report outlining all of the policy measures that Burnaby has in place to encourage and expedite the development of affordable and non-market housing alternatives, including, but not limited to such matters as reduced development cost charges, increased Floor Area Ratios, and other such opportunities that have been used in the past and within the last year.”

“THAT staff be requested to prepare a report on the advisability and feasibility of the City of Burnaby adopting some or all of the measures suggested by the Minister of Housing and the Premier at the recent UBCM convention, in relation to potential changes to local government policies and procedure and cost factors that, it is suggested may encourage the development of additional low cost housing alternatives; and as well, invite Minister Coleman to a meeting with Council once the report is complete.”

Despite several requests through the UBCM, the Minister’s office and BC Housing, staff have been unable to obtain either a printed or audio copy of the presentation made by the Minister of Housing at the most recent UBCM Convention. Nevertheless, members of Council have provided the following summary of the Minister’s proposals from notes taken at the 2006 UBCM Convention:

- ◆ Identifying vacant land that could be developed into housing opportunities (including properties held by the Crown, Province, City, etc.)
- ◆ Increasing density and redeveloping existing social housing
- ◆ Providing incentives to developers, including “free” land or lease land
- ◆ Expediting zoning procedures
- ◆ Reducing or eliminating development cost charges
- ◆ Waiving certain design requirements (such as parking spaces, etc.)
- ◆ Reducing required Floor Area Ratios (such as minimum unit sizes)

- ◆ Legalizing of secondary suites

In addition, Council has received requests for comments on the following:

- ◆ A Greater Vancouver Regional District Discussion Paper on a Regional Affordable Housing Strategy which was prepared as a starting point by municipalities and the GVRD Board on potential regional and municipal strategies and actions to address affordable housing needs in Greater Vancouver.
- ◆ A 2006 November 28 City of Vancouver resolution regarding housing and homelessness requesting specific involvement of GVRD member municipalities in assuming a more pro-active role in the provision of affordable housing.

Arising from an effort to advance the provision of affordable housing in the City, Council met with Burnaby members of Parliament and the Legislature in a staff workshop in 2006 December 18 to discuss affordable housing and homelessness issues. The points raised in this workshop are discussed in a subsequent section of this report.

This report responds to the above noted Council requests and includes:

- ◆ an overview of housing needs and resources in the region and Burnaby;
- ◆ an outline of Burnaby initiatives to support affordable housing;
- ◆ an overview of Federal and Provincial programs and funding for non-market housing; and
- ◆ commentary on the various strategies and actions that have been suggested by the Minister of Housing, the GVRD, the City of Vancouver and the Council and senior government workshop participants, as potential initiatives to advance affordable housing in the region and the City.

2.0 HOUSING AFFORDABILITY - A CONTEXT

Housing affordability is a function of housing cost and household income. “Affordable housing” can be defined as housing which has a market price or rent that does not exceed 30% of a household’s gross income. This measure applies to households of low to moderate income, that is, households which have income that is 80% or less than the median household income for the urban area in which they live. Affordable housing can be provided by the private, non-profit, cooperative, and public sectors. It may include a variety of housing tenures, including ownership, cooperative, and rental across the full housing spectrum – from emergency shelters to full home ownership. Households with affordability problems are found across the region, and are not concentrated in one municipality or part of the region. This report focuses on affordable housing issues primarily related to core need for social housing or affordable rental.

2.1 A FEDERAL AND PROVINCIAL CONTEXT

Current concerns regarding affordable housing and homelessness in the Greater Vancouver area are the result of a myriad of factors including:

- ◆ deinstitutionalization,
- ◆ cuts to income assistance,
- ◆ cuts to senior government housing programs,
- ◆ inadequate mental health and addiction treatment services,
- ◆ rising market values,
- ◆ low vacancy rates,
- ◆ lack of investment in rental housing, and
- ◆ a growing trend towards the downloading of responsibilities for facilitating affordable housing to local government.

This combination of factors has resulted in increasing unmet needs and a more acute and visible housing problem that is not being adequately addressed by the private market or government programs. In addition to the challenges faced by those with unmet housing needs, the impacts are acutely felt at the local level by municipal governments, residents, service and housing providers, police, hospitals, and businesses. The significant changes to senior government funding and programs for non-market housing since 1993 have also given rise to the following issues with Federal and Provincial housing policies:

- ◆ **Inadequate Funding:** There is inadequate Federal and Provincial funding to respond to housing needs. The senior government funding and program announcements over the past five years, while important, have not made up for the units that would have been created had the Federal Government funded new units from 1993 onwards at levels seen in the 1970s and 1980s. The absence of funding from the Federal Government between 1994 and 2001 was a significant setback for the affordable housing sector. The loss of Federal funding and programs has had a direct impact on communities in terms of the provision of affordable housing units and in terms of the “community building” benefits related to the development, construction and operation of co-op and other non-market housing forms which contribute to the creation of positive, healthy and vibrant communities. Furthermore, the most recent funding agreements have been made without the guidance of a comprehensive national housing strategy.
- ◆ **Unrealistic Partnership Expectations:** Senior governments are increasingly relying on partnerships with both private and non-profit organizations. This partnership requirement is a concern to potential private and non-profit sector partners, which have limited resources but are expected to bring equity or assets to the table in the form of land or contributions to capital costs. Furthermore, partners that have assets, in the form of land, may find that they are competing with other providers for scarce program-related capital

and operating funding.

- ◆ **Narrow Priorities:** Notwithstanding the acute needs of the targeted groups, recent Provincial housing priorities have been narrowly focused on housing for seniors and people with special needs and those facing or risking homelessness. Although the units developed under the *Independent Living B.C.* program respond to recognized challenges facing low income seniors and people with disabilities, there is increasing concern with the Province’s use of limited Federal housing dollars for special needs housing and health related projects at the expense of core need non-market housing for all low-income households.
- ◆ **Focus on Demand Side Approaches:** There has been increasing emphasis on demand side approaches (e.g., funding for rent supplements) at the expense of supply side approaches (i.e., the development of new non-market housing units). This shift in emphasis raises concerns about the lack of government dollars invested in establishing a sustainable non-market housing stock for the future. A related priority on the supply side approach is the need for a federally sponsored tax/financial incentive program to rekindle the development of new purpose built rental accommodation. Such a supply side initiative would help take pressure off the dwindling supply of existing rental stock and provide some new housing opportunities for low to moderate income earners.
- ◆ **Limited Effectiveness of Rent Supplements:** The recently announced rent supplement program may provide temporary help to low income working families; however, the effectiveness of the supplements is hindered when vacancy rates are low, as is presently the case in Greater Vancouver. Further, rent supplements have little impact on the quality of housing being provided or the supply of affordable units.
- ◆ **Ongoing Support for Existing Units:** There is increasing concern about the future status of co-operative and non-profit housing developments given the age of the housing stock and the approaching expiration of subsidy agreements

with CMHC and B.C. Housing.

- ◆ **Redevelopment Pressures:** The Province's proposal for redevelopment and conversion of some non-market housing sites, while opening up opportunities for more housing, may result in the displacement of existing residents and make it more difficult for low income family households to secure non-market housing.

In summary, the key concerns with recent funding and programming for affordable housing include:

- ◆ The Federal Government has reduced its involvement in the development, management or direct subsidization of non-market housing and is now providing funding to the Provinces to take on these responsibilities.
- ◆ The Provincial Government is putting an appropriate focus on low-income housing for vulnerable households (i.e. special needs, seniors, and homeless people); however, fewer resources are available and targeted to meet general core need housing for low income individuals and families.
- ◆ Demand side programs, such as rent supplements, are becoming more prevalent; however they do not increase the supply of affordable housing and they have limited effectiveness in markets with low vacancy rates and high market values.
- ◆ There is uncertainty about the future of some older non-market housing developments given their age, the expiration of subsidy operating agreements, and the Provincial Government's intention to make better use of these properties.
- ◆ Senior governments increasingly rely on partnership arrangements, which are a concern to partners with more limited resources, such as local government and housing and service providers. In the case of local governments, it needs to be emphasized that their sole source of ongoing revenue is the property tax levy which is needed to address the multitude of civic services and facilities for which local governments are responsible. The thrust of the 2006 October 16 resolution adopted by Burnaby City Council reflects this reality. Further, it is clear that cities cannot be expected to shoulder

the real and downloaded costs of poverty, crime and untreated mental illness by using a regressive property tax system that was never intended or designed to support such social program and infrastructure needs.

- ◆ There are no sustainable programs to address the social/supportive needs of the homeless and those at risk of becoming homeless which in turn is resulting in an increasing need for an increased inventory of temporary and supportive housing for the homeless.

2.2 A REGIONAL CONTEXT

Affordable housing and related issues of inadequate income, mental illness, and addiction are a problem for many communities in Canada, not just Burnaby. Housing affordability concerns have been increasing within Greater Vancouver as the area continues to have the highest housing costs in Canada. Burnaby, as an inner central urban community within the Vancouver metropolitan area, is influenced by the various trends and influences associated with the region as a whole.

The availability of adequate housing is linked to the overall sustainability of a community, particularly as related to residents' quality of life, stability of neighbourhoods and overall health of individuals and the community. The affordability of housing is also important to the regional economy as the resident labour force, including those with low incomes, require access to adequate stable housing. Homelessness has direct social and health costs to both the individual and the host community and, if not addressed can result in a disproportionate use of emergency health, police, social and criminal justice services.

The GVRD has recently estimated that, while the majority of households in Greater Vancouver are properly housed, about one-third of the region's households have difficulty finding and remaining in affordable housing to own and/or rent.

The GVRD's *Discussion Paper on a Regional Affordable Housing Strategy*, (2006 November) provides a good

regional context and identified various areas, trends and factors affecting the availability of affordable housing accommodation. Pertinent information from the paper is summarized below.

2.2.1 RENTAL HOUSING AVAILABILITY IN THE REGION

One of the principal conclusions of the GVRD paper is that, historically, housing production in Greater Vancouver has not been able to keep pace with demand for affordable accommodation, particularly rental housing. Historical data on housing starts in Greater Vancouver from 1994 to 2005 cited in the report reveal that the market has consistently produced an average annual shortfall in the supply of rental units in the region of about 2,500 units per year. (Source: Affordable Housing Supply Analysis, March 2006; Prepared for GVRD by McClanaghan and Associates.)

The GVRD discussion paper forecasts that the region will require 70,500 additional rental units by the year 2021, or an average annual increase of 3,525 additional units. Their assessment is that prospects for the private market meeting future forecast demand for rental housing remain bleak due to unattractive rates of return for rental properties. As a result, “purpose-built” rental housing is declining in its share of the region’s total housing stock.

Vacancy rates are a further indicator of how “tight” the rental market is. A 3% vacancy rate is considered healthy in a rental market. Vacancy rates in Greater Vancouver remain among the lowest in Canada: in 2005, the rental housing vacancy rate in Vancouver was 1.4% compared with 3.7% for Toronto, and in late 2006 the vacancy rate across the region was below one percent (0.6%). Vacancy rates for lower end of market units are consistently lower than for higher-rent units.

This deficiency in the supply of rental housing has major implications for affordability, and increases the need for supply of social housing. In social housing, vacancy rates for the deep-subsidy units are virtually zero and the regional inventory (47,220 units) is

not keeping pace with demand, particularly for households requiring deep subsidies. BC Housing is the primary provider of social housing in the region, with the GVHC being the second-largest provider. While BC Housing has recently produced a substantial number of units for frail seniors, neither of these social housing providers has produced a significant supply of housing for low-income individuals and families in the past five years.

The GVRD paper further indicates that while renter households constitute approximately 40% of all households across the region, they account for approximately 63% of all regional households in core need. CMHC defines households being in core need if they experience at least one of three types of housing challenges based on established standards. These standards relate to “suitability” (enough bedrooms for the size and composition of the household), “adequacy” (if the unit is safe and in good repair), and “affordability” (shelter costs are in excess of 30% of the household’s gross, pre-tax income). The target populations most over-represented among renter households who are in the greatest need for affordable housing are:

- ♦ immigrant and refugee families, particularly those who have arrived in Canada in the past 10 years;
- ♦ seniors, particularly senior women over 75 years of age;
- ♦ female-led single-parent families; and,
- ♦ single persons who receive Income Assistance.

Renters expend proportionally more of their income on rent than do homeowners on mortgages and maintenance. Of renters with incomes of \$10,000 – \$40,000, one quarter pay more than 50% of that income for rent, compared with one-fifth of owner households in this same income range. Another indicator of the increasing affordability demand from renters is the increasing number of people requiring social housing, particularly for those units which are rent-g geared to income and have deep subsidies attached. The central social housing registry for Greater Vancouver has a wait list of over 11,000 households (as of October 2006), half of which are

related to family households. The chronic lack of market rental and social housing units in this region means that low-income renters are not only seeking out scarce affordable rental units, but that they are competing with moderate-income renters who are having difficulty affording first-time homeownership given the increasingly high values in the residential real estate market.

2.2.2 HOMELESSNESS IN THE REGION

The GVRD discussion paper reported the following on the homeless situation in the region:

“The number of street homeless people is increasing: the 2005 Regional Homeless Count demonstrated that the number of homeless people nearly doubled from 1,121 to 2,174 since 2002. The majority of this increase occurred in the unsheltered or street homeless population (1,127 people), which grew by almost 800 people, or a 238% increase, since 2002.

Approximately 75% of homeless people surveyed in the homeless count reported a health condition of some kind, with 35% of homeless people reporting two or more health conditions. The most common health problems were addictions (49% of homeless people), medical conditions such as diabetes or Hepatitis C (35% of homeless people) and mental illness (23% of homeless people). The high incidence of health conditions points to the need for support services to assist homeless people to access and maintain housing. Lack of adequate income is also a significant factor contributing to homelessness. Less than half of all homeless people (45%) had a steady income source, including those accessing provincial Income Assistance (30% of homeless people). The remainder survived with no income, income from binning or bottle collecting, casual employment and/or illegal activities. In addition to problems with access to Income Assistance, the shelter component of Income Assistance is insufficient to afford rental housing in Greater Vancouver. The shelter component of Income Assistance for a single person is \$325 per month, a rate that has not increased since 1991. In 2005,

the average market rent for a bachelor apartment in Greater Vancouver was \$678 per month, more than double the shelter allowance rate.

There were 26,525 incidents of people being turned away during the 2004/2005 cold/wet weather season (October to April), and 92% of those turn-aways were a result of the shelter being full. It is estimated that 1,100 people across this region are without shelter any night of the year.”

The Supporting Communities Partnership Initiative (SCPI), a joint federal/provincial funding initiative has led to the creation of some 190 new beds for permanent shelter and youth safe house capacity and 635 supportive housing units in the region between 2000 and 2005. The GVRD has estimated that some 675 supportive housing units are needed in the short term to house unsheltered people in the region with a longer term goal of an estimated 5,000 units of supportive units.

While a step in the right direction, the Provincial government’s announcement of funding for 450 more supportive units throughout the province under the auspices of the new Housing Matters BC will continue to leave significant unmet needs in the region.

Notwithstanding some efforts to address the growing homelessness issue, there is currently no supply program at any level of government that can consistently deliver the number of units needed to address chronic homelessness in the region.

Clearly, the growing incidence of homelessness in the Greater Vancouver area has had a linkage to significant cutbacks in social and community services and tightening in eligibility and rates for Income Assistance which have had a combined impact on a vulnerable population. The growing incidence and depth of poverty in this region means more households are at-risk of homelessness with homeless shelters dealing with the end result of a deficient supportive treatment and housing system.

3.0 AFFORDABLE HOUSING NEEDS IN BURNABY

This section of the report provides an overview of affordable housing needs in Burnaby, commenting on the inventory of affordable housing resources available to address needs, and current continuing City initiatives which seek to support the development of affordable housing in Burnaby.

3.1 OVERVIEW OF AFFORDABLE HOUSING NEEDS

The following provides a general overview of the need for affordable housing in Burnaby, drawing on available 2001 Census Data and other relevant sources (a more contemporary overview will be provided once the 2006 Census information becomes available):

- ♦ **Core Need Households:** In 2001, there were an estimated 13,325 households in Burnaby (18% of all households) in core need and potentially requiring some support to secure affordable housing that is suitable in size, in good repair and at a cost of less than 30% of income. Of the 13,325 households, 9,110 (68%) were renters and 4,215 (32%) were owners.
- ♦ **Core Need and Paying Half of Income for Housing:** Of the 13,325 core need households, an estimated 5,600 Burnaby households (3,700 renter and 1,900 owner households) were in core need and paid at least 50% of their income towards housing costs. The average annual income of the renter households was about \$15,400 (2001).
- ♦ **Low Income:** In 2001, there were 11,653 economic families in Burnaby (23% of all economic families) living below the *Low Income Cut-Off (LICO)*, which is the income level at which households spend 20% more than average on food, shelter and clothing. Furthermore, there were an estimated 12,428 unattached individuals in Burnaby (42% of all unattached individuals) living below LICO.

- ♦ **Immigrants and Refugees:** Immigrants and refugees make up an increasing proportion of Burnaby's population. In 2001, 47% of Burnaby's population was defined as immigrants, an increase from 42% in 1996. Immigrants and refugees can often face significant and specific housing challenges resulting from the combined impact of low income, language difficulties, and cultural differences. The most recent figures for government-assisted refugees indicate that Burnaby had the highest number (235) and percentage (30.3%) of such refugees settling in the province during 2006. For comparative purposes, for 2006, the City of Vancouver only had 83 (10.7%) of government assisted refugees.
- ♦ **Non-market Housing Wait List:** At present, there are about 1,450 Burnaby households on the B.C. Housing Registry wait list for non-market housing.
- ♦ **Homelessness:** For 2006, community service providers estimate that there are likely between 75 – 100 people homeless in Burnaby at any one time. This figure is higher than the 38 Burnaby street homeless people identified in the 2005 Regional Homeless Count, which some consider to be an "undercount" due to the difficulty of accurately identifying homeless people at any point in time.
- ♦ **Availability:** Availability of affordable housing in Burnaby is further hampered by a low vacancy rate (0.8% as reported by CMHC in 2006 December). As indicated, a vacancy rate of about 3% is considered to be a level that maintains options for access to affordable housing.
- ♦ **Security of Supply:** Burnaby currently has approximately 32,300 units of rental housing. Some of the units are in buildings at the latter end of their usable life. As such, these units are potentially at risk of loss and replacement by more expensive non rental units due to high land costs and associated redevelopment pressures.
- ♦ **Discrimination and Access:** Discrimination can be a problem for "hard to house" families and individuals seeking affordable housing.

Immigrants, refugees, homeless people, people on income assistance and people with physical disabilities, mental disabilities, mental illness, or addictions face difficulties in accessing available housing as they may be considered to be more risky tenants by landlords.

3.2 EXISTING AFFORDABLE HOUSING INVENTORY

The following broadly assesses the available affordable housing resources in Burnaby:

- ♦ **Non-market Units:** Current data indicates that Burnaby has 5,819 non-market housing units operated by B.C. Housing, Greater Vancouver Housing Corporation, non-profit housing providers, and co-operatives. Burnaby has the second largest share of non-market housing units amongst GVRD municipalities.
- ♦ **Assisted and Supportive Living Units:** Burnaby has 232 assisted living units registered with the Assisted Living Registrar, 167 of which receive subsidies under the *Independent Living B.C.* program. Further, there are a total of 508 supportive housing units in the city which provide meals and housekeeping support, but not the same level of prescribed support services available in assisted living residences. There is a growing need for assisted living and supportive housing units in Burnaby to address the needs of an aging population and those of people with physical and mental disabilities. Appropriately located supportive housing options are also required to meet the needs of people with drug and alcohol addiction and mental illness and the homeless and at-risk-of homelessness population.
- ♦ **Rental Support for Seniors:** There are currently about 665 Burnaby seniors receiving *SAFER (Shelter Aid for Elderly Renters)* benefits. *SAFER* provides rent supplement assistance to seniors so they can find housing in the private rental market. Looking forward, given escalating market values and rental rates and a rapidly growing seniors segment of the population, an increasing number

of Burnaby seniors can be expected to require assistance with their rental costs.

- ♦ **Residential Rehabilitation Assistance Program:** Burnaby has an aging stock of affordable rental apartment housing units. Many of these units which were built in the 1950s and 1960s, provide a significant component of our core inventory of housing for low income households and are at risk of degradation due to deteriorating condition, and may eventually require major repairs and replacement. In addition, it is expected that many of these older rental facilities are now mortgage-free with lessening competitively priced rental accommodation available, thereby potentially reducing the pressures for owners to undertake regular upgrade programs. Notwithstanding the existence of the *Rental Residential Rehabilitation Assistance Program* – which is generally not seen as an attractive option for apartment owners -- maintenance and repairs in some of the older, rental stock continues to be a problem. There is a need for increased investment in the protection and rehabilitation of older and more affordable units otherwise redevelopment pressures for poorly maintained and underutilized sites will increase over time.
- ♦ **Homelessness:** Burnaby has yet to receive a specific proposal including funding for a permanent facility for supportive, transitional and emergency housing for homeless people, although City staff are currently working with the Progressive Housing Society, Lookout Emergency Aid Society, and B.C. Housing to identify sites for such a development. An appropriately located supportive/transitional housing facility would help to address current needs in Burnaby. Such a facility should also offer support services for those at risk of homelessness, with the aim of reversing the trend towards increasing numbers of people without shelter in our community. It must be stressed that sufficient levels of senior government funding for non-market housing for people in core need is essential to assist those at risk of homelessness.
- ♦ **Shelter for Victims of Domestic Violence:**

Burnaby has one transition house, operated by Marguerite Dixon Transition Society, for women and children fleeing violence. The Marguerite Dixon Transition Society is currently pursuing an increase in its stock of second stage housing, which accommodates women and children leaving the transition house.

- ♦ **Mental Illness, Drug and Alcohol Addiction:** Burnaby has a single short-stay housing facility, Fraserdale House, for people with mental illness and several houses providing support in a group living situation for high risk youth and for adults with mental illness or drug and alcohol addictions. There is need for additional housing for people with mental illness and drug and alcohol addiction within an appropriate locational framework. Some of this need could be addressed through the transitional and supportive housing developed through homelessness initiatives. To be effective, it is important that such housing receive sufficient operating funding for the provision of necessary support services (e.g. for addictions and mental illness, life skills and employment training and assistance with daily living).

3.3 BURNABY AFFORDABLE HOUSING INITIATIVES

The City of Burnaby has a history of pursuing a broad range of initiatives to support the development of affordable housing within the City. While recognizing that the City does not have the resources or mandate to address core needs for the provision of affordable housing, the City has been able to make an important contribution to protect, provide, enhance, support and encourage the provision of affordable housing through a number of initiatives as outlined below:

- ♦ **City Land Lease:** Leasing City land for sixty (60) years at 75% of market value to five non-profit and co-operative housing providers for the development of 254 units at Action Line Housing Society, Lions Mulberry Place, Ridgelawn Gardens, Cariboo Co-operative, and Hastings Village.

- ◆ **Market Purchase:** Purchasing an existing 58 unit rental housing development under threat of demolition for lease back for sixty (60) years at 75% of market value to a newly-formed housing co-operative: Garden Square Co-operative.
- ◆ **Rental of City Property:** Renting City property for group living houses for high risk youth.
- ◆ **Donation of City Land:** Providing surplus land and unopened road right-of-way in 1998 valued at \$574,000 at no cost to the New Vista Society to assist with the development of a seniors housing project.
- ◆ **City Grant:** Providing a grant to Habitat for Humanity to assist with the costs of required improvements to the site, including the costs of an environmentally sound storm water drainage system.
- ◆ **Affordable Units Policy:** Establishing a policy requiring that 20% of units in newly developing communities on larger publicly-owned land be affordable. This policy resulted in the development of 390 non-market housing units at Oaklands, George Derby, Cariboo Heights, and the former Burnaby South School site.
- ◆ **Rental Conversion Control:** Maintaining the restriction on conversion of existing rental apartment buildings to condominium ownership from 1973 to the present.
- ◆ **Group Home Policy:** Adopting a contemporary Group Home Policy to provide a framework for future planning and ease of the approval of group homes in Burnaby.
- ◆ **Secondary In-law and Caregiver Suites:** Including provisions in the Burnaby Zoning Bylaw to provide for the accommodation of secondary in-law and caregiver suites in single family dwellings.
- ◆ **Secondary Suites in Multiple Family Units:** Including provisions in the Burnaby Zoning Bylaw to permit secondary suites in multiple family buildings at SFU UniverCity.
- ◆ **Residential Rehabilitation Assistance Program:** Directly administering the *Residential Rehabilitation Assistance Program* in Burnaby from 1978 to 2004, increasing the service delivery area to six Lower Mainland municipalities in the early 1990s.
- ◆ **Fast-Track Approvals Process:** Adopting a policy in 1991 to fast-track rezoning, Preliminary Planning Approval and building permit applications for affordable housing.
- ◆ **Density Bonusing:** Establishing a density bonus program for securing community amenities, including provision of affordable housing units, in exchange for additional development density within our Town Centre areas. This program has resulted in the development of 19 affordable housing units with an amenity bonus value of approximately \$2.9 million.
- ◆ **Density Bonus Cash-in-Lieu:** For density bonuses accepted as cash-in-lieu, and for all density bonuses less than \$800,000, designating that a minimum of 20% of the cash contribution be set aside for affordable housing. The City Council has the option to increase the amount assigned to affordable housing (up to 100 percent) on a case by case basis.
- ◆ **Reduced Parking Standards:** Establishing reduced parking standards for non-profit, seniors, and supportive housing under the Zoning Bylaw and for possible further reductions in response to particular circumstances of the project under Comprehensive Development zoning.
- ◆ **Comprehensive Development (CD) District Zoning:** Through the City's CD District zoning process, supporting affordable and supportive housing developments by amendment or waiving of established requirements under the Bylaw that would apply to market housing developments. For example, CD District zoning was used for the recent Howe Sound Rehabilitation Society supportive housing project in the Edmonds area. For this project, the requirement for a car wash stall was waived, minimum parking requirements were reduced, and the requirement for development of a stormwater management plan was waived based on the specific needs and characteristics of the project

- ♦ **Mixed Use FAR Density Provisions:** As part of mixed use commercial and residential developments, establishing that the commercial density component is added to the permitted density of the site, which thereby provides support and financial offset for the residential component.
- ♦ **Tenant Support:** Supporting residents of 'problem properties' in dealing with maintenance issues by connecting them with available supports through the Residential Tenancy Branch.
- ♦ **Rezoning Support:** Providing advice and assistance to non-market housing providers as their development applications proceed through the rezoning process. Also helping the groups in pursuing various affordable housing initiatives. A current example is the City's assistance to B.C. Housing and the Lookout Emergency Aid and Progressive Housing Societies regarding a proposed transitional, supportive and emergency shelter development for homeless people in Burnaby. Over the years, the City has worked with government agencies and the housing sector to plan for over 5,800 units of non-market housing, which, as noted, makes Burnaby second in terms of its share of such housing in the region.
- ♦ **Advocacy for Non-market, Affordable Housing, and Support:** Either directly, or through bodies such as the Union of B.C. Municipalities, the City has advocated to senior governments for non-market housing provision, affordable housing initiatives, improved social policies and programs, and enabling legislation for such initiatives as the ability to zone specifically for rental housing.
- ♦ **Local and Regional Co-operation:** Participating on the Burnaby Task Force on Homelessness, the Regional Steering Committee on Homelessness and other regional and local committees addressing housing.

The City intends to continue to pursue these initiatives in support of affordable housing, and will also continue to work with agencies and senior levels of government to assist the facilitation of new opportunities in the City.

4.0 REVIEW OF FEDERAL AND PROVINCIAL HOUSING PROGRAMS

4.1 THE HISTORICAL CONTEXT

Although housing is currently a provincial responsibility, the federal government assumed responsibility after the Second World War. Canada Mortgage and Housing Corporation (CMHC) was established in 1946 to help house returning veterans, and expanded its role over the years to include mortgage insurance, research, development, and funding public and social housing. In 1949, the federal government amended the National Housing Act (NHA) to allow Federal-Provincial partnerships to develop and manage housing for people unable to afford the housing provided by the private market. From 1953 to 1993, almost all non-market projects were funded under joint Federal/Provincial NHA housing programs that provided capital and/or operating subsidies. The resulting stock of veterans housing, public housing, co-operatives and non-profit housing are legacies of this involvement. In the rental market, from the late 1940s until 1985, several programs promoted the construction of private sector rental housing. These included the Limited Dividend Program, the Assisted Rental Program, the Multiple Unit Residential Building (MURB) tax shelter and the Canada Rental Supply Program. Since the demise of these programs in the 1980s, there has been a very limited amount of purpose built rental housing constructed.

The focus on non-market housing has changed significantly since 1993 when the Federal Government withdrew from direct funding and programming for non-market affordable housing. In 1993, the Province began funding new non-market housing projects on its own under Homes BC which, prior to its cancellation in 2002, funded development of 4,400 units of housing throughout the province.

In 2001 December, the Federal Government and the Province signed an Affordable Housing Agreement (Canada-British Columbia Affordable Housing Agreement Program) under

which the Federal government committed \$88.7 million to build new units (primarily for seniors, the disabled and the homeless) while, the Province, through B.C. Housing committed \$29.7 million annually to subsidize the operating costs for up to 35 years. Most of the funding from this Agreement has been used for the *Independent Living B.C.* program for assisted living for seniors and people with special needs.

In 2004 December, the Federal and Provincial Governments announced Phase II of the Canada-British Columbia Affordable Housing Program Agreement. Under this phase, both governments committed to provide \$42 million in funding (for a total of \$84 million) for affordable housing with support services targeted at the homeless, those with mental illness and women and children fleeing abuse.

In 2006 September, the new Federal Government committed \$1.4 billion for affordable housing allocation with the funds to be disbursed over the next several years. B.C.'s allocation for affordable housing will be \$106 million and is to be used to supplement the province's investments to provide new housing units. The Federal funds are not intended to be used to support rent subsidies or ongoing operational funding existing housing stock.

4.2 CURRENT PROGRAMS AVAILABLE

The following provides a summary and staff commentary on the most recent Federal and Provincial initiatives, as of 2007 February 19, related to affordable housing:

4.2.1 FEDERAL GOVERNMENT PROGRAMS

Supporting Communities Partnership Initiative (SCPI)

- ◆ SCPI is part of the National Homelessness Initiative which was introduced in 1999 to address the growing problem of homelessness.

- ◆ SCPI has funded a range of services and facilities including research projects, prevention programs, emergency shelters, and transitional and supportive housing. A key condition of eligibility for this program was matching funds from other sources.
- ◆ The Greater Vancouver area has received over \$50 million in two phases since the program started. The program was only extended by one year to 2007 March 31, which will result in an additional \$1.6 million in allocations for the region. The program is to terminate on 2007 March 31.

Comment: A key concern with this program has been that funding was not sustaining. While many valuable one-time capital and research projects were funded, service and shelter operations faced a difficult situation in that they were advised that they would need to find other funds to continue their programs beyond the 2007 March 31 termination date. Some of these programs may be able to continue their services through the newly announced Homelessness Partnership Initiative, but this cannot be confirmed until details of this new program become available.

Homelessness Partnership Initiative (HPI)

- ◆ The HPI is part of the new *Homelessness Partnering Strategy* announced by the Federal Government in December 2006. The Strategy will provide over \$270 million in funding over two years, starting 2007 April 1. It is expected that the allocation within the Greater Vancouver area will be approximately \$16 million over 2 years.

Comment: Details on the program are not yet available but there will be a focus on development of transitional and supportive housing rather than emergency shelters or other interim approaches. As with SCPI, funding is to be matched from other sources.

Residential Rehabilitation Assistance Program (RRAP)

- ◆ The RRAP provides assistance (in the form of forgivable loans) to low income homeowners and

landlords to complete repairs to their housing.

- ♦ The program has five distinct components with separate requirements and benefits for each: Homeowner, Persons with Disabilities, Secondary/Garden Suite, Rental and Rooming Houses, and Conversion.
- ♦ *Homeowner RRAP* provides financial assistance to low-income homeowners living in substandard dwellings who cannot afford the repairs necessary to make their home safe and healthy. Homeowners may receive forgivable loans of up to \$16,000.
- ♦ *RRAP for Persons with Disabilities* provides financial assistance to make a home or rental unit accessible for low-income persons with disabilities. Landlords can receive up to \$24,000 for each self-contained rental unit or \$16,000 for each rooming house bed unit. Homeowners may receive up to \$16,000.
- ♦ *Secondary/Garden Suite RRAP* assists in the creation of affordable housing for low-income seniors and adults with a disability by providing financial assistance to convert/develop existing residential properties that can reasonably accommodate a secondary self-contained unit. The maximum loan available is \$24,000 per unit.
- ♦ *Rental and Rooming House RRAP* provides owners of substandard units with financial assistance to rehabilitate the property to a minimum level of health and safety. Landlords may receive up to \$24,000 for each self-contained rental unit or 16,000 for each rooming house bed unit.
- ♦ *RRAP for Conversions* provides financial assistance to convert non-residential properties into affordable self-contained rental housing units and/or bed units. Landlords may receive up to \$24,000 for each self-contained rental unit created or \$16,000 for each rooming house bed unit.
- ♦ In December 2006 the Federal Government announced \$256 million of funding for two more years RRAP and the *Home Adaptation for Seniors' Independence and Shelter Enhancement Programs* (see below).

Comment: Uptake of Homeowner RRAP in the GVRD over the last few years has been low due to the impact of high property values on eligibility requirements. Although Rental RRAP could have some potential application in certain areas of Burnaby, the uptake has not occurred possibly because of the requirement to enter into a 15 year agreement with CMHC which places a ceiling on the rents that may be charged after the repairs are completed. The landlord must also agree to limit new occupancy to tenants with incomes at or below the income ceiling

Home Adaptation for Seniors' Independence (HASI)

- ♦ This program provides financial assistance to homeowners and landlords for home adaptations to extend the time that low-income seniors can live in their own home independently.
- ♦ Homeowners and landlords may receive up to \$3,500 to cover the cost of minor home adaptations. The funding is provided in the form of a forgivable loan which does not have to be repaid provided the unit is occupied for the duration of the loan forgiveness period.
- ♦ Prospective occupants must be 65 years of age and over and have household income below the income limit specified for their area (approximately \$32,500 for a 1 bedroom unit).

Comment: Assuming that it is continued over the longer term, this program will likely become more popular as the population ages and more modifications are required to units to enable seniors to continue living in their homes. There are currently only about 10 applications per year under this program from Burnaby.

Shelter Enhancement Program (SEP)

- ♦ *SEP* provides assistance to non-profit societies and charities to repair, rehabilitate, and improve shelters for women and their children, youth and men who are victims of family violence; and in acquiring or building new shelters and second stage housing where needed.

- ◆ Up to \$24,000 per unit or bed is available in the form of a fully forgivable loan which does not need to be repaid provided the project continues to provide shelter.

Comment: *Marguerite Dixon Transition Society has received funding under the CMHC Shelter Enhancement Program to undertake renovations to its transition house. The program is helpful in that it provides financial support to service providers looking to improve the condition of their facilities.*

Proposal Development Funding and Seed Funding

- ◆ *Proposal Development Funding and Seed Funding* provides assistance to non-profit or private sector proponents to complete feasibility studies and other related preliminary work in developing their affordable housing proposals.
- ◆ *Proposal Development Funding* provides up to \$100,000 as an interest free loan to non-profit societies, co-operatives, developers and First Nations.
- ◆ *Seed Funding* provides a \$10,000 grant and \$10,000 interest free loan to develop a business case or needs analysis for project proposals.

Comment: *These programs have provided valuable assistance to groups which may find it difficult to find the funds to do the preliminary work needed for project development. The George Derby Care Centre received CMHC Seed Funding in 2005 to do a needs and feasibility assessment for an assisted living development proposal.*

Affordable Home Ownership Programs

- ◆ The Federal Government supports more affordable home ownership through its mortgage loan insurance program including insurance for 100% financing and interest only loans up to 30 and 35 years, instead of the conventional maximum of 25 years.

Comment: *Many entry-level homeowners could benefit*

from the revised loan insurance programs as the extended amortization periods would improve affordability by lowering monthly principal and interest costs.

Other

- ◆ On 2006 June 19, the Federal and Provincial Governments announced an agreement to transfer the administration of operating agreements for 51,500 units of social housing from the Federal to the Provincial Government (24,200 of these units were already being managed by the Province). Over the 30 year term of the agreement, the Federal Government will provide annual funding to the Province which, in turn, will fund and manage the operating agreements for these former Federal social housing units. In the first year, the funding will amount to \$140 million.

Comment: *The transfer of units (including 182 units in 5 projects in Burnaby) to the Provincial Government should make for better efficiencies in the management of these units, particularly as many of the operating agreements are set to expire over the coming years. The Province recently declared its intention to identify B.C. Housing properties with potential for redevelopment under partnership with the private sector. Staff would expect that this should be done with the objective that the existing number of non-market housing units can be maintained or increased.*

- ◆ In May 2005, the former Federal Government announced that it would provide \$1.6 billion for affordable housing through a supplementary budget bill. Following the election, the new Federal Government committed to a reduced \$1.4 billion for affordable housing allocation. B.C.'s allocation for affordable housing will be \$106 million. This money is to be used to provide new housing units (i.e., in addition to the Province's investments in affordable housing). It is not intended to support rent subsidies or ongoing operational funding for existing housing stock.

Comment: *To date, there has been no announcement on the use of this funding. There is a desire by many that the funds be used to provide for a cross-section of*

non-market housing for all low income households, including families, rather than just continuing to support the Province's assisted living program.

4.2.2 PROVINCIAL PROGRAMS

Provincial Housing Program (PHP)

- ◆ PHP was established in 2002 with funding from the Provincial Government and a portion of the funding from the 2001 Federal Provincial Housing Agreement.
- ◆ The program has resulted in 3,400 new non-market units since 2002.
- ◆ The funding for this program is fully allocated. Most of the projects are complete, with only a few developments still under construction.

Comment: *There is a concern that PHP is the last program to fund the development of non-market family housing which provides on-going subsidies. There has been no new program announced to replace it.*

Housing Matters BC

- ◆ In 2004, the provincial government reflected a shift in priority in its housing programs from lower income families (previously delivered under the Homes BC program) to assisted living housing for frailer segments of the population. In 2006 October, *Housing Matters BC*, was introduced as a new strategy to make affordable housing more accessible and is to be directed towards 15,000 low-income families and homeless individuals. The key elements under this program are a new rent supplement program (*Rental Assistance Program*) for working families, 450 new units of housing under the *Provincial Homelessness Initiative*, and 550 new units under *Independent Living B.C.* Another component of the Strategy is to identify under-utilized Provincially-owned subsidized housing sites that can be renovated or redeveloped.

It should be noted that the announcement for *Housing Matters B.C.* makes reference to funding for existing Provincial Government housing programs such as

Independent Living B.C., Provincial Homelessness Initiative and the Emergency Shelter Program. The initiative thus represents a mix of new and existing programs. Additional details on these elements are provided below:

- ◆ *Rental Assistance Program:* "Working poor" families are eligible for subsidies under the Province's recently announced *Rental Assistance Program*. The Province is providing \$40 million annually towards this subsidy that will provide direct cash assistance for select low-income eligible households renting in the private housing market. Households may be eligible if:
 - they have one or more dependent children under the age of 19;
 - the family income is below \$20,000
 - more than 30 percent of household income is spent towards rent;
 - the family has lived in British Columbia for the full 12 months immediately preceding the date of application;
 - no family members are receiving income assistance under the B.C. Employment and Assistance Act; and
 - citizenship requirements are met.

The Rental Assistance Program reimburses part of the difference between 30 percent of a family's total income and rent paid. The actual amount is calculated based on household size, income, rent and location. For example, a family of five living in the GVRD with an annual income of \$19,000 and paying rent of \$875 would be eligible for \$110.00 per month in rental assistance.

Comment: *While the Rental Assistance Program does offer some assistance to eligible low-income families, the program does not add to the available inventory of affordable rental accommodation which, in many cases, is aging and facing associated pressures for higher density redevelopment. As well, in the absence of Provincial rent controls, there does not appear to be a way of ensuring that increasing rent levels would not offset the*

rental assistance. At present, there are an estimated 87 (17.3% of total regional take up) Burnaby families taking advantage of the Rental Assistance Program. Another reality is that the most recent Low-Income Cut-Offs (LICOs) for Canadian metropolitan areas for a family of five is a before-tax income of \$43,791. A family of five with an income below this level is considered to be living below the poverty line. Therefore, while being ineligible for Rental Assistance Program benefits, families with an income of greater than \$20,000 up to LICO level would also be considered in need of rental assistance.

Independent Living BC (ILBC)

Independent Living BC is a housing-for-health partnership program for lower-income seniors and people with disabilities who require some personal assistance with daily living but do not require 24-hour, long term care. Created in 2002, ILBC provides a more affordable middle option between home support and residential care offering private apartments with access to personal care (e.g. assistance with grooming, mobility and medications) and hospitality services (meals, housekeeping, laundry, recreational opportunities and 24-hour response).

Seniors and people with disabilities are referred to the ILBC program by their local health authority. These individuals pay 70% of their after-tax income to live in assisted living homes offered through ILBC.

BC Housing delivers the program in partnership with the federal government through Canada Mortgage and Housing Corporation, regional health authorities, non-profit and private housing providers. BC Housing provides housing subsidies for people who qualify for ILBC, and the regional health authorities fund personal care service. The Federal Government committed \$88.7 million to build new units while the Province committed \$29.7 million annually to subsidize the operating costs for up to 35 years. The Province is intending to create an additional 550 ILBC units by 2008.

Comment: Burnaby is the host City to 232 assisted living units in 4 projects under this program and a new 20 unit ILBC assisted living project for young adults

with disabilities currently under construction. The latter project is known as Howe Sound North and received funding from the Province in land and capital equity. Annual funding is to be provided through Fraser Health and BC Housing.

Provincial Homelessness Initiative (PHI)

This initiative launched in late 2004 provides funding for housing developments that integrate subsidized housing with support services for people who are homeless or at risk of homelessness, people with mental illnesses and physical disabilities, those with drug and alcohol addictions, youth, and women with children fleeing abusive relationships. Under the Housing Matters BC program, the province has indicated that it intends to build 450 more units. These developments can cover a range of housing options including shorter-term transitional housing and longer-term supportive housing. The type or model used to deliver housing and support services is dependent on the needs of the client group and the needs of the community. The funds for the PHI are now fully allocated and came from the 2004 Phase II Federal-Provincial Affordable Housing Agreement. To date, 533 units have been established in 9 B.C. communities, with 450 additional units being announced under Housing Matters BC. Three Burnaby projects are currently seeking funding under the 2006 October Call for Expressions of Interest.

Comment: As indicated earlier, Burnaby has yet to receive a specific proposal for a permanent facility for supportive, transitional and emergency housing for homeless people, although City staff are currently working with the Progressive Housing Society, Lookout Emergency Aid Society, and B.C. Housing to identify sites for such a development. Based on the contents of the recent Throne Speech, it would appear that the Province is looking to municipalities to exempt small-unit supportive housing projects from development cost charges and levies and to provide new legislation in the coming year to create a new assessment class and new tax exemptions for such projects.

Homeless Outreach Teams

Included under the Housing Matters BC banner is the launch of new Homeless Outreach Teams, as announced in 2006 October. BC Housing is managing \$3.6 million for three years for homeless outreach workers in 17 communities throughout the Province. These outreach workers are to help homeless individuals address their physical and safety needs such as food, warm clothing and housing. They are also to work closely with emergency shelter and housing providers to identify and provide options for longer term housing assistance including referrals to subsidized housing, private market rentals or supported living environments.

Comment: The Progressive Housing Society will receive \$186,400 over three years under this program to fund two homeless outreach workers. This program has had some success in establishing targeted outreach services which are connecting homeless people with support and housing. Prior to this program, service providers were doing outreach work with limited resources and as part of other services (e.g. street nurses, meal programs).

Emergency Shelter Program

The B.C. Housing Emergency Shelter Program provides funds for emergency shelter operations and extreme weather shelter costs for 56 shelter and drop-in centres in B.C. which provide shelter, food, and services to the homeless. The annual budget for this program is approximately \$20 million.

Comment: B.C. Housing has provided some of the operating funding for the extreme weather shelter being operated by the Burnaby Task Force on Homelessness at St. Francis de Sales Church. The shelter has opened for 20 nights this winter (as of the date of this report). The extreme weather response program operates from November 1st to March 31st.

Other

Shelter Aid for Elder Renters

- ♦ *Shelter Aid for Elderly Renters (SAFER)* provides rent supplements to almost 14,000 seniors in B.C. with low to moderate incomes. The Province introduced a change, effective 2006 June, whereby seniors no longer need to have lived in Canada for 10 years in order to qualify for SAFER benefits.

Comment: SAFER enables seniors to stay in their rental homes and not face the disruption of finding cheaper rental units or waiting to access a scarce non-market housing unit. Rent ceilings have been raised to address the more costly regional rental market.

Community Partnership Initiatives

- ♦ *Community Partnership Initiatives* provides funding to non-profit societies to investigate and develop housing projects. A key element of this program is that eligible projects should not require ongoing operating subsidies. Since 2001, 1,334 units have been created or are currently being developed under this program.

Comment: A concern with this program is that the funding is incremental and applicable only to projects that do not require ongoing operating subsidies. The program cannot be considered a replacement for a sustainable, annual funding program for the development of non-market housing for all low-income households.

5.0 ADDRESSING THE AFFORDABLE HOUSING ISSUE

All levels of government have their respective role to play in addressing the affordable housing issue and must work together in partnership to this end. Based on the needs, issues and program gaps identified above, staff believed that priority attention should be given to the following key initiatives:

- ♦ **Non-Market Housing Units:** Funding and development of new non-market housing units for low-income families, seniors requiring assistance with daily living, and vulnerable populations requiring support. This housing could include new public, non-profit, and co-operative housing units.
- ♦ **Homelessness:** Funding and programs to assist homeless people move from the street into stable housing with adequate supports.
- ♦ **Market Rental Stock:** Increasing and maintaining the stock of affordable market rental housing including more proactive protection of tenant rights, particularly in “problem” rental buildings.

The following sections identify some of the additional responses required to address unmet housing needs at the Federal, Provincial, Regional and local level. Many of these approaches have been advanced previously in other venues and presented in other documents (e.g. GVRD Discussion Paper on a Regional Affordable Housing Strategy).

5.1 FEDERAL GOVERNMENT ROLE

An adequate Federal government response is needed to:

- ♦ **Prepare a National Affordable Housing Strategy:** *The Strategy* should address the full continuum of housing supply (i.e. emergency shelters, transitional housing, supportive

housing, non-market housing, affordable market rental housing and affordable home ownership).

- ♦ **Establish a direct role for the Federal Government in the development and/or funding of non-market housing:** This role should involve the funding, development, and management of housing. Alternatively, if this direct role is not pursued, ensure that adequate funding is provided to the Provincial Government to cover capital costs for the development of new non-market housing and operating costs over the life of these projects to sustain them as a lasting asset.
- ♦ **Use available funding:** Allocate the CMHC \$5.7 billion surplus to funding for non-market housing.
- ♦ **Use available land:** Identify Federally-owned land that could be used for non-market housing or sold to finance the purchase of other suitable housing sites.
- ♦ **Sustain the co-operative housing sector:** Ensure that the future of the co-operative housing sector is sustained through agreements for on-going funding subsidies. In addition, the Co-operative Housing Federation of Canada has long maintained that it would like to see the establishment of a new co-operative housing funding program. They cite the social and community benefits of mixed income housing and the easier financing that comes with being able to support a higher debt load because of the moderate income households living in the co-operatives.

The CHF proposal is that a new national co-operative housing program would be one component of a national housing strategy. The program would be delivered in partnership with and cost-shared by the Provinces which would also administer the program. The current CHF development target is 5,000 units per year for five years through new construction and acquisition / rehabilitation. Co-operatives would continue to be mixed income with units at the low end of the market and rent geared to income. The CHF has proposed that the Federal Government participate through one-time capital grants and

the Provincial Government provide the operating subsidies and long-term rent supplements for the rent geared to income units.

As a related issue, the federal government should also take a more proactive role in assisting co-operative housing projects to ensure that funds are available to save aging co-ops rather than expecting Provincial or municipal governments or the private sector to respond.

- ♦ **Establish incentives for new rental housing:** Introduce taxation measures to support the development of affordable purpose-built market rental housing which might include low income tax credits, GST exemptions, and capital cost depreciation allowances.
- ♦ **Protect new social housing assets:** Ensure flexibility when underwriting mortgages for social housing projects by respecting the need for local government to secure covenants and agreements on title to guarantee that the properties continue to be used for social housing over the long term.

5.2 PROVINCIAL GOVERNMENT ROLE

An adequate Provincial government response is needed to:

- ♦ **Build non-market housing units:** In addition to the Rental Assistance Program, establish a permanent program to develop non-market housing for low-income families to ensure a lasting community housing asset. Such a program would help respond to the development of non-market housing units needed by 3,700 core need renter households in Burnaby.
- ♦ **Allocation of available funding:** Ensure that a portion of the 2006 September Federal funding is allocated to develop non-market housing for low-income families.
- ♦ **Target sources of sustainable funding:** Allocate a portion of the Provincial Property Transfer Tax to fund non-market housing.

- ◆ Use available land: Identify Provincially-owned land that could be used for non-market housing or sold to finance the purchase of other suitable housing sites.
- ◆ Involvement of the Private Sector: Consider development of programs and approaches to encourage the private sector to build and retain affordable rental housing units, including provisions for municipalities to zone for rental use.
- ◆ Focus on “three ways to home” for homelessness programs: Ensure that the Provincial response to homelessness addresses the three key components of income, housing, and support. In particular, funding should be provided to treat homeless people with mental illness and drug and alcohol addiction so that they can have stability in their daily lives. Operating funding for programs for homelessness must be adequate to ensure 24/7 support for residents by service and housing providers. Funding for the Provincial Homelessness Initiative and Emergency Shelter Program must also be sustained over the long term.
- ◆ Redevelop social housing assets responsibly: Ensure that tenants who are displaced by the redevelopment of non-market housing sites in Burnaby are provided with similar units in other non-market projects in Burnaby.
- ◆ Provide better assistance to tenants in “problem” buildings: Ensure that the Residential Tenancy Branch plays a more proactive role in assisting tenants in private market rental buildings facing ongoing problems with landlords regarding building maintenance and repairs. This is a particular problem in Burnaby where many tenants are recent immigrants or refugees who may face language and cultural challenges in pursuing their rights.

5.3 REGIONAL AND LOCAL GOVERNMENT ROLES

Recent proposals presented in to the GVRD Discussion Paper on a Regional Affordable Housing Strategy, the City of Vancouver resolution with regard to affordable housing, the Council workshop with Burnaby MP’s and MLAs, and initiatives presented in the 2007 February Throne Speech provide a comprehensive listing to review, evaluate and provide staff commentary on a City position with regard to our appropriate role and responsibilities as it relates to affordable housing initiatives.

5.3.1 DISCUSSION PAPER ON A REGIONAL AFFORDABLE HOUSING STRATEGY

The previously cited GVRD Discussion Paper on preliminary proposals for a Regional Affordable Housing Strategy proposes an increased role for the GVRD and member municipalities in advocating for and responding to the need for affordable housing. The GVRD has referred the Paper to GVRD member municipalities for comment on the specific proposals made.

The discussion paper cites three affordable housing goals:

- ◆ Provide adequate housing to meet the needs of low income renters.
- ◆ Eliminate homelessness across the region.
- ◆ Increase the supply and diversity of modest cost housing.

These goals are proposed to be implemented through three strategies:

- ◆ Make better use of the existing and available government and housing industry resources.
- ◆ Secure additional stable funding to meet affordable housing needs in Greater Vancouver.
- ◆ Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their

housing.

There are 27 proposed actions, some of which are multi-faceted and require the participation of several partners. A review of the proposed actions (keyed to numbering in the discussion paper) together with staff comments are outlined below:

Strategy 1

Make better use of the existing and available government and housing industry resources

Direct Housing Provision Actions

Item 1.1

The GVRD to direct the Greater Vancouver Housing Corporation (GVHC) to continue to provide social housing with priority on reviewing opportunities for site-intensification on GVHC properties through densification or sale and reinvestment in other properties

Item 1.2

The GVRD to direct the GVHC to if requested by a member municipality to manage market or non-profit rental housing acquired through municipal Affordable Housing Funds or other municipal development processes and to continue to provide their expertise to member municipalities and non-profit societies

Item 1.3

The GVRD to direct GVHC to partner with others to develop a demonstration program to provide GVHC tenants to access ownership housing

Comment: *These actions are all considered supportable. Item 1.2 could be of particular benefit to the City which currently owns 9 units of density bonus housing with six more units under construction. The City has a lease agreement with a non-profit society for the management of nine existing units and will likely seek a non-profit agency to operate six new units under development. It would be helpful to have the option of using the GVHC to manage the units if the City is unable to find a non-profit society to undertake this responsibility. Under*

this scenario, GVHC and the City would collaborate on selecting the users of the units to ensure that the occupancy was consistent with the covenants registered under the particular rezoning application.

Regulatory Actions

Item 1.4

The GVRD to set targets in the new regional growth strategy, with suggested distribution by municipality and sub-region for the number of new affordable owned and rental housing units required by the year 2011 and 2016 with a requirement for regional context statements to demonstrate how municipalities will achieve these targets through actions such as:

- ♦ Accommodating two-family dwellings, “granny flats” and secondary suites in zoning districts currently designated for single detached homes;
- ♦ Increasing the stock of modest cost housing, including small units, small lots, infill options such as coach houses, rowhouses and conversions, townhouses, and apartment-style condominium housing;
- ♦ Requiring 15% of units in residential or mixed-use developments of 20 units or more to be affordable units, for either rent or ownership;
- ♦ Implementing changes to regulations, regulatory processes and regulatory fees which may reduce the cost of housing;
- ♦ Identifying sites appropriate for affordable housing;
- ♦ Amending zoning and subdivision bylaws to permit greater densification on sites identified as appropriate for affordable owned and rental housing;
- ♦ Donation or lease of municipal lands to non-profit organizations which develop affordable housing;
- ♦ Reduction of on-site parking regulations for secondary suites and affordable owned and rental housing with good transit access where appropriate;

and

◆ Density bonusing.

Comment: *The City currently undertakes many aspects of these actions; therefore we would be able to demonstrate our commitment to addressing affordable housing concerns through our regional context statement. The proposed establishment of targets for new affordable owned and rental housing units does raise some initial concerns and questions:*

- ◆ *Why, and under what rationale, would the GVRD set the targets? Would it be done on a per capita basis, in relation to each municipality's identified need, or some other basis?*
- ◆ *If regional municipalities were to include these targets in their respective regional context statements and demonstrate their ability to achieve these targets, each municipality would need to set the targets to reflect its local context and framework, otherwise there would be no sense of responsibility or accountability.*
- ◆ *A particular concern with targets for rental housing is the fact that the current development market is not conducive to the building of new rental housing and the City has little influence over this market.*
- ◆ *The inclusion of two-family dwellings, small lots, rowhouses, town houses and apartment-style condominium housing in the proposed mix of "affordable" units is questionable. The City has a large inventory of this type of development, including its R12 small lot zoning category that can allow front/back duplexes on small lots, and will likely see a further expansion of these forms of housing as part of its overall densification process. That said, the realities of the marketplace are such that, while these may be somewhat more affordable than more conventional forms of housing, they are likely not candidates for consideration as "affordable" housing.*

There is also some concern with the proposal to require that 15% of units, in developments of 20 units or more, be affordable. Under this scenario, a 20 unit development would be obligated to provide a minimum of 3 affordable units. Such a zoning policy would likely meet opposition from the development industry and also

raises questions about how the designated units would be owned and effectively managed (i.e. by the City, B.C. Housing, GVHC, or non-profit societies) and operated under the strata arrangement for the property. Would these units be "donated" by the developer as a condition of zoning? If so, does that place an inequitable burden on the prospective purchasers of the remaining market units to offset the cost of the donation?

The City has long provided reduced parking requirements for non-market, seniors, and supportive housing. The standard parking requirement for market apartments and townhouses is 1.6 and 1.75 spaces per dwelling unit, respectively. The parking requirement for non-market housing is 1.5 spaces per dwelling unit. The requirement for seniors housing is 1 space per 5 dwelling units if the project is located within 0.4 km of established bus routes and commercial facilities. The requirement for supportive housing is 1 space per 2.5 dwelling units. Under the City's Comprehensive Development Zoning, there is the ability for Council to make further adjustments to parking standards as conditions dictate.

The City does provide support to non-market housing development by waiving development requirements if appropriate. However, it has been the City's position that certain requirements, such as car wash stalls and off-site servicing, are necessary to ensure that development meets accepted environmental and streetscape standards. Car wash stalls serve an important environmental function in ensuring that cleaning waste products are disposed into the sanitary system rather than into storm water drainage. Likewise, the provision of sidewalks, curbs, gutters, street trees, and lighting ensures that new developments contribute to the improved appearance and safety of the streetscape. In housing projects for seniors, families and people with disabilities, it is particularly important that the site is accessible and safe through the provision of completed sidewalks and proper lighting.

The City has a progressive track record in its use of density bonusing within each of its four town centres. Since the inception of the program, the value of the community benefits derived is \$27.7 million. Of this amount, \$2.9 million has been used for the construction of 19 affordable units.

Staff notes that it may be appropriate for the City to review the possibility of other innovative housing forms including “granny flats” and coach houses which are currently not in the inventory of available accommodation.

With respect to the proposal that the City donate land to non-profit organizations which develop affordable housing, this is not supported as an approach. The City has a long standing policy of purchasing land for civic related needs and disposing of “surplus” or redevelopment lands to replenish the City’s capital reserves. Such properties are community assets related to helping meet the needs of the City’s responsibilities and needs. To donate community property for affordable housing is equivalent to the City providing a sizeable cash grant, funded by the City’s tax base, for a purpose that lies beyond its mandate. However, there is precedent for the City to consider long term leases, with values in the range of 75% of market, as a way to assist the advancement of such projects.

The provision of non-market housing, including the land that accommodates it, has been the responsibility of the Federal and Provincial governments. More recently, there has been a transition in this approach towards “partnership” arrangements where municipalities are being pressured to donate city lands to make a project viable. Within the City of Burnaby, there is some irony in this new approach given the recent market sale of the 58 acre New Haven site in south Burnaby by the Provincial government. As part of the redevelopment of this site for industrial and residential purposes, the City achieved significant environmental and heritage protection gains for the property. For the City to have insisted on the use of a portion of the site for non-market housing as an additional objective would likely have made the project unviable. However, the fact remains that the Province owned a significant land resource that in part could have been used for non-market housing purposes. Instead, the decision was made to sell the property at market value thereby removing this Provincial asset as a potential site for non-market housing at the same time as local governments are being encouraged to donate their lands to assist such projects.

Item 1.5

The GVRD to include a requirement for regional

context statements to demonstrate how municipalities will meet targets for rental housing by measures to upgrade and preserve existing rental stock through means to include:

- ◆ upgrading secondary suites
- ◆ application of demolition controls to preserve rental stock
- ◆ standards of maintenance bylaws
- ◆ anti-conversion bylaws related to rental vacancy rates
- ◆ replacement policies for loss of rental housing, and
- ◆ protection of mobile home parks.

Comment: Since 1973 the City has had a policy to not permit the strata titling of existing multiple family rental buildings. This policy has resulted in the preservation of low cost rental housing in Burnaby. In addition, Council has not entertained rezonings in the Maywood area of Metrotown where the largest concentration of lower rent accommodation exists. Policies related to minimum standards of maintenance for rental accommodations are currently under review by the City. The issue of replacement of rental housing related to redevelopment is a complex issue and one deserving of much consideration before providing meaningful comment.

It would be, however, problematic if local governments were required to include some of these initiatives in their Regional Context Statement. It would be preferable if the initiatives were identified as options should local government choose to take on these additional responsibilities.

It should be noted that the City initiated a resolution to the Union of B.C. Municipalities to request the Province to enact enabling legislation to allow municipalities to zone land for rental housing; however, the requested amendments have not been forthcoming. As outlined earlier, there is a strong need to generate the construction of new rental accommodation in the region to address the growing built up demand. Tax and other economic incentives will likely be required to see the private market

return to the development of rental accommodation.

Fiscal Actions

Item 1.6

The GVRD to seek enabling legislation allowing it to waive regional (GVS&DD) development cost charges on social housing and to waive regional development cost charges on affordable housing when affordability is secured for a minimum of 20 years.

Comment: In general, staff would have no objections to this proposed initiative to provide support of affordable housing through reduced GVSE&DD fees should the GVRD Board wish to support this approach with the full understanding that it would divert funds away from its primary service requirements.

Advocacy Actions

Item 1.7

The GVRD to work with municipalities to develop and promote methods to gain community acceptance for sheltering and housing projects through best practices workshops and other education and outreach programs.

Comment: The City is very aware of the challenges and realities with the locational considerations associated with some of the sheltering projects. To that end, careful consideration will need to be given to the appropriate locational criteria for such projects. Notwithstanding these points, City staff would be pleased to participate with any regional initiative to ensure that best practices can be followed and that our community has an opportunity to participate in any associated siting designation or rezoning process.

Item 1.8

To address homelessness, the GVRD will urge the provincial government to:

- ◆ reduce barriers to access, and provide increased outreach services to help connect homeless people to income, health and other support services;
- ◆ ensure provincial settlement programs for

immigrants and refugees are integrated with provincial initiatives on homelessness;

- ◆ regularly review its income supplement programs, such as SAFER and the new Rental Assistance Program for working families, to ensure that current market rents and income levels in Greater Vancouver are used in the calculation of the “30% of income” eligibility criteria;
- ◆ ensure housing and support services strategies include culturally sensitive components to address the specific needs of homeless and at-risk Aboriginal persons.

Comment: Staff are in total agreement with this proposal. This, in fact, reflects the sentiments and directions outlined in Council’s previous motion adopted in 2006 October which called for the federal and provincial governments to provide meaningful funding and programs to establish affordable housing initiatives, provide rehab and treatment centres for addiction, provide supportive permanent housing for those suffering mental illness, and provide adequate income support for the poor. As well, it should be noted that the most recent figures for government-assisted refugee settlement patterns in British Columbia show that the City of Burnaby had the highest number and percentage (30.3%) of refugees moving to B.C. in 2006 of any community in the province. This further highlights the need for the proposed Edmonds multi-service hub facility for which Council has so strongly been advocating to better integrate new immigrants within the general community.

Item 1.9

To address affordable housing needs, the GVRD will urge the provincial government to:

- ◆ allocate some portion of its funding for assisted living units under Independent Living BC (ILBC) to a housing supply program for low-income families;
- ◆ exempt affordable housing from the PST;
- ◆ provide enabling legislation for municipalities and the GVRD to allocate some portion of municipal

development cost charges/levies to an affordable housing fund.

Comment: The proposal to have the Province to allocate a portion of the funding for assisted living units under Independent Living BC for a housing supply program for low-income families is supported. Alternatively, a new program for an increased supply of affordable housing for low-income families could occur. Staff also supports the proposal to exempt affordable housing from the Property Transfer Tax.

While consideration could be given to reducing or waiving our parkland acquisition development cost charge on non-profit affordable housing projects, staff would not support the use of enabling legislation for municipalities or the GVRD to siphon off funds from existing development levies or to create a new levy for affordable housing purposes. Such a levy would represent a direct downloading of costs for affordable housing to local government. As well, it would directly impact the somewhat limited ability of municipalities to establish new levies over time to help offset the costs of more traditional city services and facilities made necessary by increased densities as cities develop. The development industry has repeatedly asked local governments to limit their use of development cost charges to help the affordability of the end product, particularly to residential consumers.

Item 1.10

To address homelessness, the GVRD will urge the federal government to continue a national homelessness initiative and funding programs for homelessness projects that:

- ◆ use a community-based delivery model; and,
- ◆ ensure integration between national homelessness initiatives and federal government immigration policies.

Comment: In 2006 December, the Federal Government announced the introduction of the Homelessness Partnering Strategy (HPS) and its cornerstone program, the National Homelessness Partnership Initiative (HPI). The HPS and HPI will replace the National Homelessness Initiative (NHI) and Supporting Communities Partnership Initiative (SCPI), which

will expire on 2007 March 31. The announcement of the new programs can be greeted as positive news, as it signals the Federal's Government's recognition that it needs to continue to play a lead role in addressing homelessness concerns. That said, the details of the HPS and HPI have not yet been released; therefore, it is too early to tell how effective they will ultimately be. Also, while the \$270 million funding that is being committed to the programs nationally over the next two years is comparable to funding provided through the NHI and SCPI, it will be well below the amount required to make a significant impact on homelessness concerns – particularly in a high cost area such as the GVRD. Further, to provide certainty and promote sustainable solutions, a longer term funding horizon would be required beyond the two years currently being committed.

Staff do concur with the proposal that integration is required between national homelessness initiatives and senior government immigration policies. Immigrants – particularly refugees – are at increased risk of homelessness. Through our proposed multi-service hub facility, the City of Burnaby has developed an innovative, viable strategy for delivering a coordinated, integrated array of services for immigrants and refugees in the community. The City is offering to contribute \$2 million in lands toward the project. Thus far, we have been unsuccessful in establishing a partnership with the Federal and Provincial governments for the required capital and operating costs for the project.

Item 1.11

To address affordable housing needs, the GVRD will urge the federal government to:

- ◆ respond to the call from the Federation of Canadian Municipalities (FCM) to develop a National Affordable Housing Strategy;
- ◆ Exempt affordable housing from GST; and,
- ◆ Identify opportunities to provide tax incentives for the construction of new purpose built rental housing.

Comment: There is support for this proposal as the preparation of a National Affordable Housing Strategy

would assist the development of a more comprehensive and integrated approach to addressing the growing affordability issue. The proposal to identify new tax and other financial incentives to restart the construction of new rental housing accommodation is particularly supportable given the dwindling availability of this housing resource in the Vancouver metropolitan area. The City has previously requested enabling legislation from the Province to provide for rental only zoning as a way to further protect rental stock in the City which can be one of the tools to ensure that purpose built rental accommodation is maintained in that tenure form. Staff would propose to continue to pursue this legislative change. The proposal to exempt affordable housing from the GST is also supportable.

Measures on Homelessness Actions

Item 1.12

The GVRD will work with the Regional Steering Committee on Homelessness to monitor and report on progress in implementing strategies to address regional homelessness.

Comment: Staff support this initiative.

Item 1.13

In the final Regional Affordable Housing Strategy, the GVRD will include targets, with suggested distribution by municipality and subregion, for housing types (including shelter beds, transition housing, residential treatment and recovery houses) that provide housing and support services to homeless people in their own communities.

The GVRD will work with member municipalities, the Regional Steering Committee on Homelessness (RSCH) and other partners to develop these targets for the elimination of homelessness in Greater Vancouver.

Comment: As the funders of programs to help address the homelessness issue in the region, the Provincial Government and the respective health authorities should be the principal agencies coordinating with the GVRD on this initiative, with member municipalities being

involved on the locational and integrative aspects on new proposals.

Strategy 2: Secure additional stable funding to meet affordable housing needs in Greater Vancouver

Fiscal Actions

Item 2.1

The GVRD will seek a legislative enactment to permit a regional surcharge on various regional levies and charges, particularly those directed towards demand management, to enable the regional district to raise up to \$50 million per year, to be matched at a ratio of 2:1 from the provincial government and 2:1 from the federal government. This revenue is to be spent on increasing the supply of social housing in Greater Vancouver.

Item 2.2

The GVRD will establish and manage a Regional Affordability Housing Trust Fund, to act as a repository for affordable housing funding from a variety of sources, monies from which will be allocated to construction of additional social housing.

Comment: It is understood that these proposed GVRD strategies seek to secure and manage a stream of funds to be spent on construction of social housing in the region by leveraging senior government contributions by way of a commitment to provide for 20% contribution to be collected through a regional development cost charge. In clarifying this proposal with GVRD staff, it was determined that the desired \$50 million per year would allow the Greater Vancouver Housing Corporation to build approximately 200 units of affordable housing per year.

In discussing this proposal further, it is understood that one of the principal levies to be applied would be on garbage tipping fees throughout the region. As such, to the individual property owner this would equate to an additional tax being applied to a service already being paid for at the city level to help fund affordable housing

in the region. As such, this contribution to a Regional Affordability Housing Trust Fund would be a direct 'downloading' onto local communities in the region. If such an additional levy approach were agreed to for funding affordable housing, it certainly raises the question as to what other downloading onto the local governments could also occur for other senior government programs and services.

This change would also be contrary to the general purpose of development cost charges which typically seek to collect funds for the expansion of major regional services necessary to serve new growth such as water supply, sewage treatment or transportation needs, by targeting the development that contributes to the need for the expanded services.

Fiscal Action – Lands

Item 2.3

The GVRD will identify lands across the region owned or controlled by the GVRD which are suitable for the development of affordable housing, and provide these sites to affordable housing developers at less than market value.

Item 2.4

The GVRD will request the Greater Vancouver Transportation Authority (GVTA) to identify surplus lands suitable for the development of affordable housing, possibly combining park and ride sites with housing developments.

Comment: *These proposals seek to support the provision of affordable housing by identifying regionally held lands that could be made available for affordable housing projects. In general, staff would expect that, in most cases, lands held by the GVRD or the GVTA have been acquired or held for a specific regional infrastructure, park or transportation purposes. However, should the GVRD determine that specific lands are indeed surplus to these primary regional responsibilities, the GVRD Board always has the option to consider making lands available to serve a regional affordable housing purpose. If such a decision were made, it would be done with recognition by the Board that the cash equivalent value of the lands in question would no longer be available to*

help meet and offset the costs of programs and initiatives directly within the Region's mandate. It is also assumed that GVRD staff would need to be assured that sites considered for housing are indeed suitable for this purpose. The particular reference to combining affordable housing sites with park and ride sites raises concerns that housing sites may be selected based on current ownership without due consideration for housing to be located in context with supporting services such as schools, shopping, parks and other urban amenities. As such, as part of any review by the GVRD or the GVTA, an evaluation of the lands would need to be undertaken to determine whether the particular sites were a viable location for housing in relation to their location and context within individual communities.

Advocacy Actions

Item 2.5

The GVRD will urge the provincial government to:

- allocate some portion of 45% of the Provincial revenue generated by the property transfer tax in the GVRD from provincial general revenue to regional housing programs in the GVRD;
- increase the shelter component of Income Assistance rates to reflect the high costs of housing in the Greater Vancouver Region;
- establish a Provincial Rental Tax Credit Program geared to income; and
- work with the development industry and the federal government to develop a low-income tax credit or subsidy program for the construction of affordable rental housing.

Comment: *From a local government and Burnaby perspective, the advocacy actions proposed in the discussion paper on affordable housing are highly supportable. The first two items are consistent with a City position on this issue that has been advanced on a number of occasions by Council through to the provincial government and other advocacy means such as UBCM resolutions. The third item again builds on the need to support low income individuals in meeting rising rental housing costs by providing for an income tax credit to individuals in need. The final item should be considered a very high priority and critical element to increase the diminishing supply of rental housing in the region.*

Item 2.6

The GVRD will urge the federal government to:

- ♦ allocate some portion of the accumulated \$5.7 billion reserve funds held by Canada Mortgage and Housing Corporation (CMHC) to building new social housing;
- ♦ reduce or eliminate taxes which act as disincentive for the provision of affordable housing;
- ♦ improve ability for existing affordable housing to be maintained by:
 - substantially increasing funding for the Residential Rehabilitation Assistance Program (RRAP) and Home Adaptation for Seniors' Independence Program (HASI) renovation programs;
 - increasing the forgivable loan portion of its RRAP program for non-profit housing providers;
 - revising eligibility criteria for RRAP in order to increase access to the program in high-cost urban areas such as Greater Vancouver

Comment: *The roles of the Federal Government and CMHC in housing have decreased dramatically in recent years. To make a significant impact on housing affordability, both nationally and in the region, a substantial increase in Federal housing funding would be warranted. Therefore, the GVRD proposal that the Federal Government be urged to allocate a portion of the \$5.7 billion in CMHC reserve funds for new social housing units has merit. Also, it is recognized that the GST on building materials can add thousands of dollars to construction costs for affordable housing projects and that commercial properties, such as hotels, have preferable tax treatment to rental housing properties (i.e., in terms of capital gains tax and capital cost allowance provisions). Therefore, the GVRD's proposal regarding tax reforms to assist affordable housing projects seems warranted.*

With respect to home rehabilitation and adaptation programs, the City of Burnaby directly administered the Residential Rehabilitation Program (RRAP) on behalf of CMHC from 1978 to 2004. RRAP is a valuable

program for assisting low income homeowners (many who are seniors) to make necessary health and safety repairs to their homes, thereby avoiding the financial and social costs of relocation. Notwithstanding its merits, however, the program has been almost impossible to deliver in the Lower Mainland in recent years (particularly in "inner municipalities" such as Burnaby and Vancouver). A key problem for Homeowner RRAP has been that the property assessment criterion for eligibility (currently set at \$300,000) is unrealistically low for the region's buoyant real estate market. For Rental RRAP, a key problem has been that owners of deteriorating rental apartment buildings have been reluctant to pursue forgivable loans (currently capped at \$24,000 per unit), presumably because of their reluctance to lock themselves into the requisite affordable rent levels for 15 years until their loans are forgiven.

Staff thus support the proposed enhancements to RRAP outlined in the GVRD Affordable Housing Strategy document.

Item 2.7

The GVRD will urge senior governments to provide municipalities with early opportunities to purchase, at less than market value, provincial or federal government "surplus" lands being divested.

Comment: *The intent of this proposed initiative is unclear, although it is assumed that the cities would then offer the lands to non-profit agencies at the cost price for affordable housing projects. Given the primary role of the senior levels of government for providing affordable housing, it would be more logical and straightforward for the provincial and federal governments to directly offer appropriately located sites for the intended purpose.*

Item 2.8

To address homelessness, the GVRD will urge senior levels of government and Health Authorities to provide 5,000 units of supportive housing in the region.

Item 2.9

The GVRD will urge BC Housing and other funders to develop additional shelter capacity in line with the regional shelter distribution outlined in the Final

Regional Affordable Housing Strategy.

Item 2.10

The GVRD will urge BC Housing and other funders to ensure that all shelters have funding for 24/7 operations and are focused on moving people who are homeless into permanent affordable housing connected with the supports they need.

Comment: Staff support items 2.8 and 2.10. The concerns as related to downloading of costs and funding onto municipalities previously raised with respect to the proposed Regional Affordable Housing Strategy would need to be addressed before staff could support item 2.9 as it is currently stated.

Strategy 3:

Establish partnerships and secure sufficient and stable funding to provide required support services to assist people to access and maintain their housing.

Direct Housing Provision Actions

Item 3.1

The GVRD will direct GVHC to link its tenants to support services, wherever required, to:

- ◆ develop partnerships with Provincial agencies and non-profit societies, to provide on-site support services, or linkages to support services in the community, for GVHC tenants;
- ◆ continue the partnership with the Seniors Housing Information Program (SHIP) in its pilot project for the provision of emergency housing and support services to seniors.

Comment: Staff are supportive of these proposed actions.

Advocacy Actions

Item 3.2

To address homelessness, the GVRD will urge senior levels of government and Health Authorities

to provide stable funding for operating costs and support services required for the 5,000 units of supportive housing needed in the region. (See Action 2.8)

Item 3.3

The GVRD will urge the provincial government and Health Authorities to increase the number of outreach teams who link homeless people with income and support services, including Assertive Community Treatment teams, to meet the need throughout the region.

Item 3.4

The GVRD will urge the provincial government to provide an interdepartmental policy framework and funding support for the Vancouver Coastal Health Authority, the Fraser Health Authority and other key partners to develop a Regional Addictions Strategy which addresses supportive housing needs in Greater Vancouver.

Comment: Staff are supportive of these actions. It is noted that the Province is providing \$3.6 million over the next three years under its recent Housing Matters BC program for homeless outreach projects for outreach workers, selected by non-profit organizations, to assist people living on the streets.

The range of actions proposed in the GVRD discussion paper acknowledge the unique housing situation in Greater Vancouver and emphasize that a multi-faceted, partnership approach will be required to address housing needs in the region. Many of the 27 actions concern advocacy and lobbying of senior governments to adequately fund housing, income assistance, and support services for households and persons in need. However, as discussed, there are issues and concerns with some of the actions including:

- ◆ achievability of municipal targets for housing units;
- ◆ transfer of responsibility to local government (downloading/offloading) through enabling powers and other strategies which may result in expectations of an increased role for municipalities

in the housing sector; and

- ♦ impact on local development costs of regional development cost charge levies to fund affordable housing initiatives in the region.

It is, however, noted that the Paper is a starting point for municipal and GVRD Board review and that the proposed strategies will be subject to further discussion.

5.3.2 CITY OF VANCOUVER RESOLUTION

At its meeting of 2006 November 28, the Vancouver City Council adopted a comprehensive motion proposing that GVRD municipalities should have a direct role in addressing social housing and homelessness issues. Components of that proposed role as contained in the motion along with a staff commentary are as follows:

- ♦ Each municipality to make available a site within six months for supportive housing for persons with mental illness, addictions and at risk of homelessness and undertake, in partnership with BC Housing, the preliminary design and rezoning for a supportive housing project to be developed on the site.

Comment: While the motion is not explicit on this point, it assumed that the municipality is being requested to donate the land for the project. If that is the case, then the proposal is not supported given the position on the donation of City land for affordable housing purposes outlined elsewhere in this report. The City remains committed to work with non-profit agencies and senior levels of government to find and process appropriate sites for non-market housing initiatives.

- ♦ Support a regional Housing Action Plan that would establish targets (number of units) at the regional level and sub-regions for market rental housing, social housing for families and seniors, supportive housing for the mentally ill, addicted and others at risk of homelessness, and provide the context for each municipality to develop their own Housing Action Plan.

Comment: Staff would support the development of a regional Housing Action Plan that would identify the deficiencies in the affordable housing inventories and become the basis for the provincial and federal governments to best deliver an appropriately scaled response.

- ♦ Support a unified approach to changes to the Local Government Act and the Vancouver Charter to enable municipalities to manage affordability issues such as the rate of loss of rental or other affordable housing, and accessing the value generated by rezonings to pay for affordable housing.

Comment: Staff would support the first part of this proposal to support necessary changes to the enabling legislation to better allow municipalities to manage the rate of loss of rental and other affordable housing. There is a caution, however, that the realization of this objective is likely more complex than the current absence of rental protection legislation. Using the Maywood neighbourhood example within Metrotown, where the largest component of the city's purpose built rental stock exists, there is the reality that the majority of these units were built in the 1950s and 60s and are in the latter part of their economic life. Council has not designated this area for higher density redevelopment as a way of helping preserve this needed rental stock. To help maintain this stock for the longer term, there will either have to be new programs that encourage redevelopment for rental purposes or significant changes to the Rental Residential Rehabilitation Assistance Program (Rental RRAP) that makes it more attractive for landlords to undertake repairs and improvements to their rental buildings. For a number of years, Council has also maintained a moratorium on the conversion of rental apartments to condominiums in the City.

The notion of using the value generated by rezonings to pay for affordable housing raises a number of questions and concerns with respect to its practicality and desirability. For the City to impose such a requirement on all rezonings in Burnaby in order to pay for affordable housing raises the fundamental question as to why this responsibility should fall on the City and why, if it were done, the value generated would be restricted to affordable housing. Such a concept was also proposed by

RTP2000 when the Millennium Line was being built in Vancouver and Burnaby, in which case they were proposing that the revenues gained be used to help pay for the line. This idea was not pursued when it was argued by many that redevelopment (through rezonings) around the stations was consistent with the land shaping objectives furthering the Livable Region Strategic Plan.

While not a direct comparable to what is being proposed, the City of Burnaby, through its density bonusing provisions in its four town centres, allows the City to capture an equivalent value for the bonus density as is prescribed in our town centre plans. While a minimum 20% of these funds are to be used for affordable or special needs housing purposes, the remainder can be used for a wide array of community benefit improvements with each of the centres. To date, about \$27.7 million has been collected from this initiative.

- ♦ Reduce and remove impediments to new social housing development such as current parking requirements

Comment: In many respects, the provision of basic civic improvements within affordable housing projects that would include parking, sidewalks or street trees are done to help ensure the appropriate integration of the development into its surroundings. To remove parking requirements from a project where cars and the need for parking will exist likely would be to the detriment of the project and its immediate neighbourhood area. That said, municipalities can review the specifics of each proposal to determine to what extent parking, or the need for a stormwater management plan, or a car washing stall can be removed or reduced. The City of Burnaby does make provision in its Zoning Bylaw for a reduced parking standard for non-profit housing in comparison to the equivalent market form.

- ♦ Support increases in immediate shelter capacity (with operating funding to be provided by the Province) noting that housing and not shelter is the long term solution to homelessness.

Comment: Staff are in support of this proposal.

- ♦ Participate with the City of Vancouver, BC Housing and CMHC in a comprehensive study of market

rental housing in the region with the purpose of determining what needs to be done to ensure that sufficient market rental housing continues to be available in the region; this would include a review of the current restriction on strata properties that restrict rental units.

Comment: The GVRD has provided a good overview of the shortfall in rental market housing within the region along with projections of that need into the future. As well, their proposals make an appeal for the federal government to develop a National Housing Strategy and specifically identify opportunities to provide incentives for the construction of new purpose built rental housing. The City would be prepared to participate in a comprehensive study of market rental housing on the understanding that it will be helpful in facilitating the earlier favourable response from the federal government on the initiatives being requested.

- ♦ Support a meeting with the Provincial Minister responsible for housing once the GVRD has developed a draft partnership framework.

Comment: While the City would be committed to participate in a meeting with the Provincial Minister for Housing at any time, its participation could not be on the basis of a draft partnership basis if the areas of concern to the City were not addressed.

- ♦ Support a unified call for the Province to allow all municipalities in the region (and BC) to use Development Cost Charge revenue to develop affordable housing.

Comment: Over and above the minimum 20 percent assignment of density bonus funds within our town centre areas for affordable housing purposes, staff do not support the diversion of non-related Development Cost Charge revenues for affordable housing for the reasons cited elsewhere in this report.

5.3.3 COUNCIL WORKSHOP ON AFFORDABLE HOUSING WITH BURNABY MPs AND MLAs

On 2006 December 18, members of City Council met with Burnaby's MPs and MLAs regarding a range of affordable housing issues. Key issues or themes that emerged at the meeting were as follows:

- ◆ Income Assistance rates have not increased in accordance with increases in the cost of living or housing;
- ◆ provincial policies of deinstitutionalization have exacerbated the problem of homelessness in communities;
- ◆ the Federal Government needs to develop a National Housing Strategy, reintroduce programs to stimulate the supply of rental housing (as existed in the 1970s and 1980s with MURBs), and enhance the role of CMHC in addressing affordable housing concerns;
- ◆ some City requirements were seen as an impediment to development of affordable housing (e.g., minimum parking requirements, car wash stall provisions);
- ◆ the City needs additional tools from the Province, such as the ability to zone for rental housing; and
- ◆ immigrants and refugees face particular challenges in securing safe, affordable, and appropriate housing.

Also at the meeting, a member of the Community Development Committee, Councillor Evans, distributed a list of specific proposals for consideration that may help facilitate development of affordable housing in Burnaby. While previous sections of this report have addressed the majority of the proposals made, the specific proposals, and a comment on each, are summarized below:

- ◆ Fast tracking the development process for affordable housing

Comment: In 1991, City Council adopted a policy to provide preferential processing for affordable housing

applications. Through the policy, the City strives to shorten the length of time required for affordable housing developments to obtain a rezoning, Preliminary Plan Approval, and Building Permit. The policy is targeted both at non-market housing developments (for families, seniors, and other groups) and private rental projects accommodating low and moderate income households. Staff will continue to expedite the approval process for affordable housing developments. In so doing, however, we will need to ensure that legal obligations are satisfied and that the needs of the community and prospective residents of the affordable housing developments are not compromised.

- ◆ Using density bonusing more effectively and more innovatively by pooling units

Comment: To date, the City has achieved 19 housing units in three developments though density bonusing (13 of the units are completed and occupied; six are under construction). In 2006, Council approved the "contribution in lieu" component of the City's density bonusing policy, which involved earmarking a minimum 20% of contributions in lieu for affordable housing purposes. When sufficient contribution in lieu funds are accumulated, it is believed that the City will be able to secure larger numbers of affordable housing units in a given development. It is noted that Council does have the opportunity under the bonusing provisions to direct that a greater proportion than 20 percent (up to 100 percent) of cash-in-lieu funds be applied for affordable housing purposes in any applicable rezoning. Through the application of its density bonusing policy, the City is trying to achieve an appropriate balance between the provision of affordable housing and other community amenities.

- ◆ Reducing off site servicing fees

Comment: Through the development approval process for non-market housing developments, the City is cognizant of the financial challenges faced by the housing provider. We are also aware of the need to ensure that appropriate community standards are met and prospective residents of the non-market housing developments have the chance to live in a well integrated, safe and functional environment. It is considered appropriate that, through

the CD rezoning process, the City continue to require the basic site servicing provisions from non-market housing developments such as sidewalks, street lighting and street trees. Staff will continue to ensure that off-site improvement requirements for affordable housing developments are reasonable, not onerous and reviewed on a case by case basis. It is important that non-market housing developments avoid stigmatization, or being identified as substandard because of a lack of the basic associated civic improvements.

♦ Reducing parking requirements

Comment: The Zoning Bylaw currently affords a modest reduction in parking for non-market housing developments. Also, as deemed warranted, on a case by case basis through the CD rezoning process, more substantial reductions can be made to the parking requirements. For example, for the Howe Sound Rehabilitation Society project on 6th Street, a minimal number of parking stalls were required for staff and visitors. No parking was required for residents on the basis of the nature of the occupants of the project. While acknowledging that provision of underground and surface parking adds to construction costs, it is essential that a reasonable number of spaces is provided for residents of any housing development – be they market or non-market when car ownership and parking can be anticipated. Failure to do so would inconvenience the residents who are without parking spaces, as well as neighbours who would experience parking spillover on their streets.

♦ Eliminating unnecessary design requirements such as car wash facilities

Comment: The City recently waived the requirement for a car wash stall for the Howe Sound Rehabilitation Society project on 6th Street as residents of the development will not drive or own cars. In most cases, however, it is considered important that a car wash stall be provided. The purpose of the stall is to ensure that the chemicals and residue from the washing of cars go into the sanitary sewer system, where they can be treated, and are kept out of the storm sewers, which drain into the city's watercourses. Staff believe it would be a mistake to comprise our environmental standards for

a short term financial savings for non-market housing providers. Apart from the various Building Code requirements, City staff would only rarely impose any design requirements on a non-market housing project beyond the basic fit within its immediate surroundings. However, if any design requirements are truly considered unnecessary or worthy of change, they could be adjusted through the applicable rezoning process.

♦ Waiving or reducing development cost charges

Comment: Burnaby has four development cost charges which apply to residential developments: the Parkland Acquisition Charge (previously discussed), the Edmonds Town Centre South Grade-Separated Crossings Charge, the GVSE&DD Sewerage Development Cost Charge, and the School Sites Acquisition Charge. Non-market housing developments are currently exempted from paying the School Site Acquisition Charge. Any decision to exempt such developments from GVSE&DD charges would need to be made by the GVRD Board.

The rationale for Parkland Acquisition Charges is that park space needs to be expanded to meet the needs of growth and development. Council has the ability to waive or reduce the charges for non-market housing developments if it so desired through an amendment to the applicable bylaws. If this were done, the City would have two choices: 1) increase the charges for other developments to offset the monies foregone from the non-market housing developments, or 2) leave the rate the same for other developments, but accept that less money will be available for future park expansion. For a RM3 apartment form of non-market housing in the range of 40 to 50 units with a gross floor area of around 29,000 square feet and having mix of bedroom sizes, the Parkland Acquisition Charge would be approximately \$110,000. An additional charge of \$392 per unit would apply for the Edmonds Town centre South Grade-Separated Crossings Charge if the development were located in the boundary of that area. Given the small share of social housing amongst total housing being developed in the City, the impact of exempting non-market housing developments from these charges for the City may be relatively small compared to the overall City charges received. At the same time, the change would assist with the tight budgets of housing providers.

Staff will prepare a number of varying case examples showing their associated development cost charges for the review of the Community Development Committee and Council.

- ◆ Refunding development permit and building permit fees

Comment: If the City chose to waive or reduce application fees for non-market housing developments, the effort may assist the budgets of housing providers. That said, the City works on a cost recovery basis, in terms of development application processing. The loss of revenue would thus need to be offset from other sources, either through increased fees for market development applications or reallocation of the City budget. If the City were to pursue such an approach, one of the questions raised would be whether the Province would reduce overall funding for the project or would divert the savings to the betterment of the project. This is another matter that staff will look at as part of a number of case examples to highlight the associated costs implications for the review of the Committee and Council.

- ◆ Deferring the payment of development cost charges, development permit fees, and associated charges

Comment: It is understood that deferring the payment of upfront fees and charges could help some non-market housing developers who would rather pay these fees once the project is operational and the costs are part of the operating budget for development. However, it is the common practice for all related fees and charges to be collected prior to Council's Final Reading of the applicable rezoning to protect the City from non-payment once the rezoning has been completed. If such an approach were to be utilized, the City would need to determine a method for guaranteed payment of the fees within a specified period of time.

- ◆ Reducing property taxes

Comment: The City provides permissive tax exemptions to various charitable organizations such as churches and non-profit child care operations. Again, it is recognized that tax exemptions by the City would represent a significant saving to the annual budget of non-market

housing providers. However, as with any of the other financial incentives, the cost burden would need to be shifted to other property uses or the City's budget would need to be revised. As such, the City would be voluntarily assuming senior government responsibilities for supporting affordable housing. In addition, if such a policy were introduced, it would likely need to apply to all the existing non-profit affordable housing projects in the city. Staff will develop, in conjunction with the Finance Department, a number of case example scenarios illustrating the financial impact of such a potential exemption to the Committee and Council.

- ◆ Foregoing property taxes on the value of the improvements being constructed

Comment: The Local Government Act permits municipalities to provide tax exemption on land or improvements or both. The previous comments regarding the option of reducing property taxes also apply to the reduction of taxes on improvements.

- ◆ Making interest free loans or cash grants to non-profit societies

Comment: The City does make small grants to various community groups and agencies to help cultural, athletic and volunteer assistance groups that provide a service or promote activities that are beneficial to Burnaby. In relation to the housing affordability sector, the City did make a grant of \$1,500 to the Progressive Housing Society in 2004 to assist with the purchase of a photocopier. If the intent of this proposal is to provide capital or operating funding loans or cash grants to non-profit housing providers, then it is not supported for the reasons associated with the direct downloading and offloading of costs to the City previously cited in this report.

- ◆ Entering into a subsidized prepaid long term lease, possibly for as little as \$1 per year

Comment: The City has leased land for various non-market housing developments (eg. family housing, group homes, and a home for victims of domestic abuse). The terms of the leases vary substantially, with some being offered at below market and others being offered at market rates. Since the early 1990s, the City generally

has been leasing land for non-market housing on a 60 year pre-paid basis at 75 percent of freehold value (considered to be the equivalent market value of such a lease). Given this practice and increasing concerns about downloading, it is believed that the 60 year term at 75% value of freehold value should continue to be the basis for any future lease of City land for non-market housing.

- ◆ Transferring density to encourage developers to subsidize affordable housing projects

Comment: Density transfers are primarily used by various municipalities to encourage the retention of heritage sites. The unused density on a heritage site is purchased and immediately transferred to another site or is placed into a floor area inventory which developers can then purchase at a later date. The heritage site is also protected through a heritage designation which prohibits or restricts further development. The transfer of density potentially could be used to support affordable housing, although most municipalities have focused on strategies such as density bonusing. One recent example of density transfer occurred in the City of North Vancouver in order to protect an older, private market rental building and where the unused density on the site was transferred to another residential development site. A covenant on the land title of the existing market rental building states that it must be retained for rental housing purposes. As with density bonusing, transfer of density schemes are most effective in higher density areas where developers are looking to maximize development potential.

- ◆ Entering into housing agreements with non-profit societies

Comment: The Local Government Act permits municipalities to enter into housing agreements with non-profit societies to guarantee the use of a site for affordable housing. The agreements are required because the City has usually provided some incentive or reduced a development requirement given the non-market nature of the development. These agreements can take the form of an agreement or Section 219 Covenant which is registered on the property title. The City currently requires that a Section 219 covenant be registered on title for all non-market housing projects to protect the future affordable housing use of the property.

- ◆ Issuing proposal calls respecting the development of affordable housing projects on City owned land

Comment: The position has previously been expressed that the City should not make its lands available on the basis of a below market offering. A proposal has been advanced in an earlier section of this report, that the City could consider possible land exchanges, on a value for value basis, with senior levels of government whereby the City could obtain lands it needs for civic purposes and its exchanged lands could be used for non-market housing purposes. Under such an arrangement, the proposal call would be handled through BC Housing.

5.3.4 INITIATIVES IN THE 2007 FEBRUARY THRONE SPEECH

While there are no details presently available, the recent BC Throne Speech highlighted some new proposed initiatives relating to the provision of affordable housing. These include:

- ◆ Cities with populations over 25,000 to be required to identify and zone appropriate sites for supportive housing and treatment facilities for persons with mental illnesses and addictions in Official Community Plans by 2008.

Comment: As previously indicated, staff would be prepared to work with senior levels of government to identify any appropriate sites under their ownership for supportive housing purposes. An offer to consider possible land exchanges involving City lands, on a value for value basis, can also be extended. If the intent of this initiative is to identify and pre-zone specific sites for supportive housing in the absence of a specific proposal, this would be problematic in relation to the City's practice of informing and engaging potentially affected parties of such rezonings of what actually is being proposed. A relatively recent rezoning for a supportive housing treatment facility in central Burnaby was successfully done in close collaboration with the adjacent neighbourhood and gained overall acceptance once the specifics of the project were known. Staff will need to learn more about this Throne Speech proposal to **comment** further.

- ◆ Local government will be encouraged to exempt small-unit, supportive housing projects from development cost charges and levies.

Comment: As indicated in Section 5.3 of this report, staff are supportive of undertaking a closer review of a potential reduction in our park acquisition charge for non-profit supportive housing for the consideration of Committee and Council. It is assumed that this exemption would likely apply as well to the GVS&DD sewer levy.

- ◆ A new assessment class and new tax exemptions for small-unit, supportive housing is to be developed over the next year for the legislature's consideration.

Comment: It is assumed that this would only be applicable to non-profit supportive housing developments. Staff would prefer to **comment** on this proposal once the proposal has been developed and has been reviewed.

- ◆ Working with the Union of BC Municipalities and the private sector, the government will develop new incentives to encourage smaller lot sizes and smaller, more energy efficient homes that use less land, less energy, less water, and are less expensive to own.

Comment: The City already has processes in place for the development of small lot housing as part of its subdivision and rezoning policies. These policies have been developed with full public consultation and are done within the context of the City's land use development framework. Staff will monitor the development of this initiative and report back as appropriate on the range of incentives and other criteria under consideration.

6.0 CITY OF BURNABY ROLE

The current awareness and growing concern regarding affordable housing and homelessness to a large extent is the result of an increasing disparity between the supply of this housing and its associated demand. The absence of sustaining programs at both the federal and provincial government level over the past two decades, to keep pace with need, has resulted in today's housing concerns. On the issue of affordable housing, Burnaby has, over a period of 10 or more years, advocated to senior levels of government with regard to the importance of maintaining the social safety net in terms of income support and affordable housing. The lack of senior government response or commitment to address the issues has largely contributed to the current problems with regard to affordable housing which we currently face.

Our review has concluded that the federal and provincial governments need to undertake a more aggressive approach to affordable housing, preferably in the context of a national and provincial housing strategy that will allow for more sustainable funding over longer term periods. These are the levels of government with the constitutional responsibilities and associated financial resources to undertake this role.

As evident in the perspectives put forward from the federal, provincial, regional and other local governments, there is a range of views on what is, or should be, the appropriate role of local municipalities in addressing affordable housing issues and needs. Certainly, as the level of government most closely in contact with local communities, businesses and residents, City governments are increasingly being called upon to address issues that have impacts in the community, but are outside the established mandate and scope of responsibilities of local government.

In terms of possible roles, there have been various calls, particularly from the provincial government for local governments to participate as a **direct provider** of affordable housing. Under this role, municipalities would be expected to help in financing affordable housing

projects at the direct expense of local taxpayers. As expressed in this report, the City should **not** accept this role for a number of reasons, the most evident being the lack of sufficient and appropriate taxing authority to secure adequate funds in a fair manner to support such an initiative and the resultant need to defer or reduce city services, facilities and programs associated with our governance responsibilities.

The City, however, can play a number of important roles as a **facilitator** in the delivery of affordable housing initiatives in the City. This is a familiar role for Burnaby as evident in the fact that the City has the second highest number of non-market housing units of any municipality in the region. Several of the facilitator initiatives, which Burnaby has pursued over an extended period of time, are outlined in Section 3.3 of this report.

Our review has also concluded that there are several initiatives potentially available that may enhance our facilitator role. These are summarized as follows:

6.1 COOPERATE TO MAKE CITY LANDS AVAILABLE

As expressed elsewhere in this report, it is staff's position that City lands, which are an important community asset, should **not** be donated to support affordable housing projects, as the responsibility, financial resources and capabilities for affordable housing provision reside with senior levels of government. The City, however, is willing to cooperate with the province, the federal government, and the GVRD to assist in a review of available land holdings of each to determine those lands that would be appropriate for development for non-market housing purposes. In addition, staff are proposing that the City consider exchanging City lands with the Crown or the Province on a value for value basis, for property it holds in appropriately designated higher density residential areas for the development of affordable housing.

6.2 MANAGE DEVELOPMENT COST CHARGES AND PROPERTY TAXES

Staff are supportive of undertaking a more detailed review of the financial impacts associated with possibly reducing or waiving of project related development cost charges and property taxes in the City for non-profit affordable housing projects for the review of the Committee and Council.

That said, staff do **not** support the imposition of a city or region-wide development cost charge for affordable housing purposes for the reasons previously outlined in this report.

6.3 PERMIT FEES

Currently, Burnaby's development fees are structured on a cost recovery basis. Notwithstanding, staff are seeking authorization to examine the magnitude of financial impact through a review of a range of development application scenarios for the consideration of the Committee and Council.

6.4 BUILD FLEXIBILITY IN DEVELOPMENT STANDARDS

The City already does provide support to non-market housing development by adjusting or waiving certain development requirements if appropriate. In many respects, however, established development standards and the provision of basic civic improvements within affordable housing projects that would include parking, sidewalks or street trees are done to help ensure the appropriate integration of the development into its surroundings. That said, the City has the ability to review the specifics of each proposal to determine to what extent parking, stormwater management, car wash stalls or other typical development features are required or necessary for individual projects. The City exercises this ability through its CD – Comprehensive Development District zoning process.

As part of our continuing effort to support, facilitate and accept flexibility in development standards,

the City staff would undertake, in consultation with applicants, to review the applicability and appropriateness of established City bylaw requirements with a view to accommodating supportable changes to development standards for future non-profit affordable housing projects. Any adjustments would be outlined in the Public Hearing report for Council approval of the CD zoning application.

6.5 FACILITATING APPROVAL PROCESSES

The City already has a fast track approval process for non-profit affordable housing. The City proposes to continue this process.

6.6 SUPPORT INNOVATIONS IN AFFORDABLE HOUSING TYPES AND FORMS

Staff are supportive of initiatives to develop and implement innovative affordable housing types and forms.

The Community Development Committee has directed staff to undertake a survey of approaches to secondary suite provisions, as well as proposed standards for small lot multiple family infill projects. Other forms, such as “granny flats” and “coach houses” may also be appropriate for review to add to our inventory of more affordable units. It is recognized that accommodation of new development forms can be potentially divisive in neighbourhoods underscoring the need for City to seek full community consultation in the consideration of such new housing forms.

6.7 INCREASING DENSITIES

The City, through Council’s leadership and in consultation with our residents and businesses, has long advocated and provided for opportunities in the City of densification in Town Centre, Urban Village and Apartment Study Areas. The approach taken by the City has sought to both accommodate significant growth while protecting important community

assets, neighbourhoods, and natural amenities.

On this basis, the City is supportive of increasing the opportunities and development potential of existing social housing sites in context with prevailing community plans. If a density were to be pursued beyond that provided for in a prevailing community plan, it would need to be the subject of a broad community consultation process involving the adjacent neighbourhood area

6.8 BUILD INNOVATIONS IN HOUSING POLICY

The City would be prepared to participate, as has been proposed, in a comprehensive study of market rental housing with other municipalities, the GVRD and the Province on the understanding that it would be productive in facilitating the earlier favourable response from the federal and provincial governments on the initiatives being requested.

It should be noted that the City initiated a resolution to the Union of B.C. Municipalities to request the Province to enact enabling legislation to allow municipalities to zone land for rental housing; however, these amendments have not been forthcoming. Staff would propose to continue to advocate for this enabling legislation through the work of the GVRD and the upcoming UBCM resolution processes. As outlined earlier in this report, there is a strong need to generate the construction of new rental accommodation in the region to address the growing built up demand. Tax and other economic incentives would likely be required to see the private market return to the development of market rental accommodation.

As previously noted, the City of Burnaby has undertaken and continues to undertake many initiatives to support the development of affordable housing. Several of these initiatives, outlined in Section 3.3 of this report which Burnaby has pursued over an extended period of time, are included in the GVRD Discussion Paper on a Regional Affordable Housing Strategy and the City of Vancouver resolution on housing and homelessness.

7.0 SUMMARY

The growing concerns regarding the supply of affordable housing and the increasing impacts of homelessness in communities across the Lower Mainland clearly have an impact on the livability of the region and our city for residents and businesses alike. The magnitude of this issue reflects a linkage to at least two decades of federal and provincial government cut-backs in funding, the lack of sustaining support for the provision of non-market housing supply, the absence of programs and incentives to improve the market viability for a much needed increase in the supply and delivery of affordable rental stock, restrictions on income support for people with low income, and de-institutionalization of vulnerable populations without associated adequate support.

The seriousness of the affordable housing issue is evidenced through the magnitude of the outstanding and growing need for affordable housing in the region. Recent estimates indicate that:

- ◆ the region needs about 3,500 additional market rental housing units to be built each year – currently virtually no purpose built rental stock of this type is being constructed by the private market.
- ◆ between 15 to 20 percent of individuals and families in the region are in core need for non-market housing. The chronic lack of supply for social housing units has resulted in over 11,000 households being placed on the central social housing registry wait list. In Burnaby alone, there are over 13,000 households in core need for affordable housing (and rising). There are no sustainable housing programs available to address the magnitude of this need for low-income individuals and families.
- ◆ the current estimate of homeless people in the region has nearly doubled since 2002 from 1,121 to 2,174. The current provincial program response to this need is an intention to build an additional 450 supportive housing units across the province. This is clearly below the current need and a longer term need as projected by the GVRD for 5,000 units within the region.

While these issues have serious impacts and implications for the health, quality of life and economic viability of our community, they are beyond the mandate, resources and tax base of Burnaby and other local governments to address on a direct basis. As such, this report focuses on the need for both the federal and provincial governments to more aggressively assume their responsibility and role as the **direct providers** of adequate programs, funding and support services to address the growing gap in affordable housing - both non-market and market related (see Sections 5.1 and 5.2).

Burnaby has played a key role in the accommodation of the region's non-market housing stock as evidenced by the fact that the City has the second highest number of such units in the region. The report recognizes the continuing role that the City of Burnaby can play in helping facilitate the provision and protection of non-market housing in the city and highlights a number of potential initiatives that would be worthy of further exploration and development for the review and consideration by the Committee and Council (see Section 6.0).



B. Luksun, Director
DIRECTOR PLANNING & BUILDING

2007 February 19

Attachment

cc: City Manager
Director Finance
Director Engineering
Director Parks, Recreation and Cultural
Services

FILE # 16000-01 Housing General

ATTACHMENT #1 – COUNCIL RESOLUTION OF 2006 OCTOBER 16

At its meeting of 2006 October 16, Council adopted the following motion put forward by Community Development Committee Chair Jordan regarding affordable housing and homelessness. Council also asked that staff prepare a report on the current Provincial and Federal government programs and funding available for non-market housing in B.C.

NOTICE OF MOTION **2006 October 16**

Homelessness

"WHEREAS homelessness is the most visible aspect of problems that reach far deeper into our communities and affects the liveability of our cities, and the safety and security of our citizens; at the same time as it compounds the problems faced by the most vulnerable of our society; and

WHEREAS the quality of life in all cities in the region is being adversely impacted as a result of the lack of affordable housing, the lack of adequate treatment facilities for those suffering from mental illness or substance abuse and addiction, and the lack of adequate income support for the poor, seniors, and new immigrants; and

WHEREAS local government is responsible for providing a multitude of services such as water, sewer, waste, roads, transit, parks, recreation, fire, police and planning among many others; and finance these services with only 8 cents out of every tax dollar collected; and

WHEREAS constitutional responsibility for housing, health, education, criminal law, immigration and social services resides with the provincial and federal governments, by whom 92 cents of every tax dollar is collected; and

WHEREAS cities are being left to shoulder the real and downloaded costs of poverty, crime and untreated mental illness through increased policing and community degradation, and pay for this through the regressive property tax system that was never designed to support social programs and social infrastructure; and

WHEREAS the Provincial and Federal governments have significant fiscal surpluses, but are failing to address these problems, leaving cities to be asked to divert funds from our other responsibilities to redress the lack of attention to the provision of an adequate social infrastructure; now

THEREFORE BE IT RESOLVED THAT the City of Burnaby rejects the downloading of costs of social programs ;

BE IT FURTHER RESOLVED THAT the City of Burnaby request the assistance of our Members of Parliament and the Legislature through an urgent meeting with our City Council to demand that both levels of government provide meaningful funding and programs to establish affordable housing initiatives, provide rehab and treatment centres for addiction, provide supportive permanent housing for those suffering mental illness, and provide adequate income support for the poor; and

BE IT FINALLY RESOLVED THAT this motion be circulated to the UBCM member municipalities, BC MLAs and MPs, and the Federation of Canadian Municipalities asking for support and concerted action to address these serious issues."

Respectfully submitted,

Councillor Colleen Jordan