



COMMUNITY DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: METRO VANCOUVER DRAFT REGIONAL AFFORDABLE HOUSING
STRATEGY**

RECOMMENDATION:

1. THAT Council send a copy of this report to the Metro Vancouver Board of Directors as the City's response to the Metro Vancouver Draft Regional Affordable Housing Strategy.

REPORT

The Community Development Committee, at its meeting held on 2007 September 18, received and adopted the *attached* report providing comments on the Metro Vancouver Draft Regional Affordable Housing Strategy.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor G. Evans
Member

Copied to: City Manager Director Finance Director Parks, Recreation & Cultural Services Director Engineering Director Planning & Building

TO: CHAIR AND MEMBERS
COMMUNITY DEVELOPMENT COMMITTEE

DATE: 2007 September 14

FROM: DIRECTOR PLANNING & BUILDING

FILE: 16000 01
Reference: Affordable Housing

SUBJECT: METRO VANCOUVER DRAFT REGIONAL AFFORDABLE HOUSING STRATEGY

PURPOSE: To provide Council with comments on the Metro Vancouver Draft Regional Affordable Housing Strategy.

RECOMMENDATION:

1. **THAT** Council be requested to send a copy of this report to the Metro Vancouver Board of Directors as the City's response to the Metro Vancouver Draft Regional Affordable Housing Strategy.

REPORT**1.0 BACKGROUND**

On 2007 July 27 the then GVRD (hereinafter referred to as Metro Vancouver) Board approved the release of the draft Metro Vancouver Regional Affordable Housing Strategy for public consultation with comments due by 2007 October 12. Council previously provided comments on a November 2006 Metro Vancouver Discussion Paper on the Strategy which were submitted to the Region as part of an overview housing report considered by Council on 2007 March 5. The purpose of this report is to provide a summary of and comments on the revised Strategy.

2.0 DRAFT REGIONAL AFFORDABLE HOUSING STRATEGY**2.1 Overview**

The Strategy has been developed in response to growing concerns about housing affordability and homelessness across the region. The Strategy cites three affordable housing goals with companion objectives:

Goal 1 - Increase the supply and diversity of modest cost housing

Objectives:

- Increase the supply of affordable housing at key points along the housing continuum including:

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- Entry-level ownership opportunities
- Low end of market rental housing
- Non-market housing; and
- Emergency and transitional/supportive housing
- Identify partnership opportunities to allow low income families and individuals to advance along the housing continuum.

Goal 2 - Eliminate homelessness across the region.

Objectives:

- Enhance the continuum of housing and supports for those who are homeless
- Improve the affordability of rental accommodation for low income renters as a means of preventing economic eviction and homelessness

Goal 3 - Meet the needs of low income renters.

Objectives:

- Expand the supply of affordable rental housing
- Maintain the viability of the existing rental housing stock.

The Strategy also contains 35 actions, some of which are multi-faceted and require the participation of several partners. The actions are listed under the five organizations identified as responsible for implementation including Metro Vancouver, municipalities, the Provincial and Federal Governments, and Greater Vancouver Transportation Authority, and are discussed in Section 3.2 of this report.

The section below discusses the key initiatives and focus of the draft Strategy.

2.2 Key Initiatives and Focus

A key intent of the Strategy is to identify actions that should be taken by Federal, Provincial, regional and municipal governments to address housing affordability and homelessness. The Strategy identifies a coordinated package of responses to housing and/or affordability concerns at the regional level while emphasizing the importance of a strong funding and programming response at the Federal and Provincial levels. The Strategy's three goals relating to the supply and diversity of modest cost housing, homelessness, and low income rental housing provide the foundation for the proposed initiatives.

Key changes between the November 2006 Discussion Paper and the current draft Strategy are as follows:

- **Housing Targets:** The Discussion Paper proposed that Metro Vancouver establish housing targets and require that municipalities include them in Regional Context Statements, which are part of Official Community Plans. The draft Strategy proposes to include the targets in Metro Vancouver's Regional Growth Strategy rather than in Regional Context Statements.

Comment: Comments on this action are included in Section 2.3 of this report.

- **Housing Action Plans:** A new element in the draft Strategy which was not in the Discussion Paper is a requirement in that municipalities prepare Housing Action Plans which will include identification of the measures used to support the development of affordable housing.

Comment: Comments on this action are included in Section 2.3 of this report.

- **Regional Surcharge/Levy:** The Discussion Paper proposed to establish a regional surcharge/levy to fund affordable housing. This proposal has been deleted due to strong negative response from several municipalities in the region.

Comment: The City's previous comments on this action raised concerns about the proposal. Specifically, it was felt that this action was outside the mandate of Metro Vancouver and could be perceived as implicit municipal acceptance of downloading. Deletion of the action is thus supported.

- **Provincial Property Transfer Tax:** The Discussion Paper proposed that the Province be requested to allocate some portion of the revenue generated in the Metro Vancouver area by the Property Transfer Tax (PPT) to a regional housing program. This proposal has been deleted. Metro Vancouver staff advise that, while the Strategy highlights the importance of sustained adequate funding for housing from senior governments, the source of that funding is less of an issue and would be determined by senior governments.

Comment: Staff note that the 2007 UBCM Convention will consider several resolutions regarding the use of the PPT revenue for affordable housing. The PPT has generated an extraordinary amount of revenue for the Province and it is still considered appropriate to highlight the possible use of these funds for much needed housing programs.

3.0 DISCUSSION

3.1 Context for City of Burnaby Comments

Before commenting on the specific Strategy proposals, it is considered useful to provide a context for the comments. The City has undertaken many initiatives to support affordable housing and will continue to do so. Council expressed concern in its fall 2006 resolution sent to B.C. MLAs and MPs, Union of B.C. Municipalities member municipalities, and the Federation of Canadian Municipalities about the 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 Federal and Provincial governments have the constitutional responsibility and fiscal resources to address these problems, cities are being unfairly asked to divert their scarce and relatively fixed revenue source (i.e. property tax) to

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address the provision of 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.

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 and effective demand for affordable housing options. The absence of sustaining programs at both the Federal and Provincial Government levels 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 ten 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 in the region.

Staff 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 Federal and Provincial housing strategy that will allow for more sustainable funding over longer term periods. Senior levels of government have the constitutional responsibility and 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 governments in addressing affordable housing issues and needs. Certainly, as the level of government most closely in contact with local communities, businesses, and residents, local government are increasingly being called upon to address issues that have impacts in the community, but are outside the established scope of responsibilities and resources of local government.

In terms of possible roles, there have been 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 highlighted in the March 2007 Council report, the City should be concerned about accepting such a 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 needs to defer or reduce city services, facilities, and programs associated with our established and core governance responsibilities. The City, however, can play a number of important roles as a facilitator and supporter in the delivery of affordable housing initiatives. This is a familiar role for Burnaby in that the City has undertaken many initiatives to support affordable housing and has developed and accommodated in Burnaby the second largest inventory of non-market housing units of regional municipalities.

3.2 Review of Strategy Actions

Having provided the foregoing context, a discussion of the specific proposals from the Strategy is presented below.

Goal 1 – Increase the supply and diversity of modest cost housing.

Proposed Metro Vancouver Actions

Action 1.1 As part of the Regional Growth Strategy, Metro Vancouver will set targets in consultation with member municipalities for the number of new affordable housing units required by 2016.

Comment: *The intent of this action is to ensure that new housing units are built to respond to growing need for affordable housing. Local governments will be expected to endorse these targets as part of their endorsement of the Regional Growth Strategy. Annual housing figures will also be monitored to assess the achievement of targets.*

The City has expressed its concerns with the establishment of targets including how the targets would be set. It is understood that Metro Vancouver staff are doing further work on the application and use of targets. The targets are proposed for inclusion in the Regional Growth Strategy (RGS) and there will be an opportunity for further municipal comment on this proposal as part of the review of the draft RGS. Key changes from the Discussion Paper with regard to targets include:

- *This action now refers to targets for 2016 only; the reference to targets for 2011 has been deleted due to time constraints for preparing targets within this timeframe.*
- *Also deleted is the reference to “number of new affordable owned and rental housing units” which is now “new affordable housing units”.*
- *The requirement that Regional Context Statements demonstrate how targets will be achieved has been deleted. The targets will now be included in the Regional Growth Strategy.*
- *Also deleted is the list of measures by which local government will meet targets (e.g. legalizing secondary suites, inclusionary zoning). These have now been moved to Action 1.2 to be included in Housing Action Plans.*

Action 1.2 Require, as part of the Regional Growth Strategy, that municipalities develop Housing Action Plans setting out specific strategies and objectives for meeting established targets through such actions as:

- Amending existing bylaws to permit increased density in areas appropriate for affordable ownership and rental housing.

- Incorporating smaller more affordable housing design into neighbourhood planning including suites, smaller lots, coach houses, row houses, townhouses as well as higher density developments.
- Adopting inclusionary housing policies or density bonus provisions as a means of securing additional affordable rental or ownership housing stock.
- Reducing parking requirements for affordable ownership or rental housing for developments with good access to public transit.
- Identifying City-owned sites which are appropriate for affordable housing and which could be leased at or below market value to non-profit housing organizations.
- Identifying sites suitable for affordable housing in neighbourhood or area planning processes.

Comment: *The intent of this action is to promote the use of variety of strategies by municipalities to support affordable housing. Local governments will be expected to prepare a Plan and demonstrate that they use or intend to use the available strategies.*

It is believed that this action would provide for the consolidation and presentation of existing policies within a cohesive plan, serve to identify and evaluate potential initiatives of benefit to affordable housing objectives, and establish responsive approaches to implement senior government programs in Burnaby. A concern to note, however, is that the requirement to develop a Housing Action Plan could imply that it is appropriate that municipalities take on an increased role in the field of affordable housing, which is primarily a senior government responsibility. There are many tools available to support the development of affordable housing. The proposed approach does allow for municipalities to choose which tools to use or incorporate into a comprehensive housing plan. It is also noted that the list of measures to achieve the targets in the draft Strategy are much more general than those previously included in the Discussion Paper and that they are not intended to be mandatory.

Action 1.3 Design and deliver a community outreach initiative to demonstrate the benefits and opportunities of promoting increased density and diversity to create modest cost housing.

Comment: *The intent of this action is for the Region to educate the community about the need for density and diversity in housing. This action will assist local governments as redevelopment occurs in neighbourhoods.*

It is believed that this action deserves support. Redevelopment in or near established residential neighbourhoods can be a sensitive issue for many residents; any program that provides information on the benefits of and need

to support affordable housing initiatives would be helpful to municipalities as they plan for future growth in consultation with residents. The City is very aware of the challenges to successfully integrate new housing developments. City staff would be pleased to participate in regional initiatives on best practices in this regard.

Action 1.4 Identify sites across the region which are owned or controlled by Metro Vancouver which are suitable for the development of affordable housing and make these sites available at or below market value.

Comment: *The intent of this action is to increase the amount of land available for affordable housing by identifying sites in the region land inventory that may be suitable for housing. Local governments could be expected to co-operate with Metro Vancouver or other organizations in planning for the redevelopment of appropriate sites.*

It would be expected that, in most cases, lands held by Metro Vancouver have been acquired or held for specific infrastructure, park, or transportation purposes. Should Metro Vancouver determine that specific lands are surplus to these primary regional responsibilities, the Metro Vancouver Board has the option to consider making lands available to service a regional affordable housing purpose. If such a decision were made it should be done with the recognition that the cash value of the lands would no longer be available to help meet or offset the costs of programs and initiatives directly within the Metro Vancouver mandate. It is also assumed that Metro Vancouver staff would need to be assured that the sites are suitable for housing. As such, 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 local OCP and area land use plans.

Proposed Municipal Actions

Action 1.5 Develop Official Community Plans, Regional Context Statements and Housing Action Plans which demonstrate the actions taken to increase the supply and diversity of affordable housing at key points along the housing continuum.

Comment: *The intent of this action is to ensure that communities provide for all types of housing, including housing for homeless people. Local governments will be expected to demonstrate how their land use plans meet these housing needs.*

Notwithstanding the previously stated concerns regarding Housing Action Plans (Action 1.2), it is believed that this action deserves support. The City's Official Community Plan (including the Regional Context Statement) and Area Plans all demonstrate policies to increase the supply and diversity of

affordable housing by making provision for different types and densities of housing. These plans would focus on the City's role as a facilitator of initiatives to support affordable housing rather than as a direct provider or funder of housing and would presumably be within the control of the local government to develop in line with local needs, constraints and circumstances.

Proposed Provincial Actions

Action 1.6 Make funding available to support the development and implementation of Housing Action Plans at the municipal level.

Comment: *The intent of this action is to assist local governments with the preparation of Housing Action Plans.*

Again, while noting the previous comments regarding Housing Action Plans, it is believed that this action merits support.

Proposed Federal Actions

Action 1.7 Respond to the call from the Federation of Canadian Municipalities (FCM) for the development of a National Affordable Housing Strategy.

Comment: *The intent of this action is to advocate for a comprehensive national housing funding program.*

It is considered that this action merits support. The preparation of a national strategy would assist the development of a more comprehensive and integrated approach to addressing the growing affordability issue, and draws on the resources available at the Federal level to address this issue.

Proposed Actions for the Greater Vancouver Transportation Authority

Action 1.8 Expand the opportunities for the development of affordable housing around major transit nodes and under-utilized sites.

Comment: *The intent of this action is to identify land that could be redeveloped for higher density more affordable housing. Local governments will be expected to have a role in guiding and approving projects advanced in line with city plans and policies for redevelopment of these sites.*

It is considered that this action merits support noting that municipal planning objectives for sites would need to be appropriately addressed. This action has been reduced from its previous scope in the November 2007 Discussion Paper which suggested that the GVTA identify surplus land suitable for the

development of affordable housing. The action, as now worded, still seems to indicate that the GVTA should have a role in affordable housing although it is unclear whether this would involve its own land holdings only or working with land owners and cities with property around major transit nodes.

Goal 2 – Eliminate homelessness across the region

Proposed Metro Vancouver Actions

Action 2.1 Continue to support the Regional Steering Committee on Homelessness.

Comment: *The intent of this action is to ensure the ongoing presence of a regional body to address homelessness issues. Municipalities will be expected to continue their participation on the Committee.*

It is considered that this action merits support. The City of Burnaby has been a member of the Committee since its inception.

Action 2.2 Promote support for emergency shelters and transitional/supportive housing across the region.

Comment: *The intent of this action is to ensure that shelter and housing for homeless people is provided where needed. Local governments would be expected to co-operate in the planning for facilities in their communities.*

It is considered that this action merits support. It is noted that senior government funding has provided much needed assistance for shelter and housing projects for homeless people but that sustainable, ongoing, operating funding is still needed.

Action 2.3 Advocate for increased funding from senior levels of government for the provision of 5,000 new supportive and transitional housing units across the region over the next 10 years.

Comment: *The intent of this action is to ensure adequate funding for housing for homeless people. Local governments would be expected to co-operate in the planning for facilities in their communities.*

It is considered that this action deserves support. Supportive and transitional housing proposals must be accompanied by adequate operating funding for the services to be provided in these projects. However, it is recognized that these facilities need to be treated appropriately in the community, and developed in a manner that garners local acceptance.

Action 2.4 Advocate for senior levels of government to ensure that appropriate services and supports are in place to help families and individuals who are homeless gain access to permanent housing.

Comment: *The intent of this action is to ensure that senior government services are available to homeless people, including options for moving off the street into secure housing.*

It is considered that this action should be supported. The Province's Homeless Outreach Program has provided much needed funding for workers assisting homeless people; however, finding housing for these individuals is a challenge.

Proposed Municipal Actions

Action 2.5 Demonstrate through local Housing Action Plans and Regional Context Statements the specific actions taken to address homelessness.

Comment: *The intent of this action is to ensure that local government address the full continuum of housing, including homelessness, in their plans. Local governments will be expected to show the actions they have taken to address homelessness.*

This action replaces Action 1.13 in the Discussion Paper, which would have included targets, with suggested distribution by municipality for shelter beds and housing for homeless people. The revised action now leaves it to the municipality to identify the actions used to address homelessness. As noted in the comments on Action 1.2, staff support the preparation of a Housing Action Plan. Staff would also support the inclusion of a reference in the Regional Context Statement regarding the City's participation in initiatives to address homelessness. As previously noted, the City's role would be limited to supporter and facilitator rather than direct provider or funder. Senior governments should continue to have the responsibility and be expected to allocate the resources to undertake initiatives to address homelessness.

Proposed Provincial Actions

Action 2.6 Continue to provide funding for outreach services to connect those who are homeless to income, health and other supports as well as make funding available to increase the inventory of supportive/transitional housing units across the region.

Comment: *The intent of this action is to ensure adequate funding for housing and services for homeless people. Local governments would be expected to participate in planning for housing facilities in their communities.*

It is considered that this action should be supported. It is noted that the Province is providing \$3.6 million from October 2006 to October 2009 for its homeless outreach program. On 2007 August 2 the Province also announced an additional \$500,000 to expand this program. At this time, it is recognized that appropriate care and attention needs to be given to ensure that facilities are appropriately located and are compatible with and accepted by local communities.

Action 2.7 Ensure that emergency shelters have access to sufficient funding and resources to move people from homelessness to permanent housing.

Comment: *The intent of this action is to ensure that homeless people have access to permanent housing rather than moving in and out of emergency shelters.*

It is considered that this action should be supported. Some emergency shelters received sustainable funding through the B.C. Housing Emergency Shelter Program, however, there are shelters that are dependent on Federal Supporting Communities Partnership funding which has been provided in two or three year increments. Sustainable funding is required.

Action 2.8 Through the Vancouver Coastal Health Authority and Fraser Health Authority, develop a region-wide Mental Health and Addictions Strategy.

Comment: *The intent of this action is to prepare a region wide response to assisting people with mental health and addictions problems. Local governments may be expected to comment on such a strategy.*

It is considered that this action should be supported. It is noted that many homeless people struggle with mental illness and/or addictions, and that the Province should better address these needs.

Action 2.9 Establish a Provincial Rental Tax Credit similar to those in Ontario and Manitoba.

Comment: *The intent of this action is to provide low income households with a tax credit dependent on their rental housing costs.*

It is considered that this action should be supported. It builds on the need to support low income households in meeting rising rental housing costs.

Action 2.10 Increase the shelter component of income assistance to reflect the cost of housing in Greater Vancouver.

Comment: *The intent of this action is to provide individuals on income assistance with adequate funds to pay their rent.*

It is considered that this action should be supported. Council has advocated for increases to shelter and income assistance rates on several occasions.

Action 2.11 Regularly up-date provincial rent assistance programs to take into account inflation as well as to reflect local housing needs and market conditions.

Comment: *The intent of this action is to ensure that the Province's rent supplement program responds to increasing housing costs.*

It is considered that this action should be supported. As of June 2007 there were 247 Burnaby families receiving rent assistance through the Province's Rental Assistance Program.

Proposed Federal Actions

Action 2.12 Continue to provide funding to address homelessness including making additional funding available to increase the inventory of supportive/transitional housing across the region.

Comment: *The intent of this action is to ensure continued Federal funding for homelessness programs.*

It is considered that this action should be supported. The new Homelessness Partnership Initiative took effect on 2007 April 1 and will provide \$16 million for two years for the Greater Vancouver area. To provide certainty and promote sustainable solutions, a longer term funding horizon is required beyond the two years currently being committed.

Goal 3 – Meet the needs of low income renters.

Proposed Metro Vancouver Actions

Action 3.1 Increase the GVHC portfolio to 5,000 units by 2015 through increasing the densification of existing properties, the management of units acquired through municipal processes and the creation of new supply subject to the availability of senior government funding.

Comment: *The intent of this action is to increase the supply of non-market housing. Local governments will be expected to participate in planning for the redevelopment of GVHC in their communities.*

This action is supported. The GVHC may be able to redevelop older housing projects to take advantage of increased density and create more housing units. As with the B.C. Housing proposals to redevelop older public housing properties, there should be no net loss or, preferably, an increase in affordable rental units. It is noted that the redevelopment of GVHC properties would be dependent on senior government funding for construction and operating agreements.

Action 3.2 Subject to municipal and GVHC agreement on financial feasibility, GVHC will manage properties acquired through municipal processes.

Comment: *The intent of this action is to assist municipalities in the management of housing units they may acquire through programs such as density bonusing. This action will assist municipalities which do not want to be involved in the management of housing.*

It is considered that this action should be supported. It could be of particular benefit to the City which currently owns nine 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 the nine existing units and will soon be seeking a non-profit agency to operate the 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. There would be benefits to such an approach including consistent, centralized management and economies of scale. The GVHC also has an established track record and expertise in the management of housing.

Action 3.3 Develop partnerships to enable the provision of on-site services or linkage to support services in the community for GVHC tenants as well as explore potential opportunities to encourage entry-level ownership.

Comment: *The intent of this action is to provide support services to tenants in GVHC housing.*

It is considered that this action should be supported. It is noted that the level of support services provided could be provided on or off-site. Should services be provided on site in Burnaby projects, this change would require review through the City's development approval process.

Action 3.4 Establish and manage a Regional Affordable Housing Trust Fund.

Comment: *The intent of this action is to create a fund that could leverage other funding sources to develop affordable housing. Local governments could be invited to participate in the fund if they have programs, such as density bonusing, which result in cash in lieu contributions.*

It is considered that this action should be supported subject to clarification of the sources and use of funding. It is assumed that participation in the fund is at the discretion of the local government. The benefit of such a fund is that it could be used to leverage senior government housing funds. However, there are potential concerns to local government, particularly with regard to municipalities contributing funds they obtain through their own programs, such as density bonus cash-in-lieu, and the fair allocation of Trust Funds throughout the region. The City collects cash-in-lieu contributions through its Community Benefit Bonus program and has designated a portion of this funding for the development of affordable housing in Burnaby Town Centre areas. Metro Vancouver staff are completing technical analysis on the proposed Trust Fund; this information will be forwarded to member municipalities when it is available.

Action 3.5 Waive (Regional) development cost charges for non-profit rental housing, supportive housing and other forms of rental housing where affordability is secured for a minimum of 20 years.

Comment: *The intent of this action is to reduce the costs of development for affordable housing projects.*

This action is dependent on the success of Action 3.11 which would amend the GVS&DD Act to permit the waiving of regional DCCs. In general, staff would have no objection to this initiative, should the Metro Vancouver Board wish to support it, with the full understanding that it would divert regional DCC funds away from primary Metro Vancouver service responsibilities. It is noted, however, that the number of projects eligible for the waiving of fees would be minimal and that the loss of DCC revenue would likely be low in relation to the overall DCC revenue generated by the GVS&DD.

Action 3.6 Revise the method of calculating regional development cost charges to account for variations in size with the purpose of reducing costs for smaller units and lots.

Comment: *The intent of this action is to ensure that development cost charges account for the lower infrastructure demands of smaller units.*

This action is supported. Several Metro Vancouver municipalities have implemented variable DCC rates depending on unit and lot size.

Action 3.7 Include in the Regional Growth Strategy a requirement that municipalities adopt measures to prevent the loss of existing rental housing stock including strata conversion policies, replacement policies for loss of rental housing stock and legalization of secondary suites.

Comment: *The intent of this action is to ensure an adequate supply of rental housing. Local government will be expected to have policies relating to retention of rental housing.*

It is considered that this action should be supported with the proviso that each municipality would be responsible for determining which measures to implement in its jurisdiction. 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. 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. There is a strong need for the development of new rental housing but it must be emphasized that local governments have a limited mandate and resources to influence such development and that replacement and preservation policies would also need to be viable and feasible over the longer term from a market perspective. Ultimately, senior government would need to provide tax and other economic incentives to encourage the private market return to the development of rental housing.

Proposed Municipal Actions

Action 3.8 Demonstrate through local Housing Action Plans and Regional Context Statements the specific actions taken to expand the supply of affordable rental housing as well as preserve and maintain the existing stock.

Comment: *The intent of this action is to ensure an adequate supply of rental housing. Local governments will be expected to have policies relating to rental housing.*

While acknowledging the comments on Action 1.2 with regard to the proposal that municipalities be required to prepare a Housing Action Plan, it is considered that Action 3.8 should be supported. The City would be able to demonstrate through its Regional Context Statement how it is supporting affordable rental housing. As discussed the City would want to make decisions on measures appropriate to its particular circumstances. Policies to require the preservation and maintenance of older stock could be quite

costly and may not be in keeping with community planning objectives. Rental replacement and no net loss policies may provide better options when combined with redevelopment opportunities although the development community has also expressed some concerns with these approaches. As noted above, local governments have a limited mandate and resources to influence such development. Ultimately, senior government will be required to provide tax and other economic incentives to encourage the private market return to the development of rental housing.

Proposed Provincial Actions

Action 3.9 Provide access to on-going stable funding for new, affordable housing initiatives including a housing supply program for low income families and seniors.

Comment: *The intent of this action is to increase the supply of non-market housing. Local governments may be expected to participate in planning for new projects in their communities should this funding be provided.*

This action is supported. Recent senior government funding programs have focused on housing for assisted living and homeless people, however, additional support and resource commitment at the Provincial level is clearly needed.

Action 3.10 Amend the *Local Government Act* to provide municipalities with the ability to collect a development cost levy for the purposes of creating affordable rental housing.

Comment: *The intent of this action is to increase the funding available to develop affordable housing. Should such enabling legislation be adopted, local governments may be expected to establish a housing levy.*

Staff would not support the use of enabling legislation for municipalities to siphon off funds from existing development levies or to create a new levy for affordable housing purposes. Such a levy would constitute 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 minimize the additional costs to home buyers.

Action 3.11 Amend the *Local Government Act* and *GVS&DD Act* to permit regional development cost charges to be waived for non-profit rental housing,

supportive housing and affordable housing that is secured for a minimum of 20 years.

Comment: *The intent of this action is to reduce development costs for affordable housing.*

In general, staff would have no objection to this initiative, should the Metro Vancouver Board wish to support it. As noted under Action 3.5, implementation of this action would divert funds away from primary Metro Vancouver service responsibilities, although the reduction in DCCs collected would be expected to be minimal as it relates to the overall GVS&DD DCC revenue.

Proposed Federal Actions

Action 3.12 Work with the Provincial Government and other housing partners to develop a low income tax credit to stimulate the construction of new affordable rental housing.

Comment: *The intent of this action is to provide tax incentives to developers to build affordable rental housing. If such a tax incentive was established, municipalities could see more rental housing being built in their communities.*

It is considered that this action should be supported. As previously noted, given the limited mandate and resources of local government to promote the development of rental housing, this type of market approach may be required.

Action 3.13 Make operating surpluses from the operations of Canada Mortgage and Housing Corporation available to fund new affordable housing initiatives.

Comment: *The intent of this action is to ensure efficient and effective use of Federal government funds.*

It is considered that this action should be supported. The roles of the Federal Government and CMHC in housing have decreased dramatically in recent years. Indeed the sharp rise in visible homelessness in the region and country has coincided with the decreases in Federal housing funding. To make a significant impact on housing affordability, both nationally and in the region, a substantial increase in Federal housing funding would be warranted.

Action 3.14 Reduce or eliminate taxes which act as a disincentive for new rental housing construction and/or which reduce affordability.

Comment: *The intent of this action is to improve the feasibility of rental housing development. If such incentives were established, municipalities could see more rental housing being built in their communities*

It is considered that this action should be supported. It is recognized that the GST on building materials can add thousands of dollars to construction cost for affordable housing projects and that commercial properties, such as hotels, have preferential tax treatment to rental housing in terms of capital gains tax and capital cost allowance provisions.

Action 3.15 Make enhancement to the Rental Rehabilitation Assistance Program (RRAP) to improve access to these programs for high cost urban areas such as Greater Vancouver.

Comment: *The intent of this action is to provide financial support to homeowners and rental property owners to improve their properties.*

It is considered that this action should be supported. The City of Burnaby administered the RRAP from 1978 to 2004 on behalf of CMHC. RRAP is a valuable program for assisting low income homeowners (many of whom are seniors) to make necessary health and safety repairs to their homes, thereby avoiding the financial and social costs of relocation. Unfortunately, the program has been almost impossible to deliver in the Lower Mainland in recent years. A key problem for Homeowner RRAP was that the property value threshold for eligibility was unrealistically low (previously \$300,000) for the region's real estate market. The threshold has now been increased to \$525,000 which has helped with eligibility. 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.

3.0 CONCLUSION

This report has provided an overview of the draft Metro Vancouver Regional Affordable Housing Strategy and comments, from a City perspective, on the proposed initiatives. It follows a more comprehensive staff report on affordable housing and homelessness, including comments on a draft Metro Vancouver Discussion Paper, that was considered by Council in March 2007.

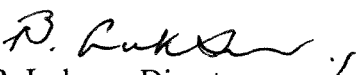
The City's fundamental position in the review of the Strategy is that the Federal and Provincial Governments have the mandate and resources to address issues of housing

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affordability and homelessness and should assume their responsibility in this regard. The Strategy includes many elements which can be supported including the preparation of municipal Housing Action Plans and an increased role for the GVHC in the provision of housing. There is also an appropriate focus on the need for adequate senior government funding and programs. The Strategy recognizes that there is an appropriate role for Metro Vancouver is coordinating a regional response to housing issues and to undertake the collective role of cities to advocate on housing issues. However, there is concern for elements in the Strategy which see an increased role for local government in the provision or funding of housing and the implications of these initiatives for downloading to individual municipalities and increased costs for local taxpayers, as well as to municipalities through the regional partnership that forms the basis for Metro Vancouver. Notwithstanding these concerns, the Strategy provides a thorough response to the issues of housing affordability and homelessness and recommends initiatives to be undertaken by all levels of government, including municipalities. The proposed Strategy does, however, substantially allow each municipality to determine its role in responding to these issues, depending on its particular circumstances.

The City is concerned with the issues of increasing homelessness and threats to housing affordability and has taken the position that, 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. Burnaby has undertaken many initiatives to support the development of affordable housing and will continue to play a supporting and advocacy role; however, the Federal and Provincial Governments must more aggressively assume their responsibilities as the direct providers of adequate programs, funding and support services to address the issue of homelessness and housing affordability.

It is recommended that Council be requested to send a copy of this report to the Metro Vancouver Board of Directors as the City's response to the Metro Vancouver Draft Regional Affordable Housing Strategy. Metro Vancouver staff will report all comments on the draft Strategy to the Metro Vancouver Housing Committee and Board after which the Strategy will be recommended for adoption.


B. Luksun, Director
PLANNING & BUILDING

SF/sa

Copied to: City Manager
Director Finance
Director Parks, Recreation & Cultural Services
Director Engineering