



**AMENDED AGENDA  
GOVERNANCE & PRIORITIES COMMITTEE  
MEETING OF JULY 16, 2015, AT 9:00 A.M.  
COUNCIL CHAMBERS  
CITY HALL, 1 CENTENNIAL SQUARE**

Page

**CALL TO ORDER**

**APPROVAL OF THE AGENDA**

**CONSENT AGENDA**

**ADOPTION OF MINUTES**

1. Minutes from the Regular Meeting held July 2, 2015

**DECISION REQUESTS**

2. Johnson Street Bridge Replacement Project Quarterly Update 5 - 38  
--J. Huggett, Project Director

*A quarterly report providing an update on the Johnson Street Bridge Replacement project.*

3. Recommendations from the Mayor's Task Force on Housing Affordability 39 - 170  
--Housing Affordability Task Force

**Late Item**: Additional Report

*A report from the Housing Affordability Task Force with recommendations to remove barriers and increase capacity for affordable housing.*

[Addenda]

4. Update on the Mayor's Task Force on Economic Development & Prosperity 171  
--Mayor Helps

**Late Item**: Report

*A report providing an update on the Mayor's Task Force on Economic*

*Development & Prosperity*

[Addenda]

5. Status Report - Action Plan for Housing Supports, and City Services 173 - 199  
--R. Woodland, Director of Legislative & Regulatory Services

**Late Item:** Report

*A status report regarding the Action Plan for Housing, Supports and City Services for sheltering in City Parks.*

[Addenda]

6. Property Use Agreement with Department of National Defence for 201 - 209  
USAR Training  
--P. Bruce, Fire Chief

*A report recommending Committee enter into a three-year agreement with the Ministry of National Defence to allow the City to continue to use training facilities at CFB Esquimalt.*

**NEW BUSINESS**

7. Protection of Biological Diversity of Walbran Valley 211 - 212  
--Councillors Isitt & Loveday

*A motion requesting the Mayor write a letter to the province in support of protecting the Old Growth Forests of Walbran Valley.*

8. Opening Government Street to Pedestrians - Pilot Project 213 - 218  
--Councillors Loveday, Lucas & Thornton-Joe

**Late Item:** New Motion

*A motion proposing a portion of Government Street be open to pedestrians only as a one-day pilot project.*

[Addenda]

9. Socially Responsible Investments and Pension Funds 219 - 238  
--Mayor Helps, Councillors Loveday & Isitt

*A motion requesting that Committee support actions towards socially responsible investments.*

10. Request to Transport Canada re: Victoria Inner Harbour Airport 239  
--Councillors Loveday, Lucas & Isitt

*A motion requesting that Transport Canada provide a presentation to Committee on the Victoria Inner Harbour Airport.*

11. Councillors Overview of Current Issues 241

*Councillors Alto, Loveday & Thornton-Joe*

*A motion proposing that Councillors provide an overview of current community issues arising on a quarterly basis.*

**MOTION TO CLOSE THE JULY 16, 2015 GOVERNANCE & PRIORITIES  
COMMITTEE MEETING TO THE PUBLIC**

That Governance & Priorities Committee convene a closed meeting that excludes the public under Section 12(6) of the Council Bylaw for the reason that the following agenda items deal with matters specified in Sections 12(3) and/or (4) of the Council Bylaw, namely:

- Section 12(3)(c) Labour Relations or employee relations
- Section 12(3)(e) The acquisition, disposition or expropriation of land or improvements, if the Council considers that disclosure might reasonably be expected to harm the interests of the City.

**CLOSED MEETING**

**CONSENT AGENDA - CLOSED MEETING**

**ADOPTION OF THE CLOSED MINUTES**

12. Minutes from the Regular Closed Meeting held July 2, 2015

**DECISION REQUESTS**

13. Land / Disposition of Property  
--R. Woodland, Director of Legislative & Regulatory Services
14. Employee Relations - Quarterly Update (Verbal)  
--J. Johnson, City Manager
15. Employee Relations - Exempt Compensation Report  
--J. Jenkyns, Deputy City Manager

**CONSIDERATION TO RISE & REPORT**

**ADJOURNMENT**







**Governance and Priorities Committee Report  
For the July 16, 2015 Meeting**

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**To:** Governance and Priorities Committee **Date:** July 9, 2015  
**From:** Jonathan Huggett, P. Eng.,  
Project Director  
**Subject:** Johnson Street Bridge Replacement Project Quarterly Update

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**Executive Summary**

Quarterly reports are prepared on the Johnson Street Bridge Replacement Project throughout the year to keep Council and the community updated on this important project. This is the third quarterly report for 2015, with the next one scheduled for December 3, 2015. Should any emergent issues arise, staff will provide an immediate update to Council.

Since the update on May 7, 2015, the project schedule has been revised to reflect delays in the delivery of the structural steel. The schedule has been updated to reflect spring 2017 (last identified as January 2017) as the timeframe the new bridge will open to traffic and open for public use, with a final project completion timeframe of fall 2017 (last identified as June 2017). Ongoing delays to the fabrication of the steel in China continue, partly due to stringent quality control and assurance imposed by both PCL and the City.

The approved budget for the Johnson Street Bridge Project is \$94.3 million. Council has directed staff to request funds as required. Potential additional costs have been identified at an estimated \$3.858 million. These additional costs include professional consulting services, habitat compensation, multi-use trail overpass, staff resourcing, and legal costs.

- After applying the \$1.304 million unallocated portion of the contingency budget, approved by Council on March 26, 2015, the result is an estimated \$2.554 million funding shortfall.
- Therefore, it is recommended that an additional budget of \$2.554 million be approved with funding from the Buildings and Infrastructure Reserve.

The City will seek to recover these costs through the mediation process where applicable, and any costs recovered would be returned to the Buildings and Infrastructure Reserve.

There remain a number of unresolved issues including costs of fendering, public realm, claim for additional professional consulting services, legal, mediator, and additional material costs. The total of these costs have not yet been determined, however the total is significant and will require additional funding. Council will be provided with updates as further information becomes available.

The City is a recipient of UBCM Gas Tax funding of \$16.5 million. UBCM has approved an extension of funding for the project until March 2018 for the General Strategic Priorities Fund Grant agreement. The previous deadline was March 2017.

Mediation regarding various claims for additional costs by both PCL and MMM and its sub-consultant is on-going with the exchanges of information between the parties taking place in expectation of the first of several formal mediation sessions, starting in early December.

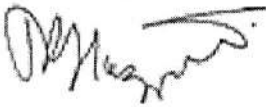
At the May 7, 2015 Governance and Priorities Committee meeting, Council requested that consultations around the public realm commence soon. Due to the financial and time sensitive nature of critical project elements such as steel fabrication and the mediation process, priority has been given to these elements. At the same time, staff across departments is reviewing the indicative designs, budget, and revised schedule to finalize engagement options. Given changing budget and timelines considerations, as well as the specific details related to the public realm, such as the location and space needed for the rail station, staff recommend a discussion with Council before commencing consultation. A separate report on the public realm will be forthcoming in August.

### Recommendations

That City Council:

1. Approve an increase to the project budget of \$2.554 million with funding from the Building and Infrastructure Reserve.
2. Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties.
3. Direct staff to bring forward an amended Financial Plan Bylaw to the July 23, 2015 Council meeting.
4. Direct staff to update Council on public realm options at the August 20, 2015 Governance and Priorities Committee meeting.

Respectfully submitted,



Jonathan Huggett, P. Eng.,  
Project Director



Susanne Thompson,  
Director of Finance

Report accepted and recommended by the City Manager:



Date:

July 9, 2015

## Purpose

As directed by Council, staff provides quarterly reports on the Johnson Street Bridge Replacement Project throughout the year. This is the third report for 2015, with the next update scheduled for December, and a separate report on the public realm in August.

## Schedule Update

The work schedule was updated as of June 1, 2015.

The critical path for completion of the Project continues to be the fabrication of the steel in China. Since the last quarterly update further delays to the opening date of the bridge to traffic (now Spring 2017) and total completion of the project (now fall 2017) have occurred.

There is a significant degree of uncertainty surrounding the steel fabrication schedule as there are still challenges ahead related to final fit up and assembly, resolution of fabrication issues which may arise in the future and the like.

The City has notified the grant funders of the potential further delays, though it is still anticipated that the work can be completed within the recently extended deadlines.

Regarding the bridge work in Victoria, bascule pier construction to completion of the east pier cap is critical to site readiness for the precast approach girders to be installed. Following completion of the concrete works in the bascule pier, the east rail span will be stripped for demolition, and the abutment excavated and demolished to design elevation, severing access to the bascule pier from the east abutment.

Precast girder erection is scheduled for September 14-18, with a full marine channel closure planned. Consultation with the marine users is underway to minimize impacts where possible. Girders will be erected from the Arctic Tuk, a 600t marine derrick.

Utility work and road construction on the downtown side is in progress and will continue through the summer. West approach works will be complete in August with the exception of retaining walls 1 and 2 and the associated trail works leading up to the pedestrian overpass.

## Financial Implications

The approved budget for the Johnson Street Bridget Project is \$94.3 million.

As of June 30, 2015, actual costs of \$50.705 million have been incurred, including the following:

- MMM has invoiced \$8.720 million from the budget of \$9.362 million. This reflects the following professional services: project management, design, procurement, administration, geotechnical engineering, and permits.
- MMM has invoiced \$537,287 of the \$769,028 in additional services funded from the contingency. These services include: owner's quality control for the steel fabrication, the steel detailing workshop, supplementary services, unforeseen geotechnical engineering, utility mapping, seismic design review, additional designing, redesigning navigational lighting, and joint footing review.
- PCL has invoiced \$27.909 million, representing 44.14% of the \$63.235 million contract price. PCL has invoiced an additional \$332,610 of the \$608,333 budgeted from the contingency. These services include: cofferdam and hazardous disposal, relocation of generator load bank, fender anode installation, subgrade excavation for retaining wall #2, install street light pole, additional CCTV cameras and installation of rip rap.

Council's approval on March 26, 2015 of \$1.5 million of additional contingency brings the original \$2.515 million contingency to a revised amount of \$4.015 million, with value engineering savings adding a further \$300,000. Of the revised contingency budget of \$4.315 million, at June 30, 2015 \$3.011 million has been allocated, leaving a remaining \$1.304 million unallocated.

Potential additional costs have been identified at an estimated \$3.858 million, including costs of professional consulting services habitat compensation, multi-use trail overpass, staff resourcing, and legal costs.

- After applying the \$1.304 million unallocated portion of the contingency budget, the result is an estimated \$2.554 million funding shortfall.
- Therefore, it is recommended that an additional budget of \$2.554 million be approved with funding from the Buildings and Infrastructure Reserve.

The City will seek to recover these costs through the mediation process where applicable, and any costs recovered would be returned to the Buildings and Infrastructure Reserve.

There remain a number of unresolved issues that will require further additional funding including costs of fendering, claim for additional professional consulting services, public realm, seabed land purchase, relocation of utilities, insurance premiums, additional public realm, legal, mediator, and additional material costs. At this point, the total cost is yet to be determined for many of these items, but the total is significant and will require additional funding. Council will be provided with updates as further information becomes available.

For a detailed account of the current JSB budget, contingency items, and schedule of anticipated costs, please see appendices A, B, and C.

It should also be noted that those additional funds do not include an amount for either the Contractor's or the Consultant's claims which are subject to mediation.

There are limited options for the City other than to complete the project and seek resolution of additional costs, where applicable, through the mediation or litigation process.

## **Grant Funding**

### **UBCM General Strategic Priorities Fund**

UBCM has approved an extension of funding for the project until March 2018 for the General Strategic Priorities Fund Grant agreement (See attached Appendix D). The previous deadline was March 2017.

### **Mediation Update**

The mediation process is ongoing and involves legal counsel and representatives of the City, PCL, MMM, and Hardesty and Hanover, as well as the insurer for MMM and Hardesty and Hanover. The mediator, a senior construction lawyer, has set timelines for the exchange of information between the parties regarding all known claims, including the City's claims, leading up to a mediation session scheduled for December 2015.

The purpose of this session is to negotiate a resolution of all known claims among the parties. However, subsequent mediation sessions may be required to deal with future claims. For example, the full consequences of the delay in the fabrication of the steel cannot be determined until the steel has been delivered.

The mediation proceedings are confidential and so the City is not able to disclose the content of the proceedings.



## Construction Progress

### Upcoming Marine Channel Construction/Closure

In mid-September, the bridge channel will be closed to most marine traffic as the panels and girders that run along the sides of the new bridge are put into place. A large crane on a barge will be parked in the travel lane of the existing bridge. Staff are currently working with upper harbour stakeholders and marine users to plan around the closure and minimize impacts to their day-to-day operations. A public notification about the closure will also be developed to help inform citizens and other possible watercraft users.

### West Side Approach

Delineating the public right of way from the 203 Harbour Road site, Wall 11 connects to Wall 4 (the bridge's west abutment). Wall 11 has seen substantial progress and is nearing completion as it stretches from the west abutment for nearly 100 meters. As the walls near completion, final grading for the bridge approach will take place and the new bridge approach will become apparent to those passing by.



*Wall 11 can be seen curving to the right during construction with stabilizing geogrid ready for installation. Seen on the left: Wall 4 (west abutment) precast panels coming to final elevation.*

### Bridge Crossing Site

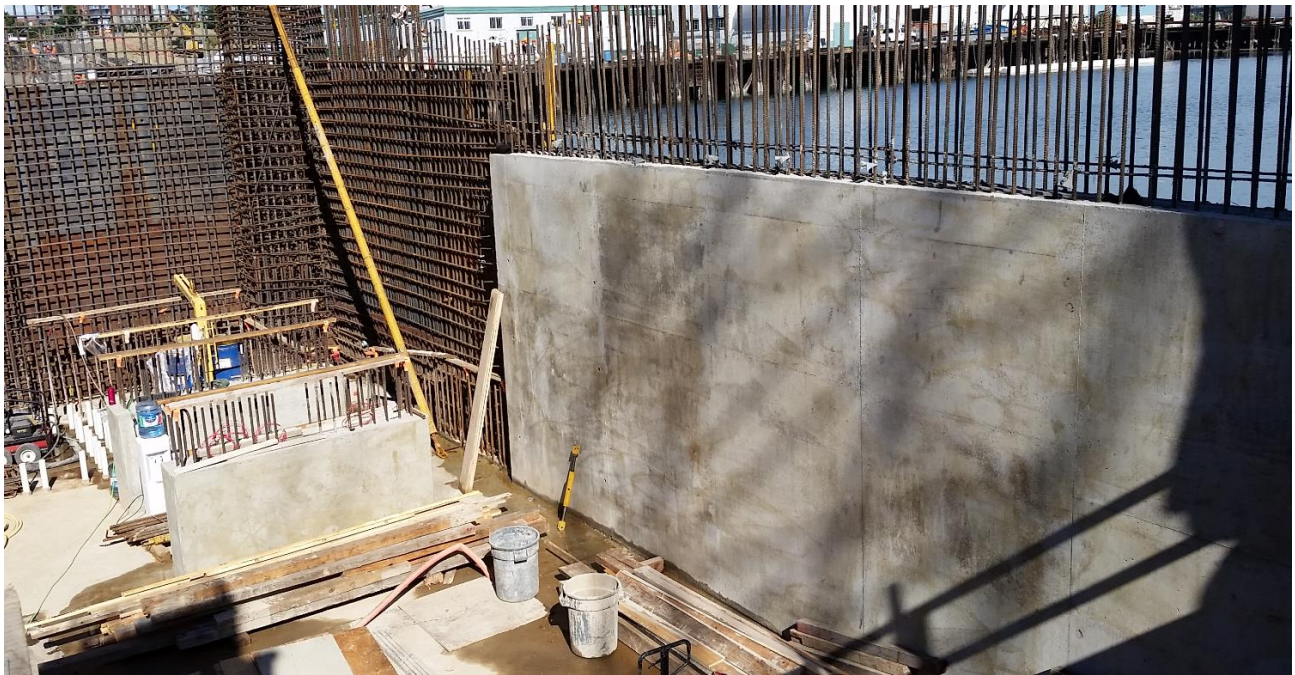
With all other in-water bridge structures substantially complete, work has been focused on the Bascule structure completion. Pouring has begun for concrete walls surrounding the pit with three of four having the first level poured. Structural columns and other key elements continue to see excellent progress. It is anticipated to have the bulk of the structural work completed late summer in preparation for installation of pre-fabricated girder sections that will be installed by PCL's Arctic Tuck, a massive barge fixed crane.

Remaining rail span piers are now being prepared for removal. This is required to facilitate the construction of the new bascule and installation of bridge girders



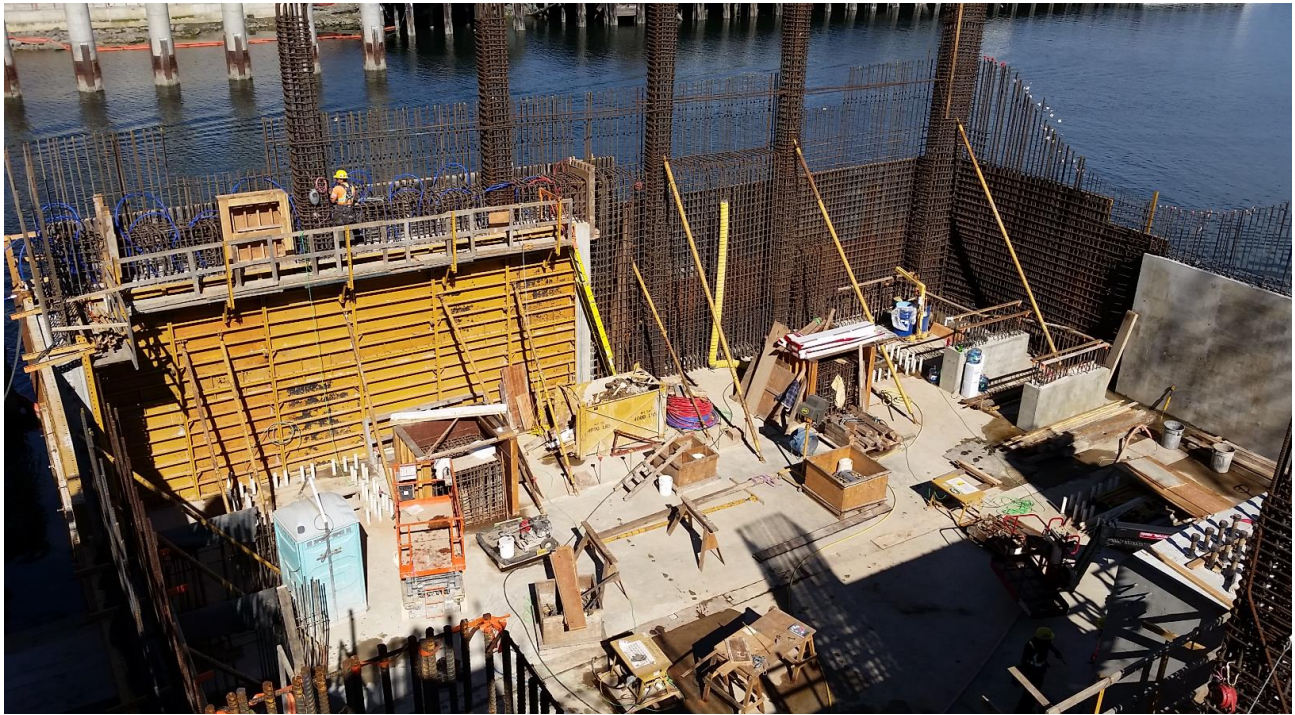


*East side Rail Span Pier can be seen cut into blocks in place ready for removal by crane.*



*The northern wall of the bascule can be seen rising several meters up from the bascule floor as crews prepare reinforcing rebar for further concrete pours.*





*Crews continue to prepare for wall concrete pours by installing steel formwork (yellow).*

### **East Approach**

With the Foam EPS fill installed, and capped with a structural concrete layer, work will continue with other details, such as the bridge electrical generator site completion and final grading.

Work has moved beyond the confines of the site fencing and is now ongoing within the road right of way from Pandora Avenue at Store Street to Johnson Street at Wharf Street. This work will stretch several months and involves the construction of new underground works as well as road structure work. City staff continue to work with the contractors to minimize impacts to the public and work proactively with the public to ensure proper considerations are given.

City Staff are continuing to work to ensure that the site is kept tidy and that public areas are in acceptable condition. Portions of Bridge Head Green have had irrigation repaired and new plantings installed to help improve the aesthetics during active construction.





*The Northern Junk frontage with grounds maintained and new gardens installed.*



*Foam EPS blocks can be seen during installation with the Janion to the right and Point Hope Shipyard in the distance.*





*The structural concrete slab poured over the EPS foam blocks; Janion in the background.*

### **Steel Fabrication/Quality Assurance**

Structural steel fabrication at the ZTSS plant in China is ongoing. The delivery and schedule surrounding structural steel fabrication remains short of expectations, so a meeting with all steel stakeholders to review the project risks and discuss options to mitigate these risks is scheduled for the near future.

In any steel fabrication of this type and complexity, it is usual for parts of the work to be rejected as and when issues are discovered through the ongoing quality control and assurance processes. Multiple Non Conformance Reports (NCRs) have been issued in June for a number of fabrication issues including weld repairs, material preparation details, and fabrication tolerances. The majority of the NCRs were self-identified by PCL's steel fabricator.

Specific fabrication work undertaken in the last quarter includes:

- North and south truss chords are being fit-up with diaphragms fit to outer flanges and webs are being tacked to the diaphragms. Non Conformance Issues (NCR) with various components have been resolved.
- Ring inner webs are complete and flanges are being aligned to the inner webs and flange splicing will commence in early July. Lifting and handling lugs of ring flanges have been reviewed to ensure temporary welds are not made to final steel.

Figure 1 - Truss Fabrication



June 25, 2015

The quality control and quality assurance work continues with PCL having ongoing inspectors in the plant (through their subcontractor Atema) and the City has independent inspectors, Caltrop, who are supervised by MMM through their subconsultant, Hardesty and Hanover. The quality control and assurance programs are comprehensive and continuous.

### Public Realm

The project team has been reviewing certain aspects of the new bridge such as handrails, walkways, and lighting. The strategy continues to follow the original architectural designs of the bridge wherever possible and use the specifications laid out in those designs as the best path forward.

The paint colours on the bridge remain the same as the original Wilkinson Eyre design. The steel portions of the bridge will be painted a light grey, almost cream colour, on the upper parts, with a darker grey on the underside of the lift span.

The bridge will be illuminated at night by blue flood lighting in addition to the normal roadway and pedestrian lighting. Multi-coloured flood lighting has not been included.

At the May 7, 2015 Governance and Priorities Committee Meeting, Council requested that consultations around the public realm commence. Given the changes in timelines and budgets, staff are determining options for how to engage the public about the public realm space. A number of considerations are being confirmed including: all indicative design elements, work completed to date, budget available, estimated budget needed, interfaces with neighbouring developments, and location/space required for rail station.

An inter-disciplinary staff team has been established to inform and improve coordination of the public realm and the related elements. This will inform public engagement options based on

changing timelines and budget. A report to Council seeking feedback and direction will be presented in August.

Throughout the project, staff have continued to correspond with impacted stakeholders and media in an effort to keep the public informed about ongoing construction and the bridge progress in general.

### **Fendering**

The north side fendering design is not yet finalized. As the City awaits the revised design from MMM, the installation timeframe under the existing Fisheries Act Authorization is limited, and resolving the fendering design in order to move forward with construction is one of the project's top priorities.

There are two remaining windows for the fendering works, which are:

- July 1, 2015 to October 1, 2015 – we are currently in this window;
- December 1, 2015 to February 15, 2016.

MMM is proposing a fendering design that can accommodate the design vessel collision for review by the upper harbour marine users and ultimately approval by City Council for funding.

MMM have produced an initial concept that looks to be workable and it appears to provide a higher level of protection than the current single crash dolphin that is on the current IFC (Issued for Construction) drawings [and currently on hold]. The expectation is that the added protection and functionality will come with a significant cost premium yet to be determined.

MMM now need to further develop the design, and provide the City with an indicative price for the design services to develop the design to an IFC state. MMM then need to assemble the scope, schedule and budget to complete this work for City consideration and approval.

Previously Transport Canada have confirmed that they have not identified any concerns that would prevent the approval of the revised updated concept under the Navigation Protection Act as all work will occur on City lands behind the harbour headline and out of the navigation channel.

The next steps are:

- Obtain refined drawing from MMM (including IFC design pricing);
- MMM to draft a "proposal" for: (1) Fendering options review, and (2) Fendering redesign - if approved by the City;
- MMM to ask PCL to price both the current IFC fendering and the updated option;
- Review PCL's indicative pricing with the City as well as the features, advantages and disadvantages of each option;
- Determine following the review with the City how and what will be presented to the Marine User Group, including Transport Canada.

### **Safety and Environment**

Environmental monitoring is being conducted by Hemmera field representatives on a regular basis. An archaeological monitor from Stantec and a First Nations representative are on-site during the excavation works at the west and east side of the project.

### **Update on Risk Management**

Effective risk management requires continuous monitoring and updating. The following are the current significant project risks and their mitigation strategy:

| Risk  | Detail  | Mitigation   |
|---|---|--|
| Delivery of Steelwork being fabricated in China | The quality and timing of the steel is perhaps the most critical issue facing the Project   | A meeting at the ZTSS plant in China took place on the 28 and 29 April and updated visuals and a verbal report will be submitted to Council on May 9.  |
| Financial consequences of mediation             | The financial consequences of the mediation are not yet known, and may not be known for some time.  | City staff are working with legal counsel to ensure a full and accurate exchange of information with the other parties occurs. Any agreement on financial issues requires the approval of Council.                 |
| Fendering                                       | There are financial challenges related to the north side fendering.   | Re-evaluation of the north side fendering designs together with a stakeholder consultation   |
| Public Realm design                             | Need to ensure both public acceptance and financial viability of the public realm issues  | Drafting a public consultation and work strategy to ensure that Council's expectation regarding the public realm are met. This obviously includes for full and significant input and direction of Council.         |
| Management of Contingency Funding               | In the March 2015 report staff identified \$4.8 million in contingency funding requirements. Council approved \$1.5 million and directed that Council wanted detailed updates on major contingency funding items. | Project Director is preparing detailed contingency funding reports, and is looking for cost savings opportunities.<br><br>A more detailed assessment of the probable project costs is being constantly undertaken. |
| Machinery Issues                                | A critical part of the bridge is the machinery operation. Work is underway on production of the machinery.  | Regular off site inspections of the machinery fabrication are being carried out. Hardesty and Hanover have engaged a specialist machinery expert familiar with this kind of work.                                  |

### Recommendations

That City Council:

1. Approve an increase to the project budget of \$2.554 million with funding from the Building and Infrastructure Reserve.
2. Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties.
3. Direct staff to bring forward an amended Financial Plan Bylaw to the July 23, 2015 Council meeting.
4. Direct staff to provide options on public realm at the August 20, 2015 Governance and Priorities Committee meeting.

**Attachments**

- Appendix A – JSB Budget Update
- Appendix B – Project Completion Contingency
- Appendix C – Schedule of Anticipated Costs
- Appendix D – UBCM Funding Agreement Extension

| Budget Update  | June 2014<br>Budget | Contingency/<br>Funding Allocation | Adjusted<br>Budget | Actuals<br>(June 30 2015) |
|--|---------------------|------------------------------------|--------------------|---------------------------|
| <b>Project Component</b>                                 |                     |                                    |                    |                           |
| <b>Professional Services</b>                             |                     |                                    |                    |                           |
| Design Management, Design & Contract Administration      | 10.884              | -                                  | 10.884             | 10.125                    |
| Design consultant optimization                           | 0.250               | -                                  | 0.250              | 0.250                     |
| Development Costs to end 2010                            | 1.333               | -                                  | 1.333              | 1.333                     |
| Approvals & Permitting                                   | 1.129               | -                                  | 1.129              | 1.125                     |
| Legal/Procurement <sup>1</sup>                           | 0.759               | 0.307                              | 1.065              | 0.975                     |
| Additional Professional Services funded from Contingency | -                   | 1.294                              | 1.294              | 0.628                     |
| <b>Subtotal</b>  | <b>14.354</b>       | <b>1.601</b>                       | <b>15.955</b>      | <b>14.436</b>             |
| <b>Construction Costs</b>                                |                     |                                    |                    |                           |
| Main Bridge Contract                                     | 62.941              | -                                  | 62.941             | 27.915                    |
| Project Completion Contingency                           | 2.815               | (1.511)                            | 1.304              | -                         |
| Additional \$1.5 Million Funding                         | 1.500               | (1.500)                            | -                  | -                         |
| Additional Construction Costs funded from Contingency    | -                   | 0.608                              | 0.608              | 0.312                     |
| <b>Subtotal</b>  | <b>67.256</b>       | <b>(2.403)</b>                     | <b>64.853</b>      | <b>28.227</b>             |
| <b>General Construction</b>                              |                     |                                    |                    |                           |
| Early Marine Works, Rail Bascule Removal <sup>2</sup>    | 2.423               | 0.007                              | 2.431              | 2.431                     |
| Insurance <sup>3</sup>                                   | 1.517               | 0.071                              | 1.587              | 1.191                     |
| Other Works & TELUS Duct Removal <sup>4</sup>            | 2.536               | 0.005                              | 2.541              | 1.644                     |
| Additional General Construction funded from Contingency  | -                   | 0.387                              | 0.387              | 0.371                     |
| <b>Subtotal</b>  | <b>6.476</b>        | <b>0.470</b>                       | <b>6.946</b>       | <b>5.637</b>              |
| <b>City Costs (over 5 years)<sup>5</sup></b>             | <b>1.595</b>        | <b>0.332</b>                       | <b>1.927</b>       | <b>1.159</b>              |
| <b>Property</b>  | <b>1.000</b>        | <b>-</b>                           | <b>1.000</b>       | <b>0.997</b>              |
| <b>Finance Fees</b>                                      | <b>1.000</b>        | <b>-</b>                           | <b>1.000</b>       | <b>0.249</b>              |
| <b>Value Added Tax (HST/PST)<sup>6</sup></b>             | <b>2.619</b>        | <b>-</b>                           | <b>2.619</b>       | <b>-</b>                  |
| <b>Total</b>   | <b>94.300</b>       | <b>-</b>                           | <b>94.300</b>      | <b>50.705</b>             |

Notes:

1. Additional legal work from Denton
2. Rounding of original budget
3. Increase Due to Extension
4. Increase for Public Art; Undefined Scope; Tax allocation and misc additional expenses
5. Reduction in Project Contingency to offset increases to Legal and General Construction
6. Offset tax allocated to Professional Services and Other Works & Telus Duct Removal



|  |               |                     | Known to<br>June 2015 |
|--|---------------|---------------------|-----------------------|
| <b>Project Completion Contingency</b>                      |               |                     | <b>\$ 4,015,000</b>   |
|  | <b>Vendor</b> | <b>Actuals</b>      | <b>Committed</b>      |
| <b>Professional Services</b>                               |               |                     |                       |
| Archaeological Services                                    | Stantec       | \$ 77,182           | \$ 100,000            |
| Selective Demolition                                       | Stantec       | 5,260               | 50,000                |
| Mediation Legal Fees                                       | Denton's      | 216,790             | 306,506               |
| JSB Control Room - Architect Services                      | Low Hammond   | 10,443              | 15,000                |
| CO #2 City QA for Structural Steel                         | MMM           | 17,786              | 160,500               |
| CO#3 Resolution of China Fabrication QA/QC NCR's           | MMM           | 188,634             | 198,435               |
| CO #4 Workshop   | MMM           | 53,156              | 53,156                |
| CO #5 Supplementary Services                               | MMM           | 183,353             | 264,600               |
| CO #6 Geotechnical Assess of Retaining Wall 2              | MMM           | 4,000               | 4,000                 |
| CO #7 Utility Mapping                                      | MMM           | 4,200               | 4,200                 |
| CO #8 Seismic Design                                       | MMM           | 13,700              | 13,700                |
| CO #9 Additional Designing                                 | MMM           | 53,657              | 53,657                |
| CO #10 Redesign Navigational Lighting                      | MMM           | 9,000               | 9,000                 |
| CO #11 Construction Joint Footing                          | MMM           | -                   | 7,780                 |
| CO: TBD - H&H Settlement                                   | MMM           | -                   | 360,000               |
| <b>Construction Costs</b>                                  |               |                     |                       |
| Contaminated site refuse disposal permit                   | MOE           | 4,640               | 4,640                 |
| Hydro Relocation and Power Supply                          | BC Hydro      | 356,646             | 357,426               |
| Extending Conduit and Permit                               | Telus         | 7,533               | 7,533                 |
| Ground water monitoring                                    | Hemmerra      | 2,188               | 2,188                 |
| Insurance Extension on Bridge Delay                        | AON           | -                   | 70,892                |
| Rock blasting  | PCL           | -                   | 15,000                |
| CO #5 Hazardous Waste disposal                             | PCL           | 33,566              | 33,566                |
| CO #6 West Cofferdam Soil Disposal                         | PCL           | 243,168             | 243,168               |
| CO #10 PCL Relocation of Generator Load Bank               | PCL           | -                   | 49,964                |
| CO #11 Fender Anode Installation                           | PCL           | 7,700               | 7,700                 |
| CO #12 Retaining Wall 2 Foundation                         | PCL           | 27,934              | 27,934                |
| CO #13 Install Street Light Pole                           | PCL           | -                   | 2,169                 |
| CO #14 CCTV Cameras  | PCL           | -                   | 23,921                |
| CO #15 Install Rip Rap                                     | PCL           | -                   | 219,911               |
| <b>City Costs</b>  |               |                     |                       |
| Additional City Services Costs due to Bridge Delay         | COV           | -                   | 344,450               |
|  |               | <b>\$ 1,520,535</b> | <b>\$ 3,010,995</b>   |
| <b>Add: Value Engineering Savings</b>                      |               |                     |                       |
| Replace Indicative Design with shortening of East End Span |               |                     | 300,000               |
| <b>Remaining Unallocated Contingency</b>                   |               |                     | <b>\$ 1,304,005</b>   |

| Summary of Anticipated Additional Costs                               | Request at GPC<br>March 19, 2015 | Budget From \$1.5M<br>Funding Increase | Subsequent<br>Estimates<br>June 30, 2015 |
|---|----------------------------------|--|--|
| 1. Insurance <sup>a</sup>   | \$ 280,000                       | \$ 70,892                              | \$ -                                     |
| 2. Additional City Costs <sup>b</sup>                                 | 420,000                          | 343,575                                |  |
| 3. Professional Consulting Services <sup>c</sup>                      |                                  |  |  |
| MMM   |                                  |  |  |
| 17 Month Extension - MMM Site Personnel                               | 948,000                          |  | 1,127,000                                |
| Additional MMM Support Team   | 150,000                          |  | 150,000                                  |
| Redesign of Components Subsequent to IFD's                            | 65,000                           |  | 65,794                                   |
| Urgent and Unforeseen Items   | -                                |  | 500,000                                  |
| MMM Total   | 1,163,000                        |  | 1,842,794                                |
| Hardesty & Hanover  |                                  |  |  |
| Additional Meetings for H&H   | 47,000                           |  | 215,625                                  |
| Additional Field Reviews  | 280,000                          |  | 335,115                                  |
| Additional Shop Drawings and Submittal Reviews                        | 223,000                          |  | 443,950                                  |
| Additional Responses to RFIs and RFCs                                 | 87,000                           |  | 193,875                                  |
| Fabrication Support and Review of NCRs                                | -                                |  | 164,600                                  |
| Hardesty & Hanover Committed Payment                                  | -                                | 360,000                                | (360,000)                                |
| Hardesty & Hanover Total  | 637,000                          |  | 993,165                                  |
| 4. Budgeted Shortfall   | 1,800,000                        |  |  |
| Unallocated Project Contingency                                       | (1,470,500)                      |  |  |
| Fendering   | 530,000                          |  | TBD                                      |
| Additional Landscaping Costs <sup>d</sup>                             | 450,000                          |  | TBD                                      |
| Multi-Use Trail Overpass  | 100,000                          |  | 152,000                                  |
| East Side Archaeological Monitoring                                   | 50,000                           | 50,000                                 | -  |
| Additional Owners Quality Assurance Program                           | 40,000                           | 75,231                                 | -  |
| Seabed Land <sup>e</sup>  | 50,000                           |  | 50,000                                   |
| Habitat Compensation  | 173,000                          | 219,911                                | 54,978                                   |
| Changes to CCTV Cameras   | 100,000                          | 23,921                                 | -  |
| Environmental Permitting  | 5,000                            |  | 5,000                                    |
| Graffiti Coating  | 15,000                           |  | 19,510                                   |
| Generator Load Bank Relocation  | 82,500                           | 49,964                                 | -  |
| Unforeseen Geotechnical and Subsurface Issues                         | 225,000                          |  | 225,000                                  |
| Imported Fill   | 50,000                           |  | 50,000                                   |
| 5. Legal Costs for Mediation - Denton's <sup>f</sup>                  | 400,000                          |  |  |
|   | 400,000                          | 306,506                                | 186,000                                  |
| 6. Unallocated Contingency to Completion                              | 1,500,000                        |  |  |
| <b>Total:</b>   | <b>\$ 4,800,000</b>              | <b>\$ 1,500,000.00</b>                 | <b>\$ 3,578,447</b>                      |
| <b>Potential Additional Costs Identified</b>                          |                                  |  |  |
| Staff resource: backfill for Finance and Internal Project Coordinator |                                  |  | 97,000                                   |
| Fibre Optic Cables  |                                  |  | 50,000                                   |
| Traffic Poles   |                                  |  | 3,277                                    |
| Additional Misc CRX   |                                  |  | 129,685                                  |
| <b>Unknown Costs to be Determined</b>                                 |                                  |  |  |
| Additional material costs   |                                  |  |  |
| Fendering   |                                  |  |  |
| Relocation of BC Hydro Service Kiosk                                  |                                  |  |  |
| Insurance Premiums  |                                  |  |  |
| City Costs - Electrical Work  |                                  |  |  |
| Additional Public Realm Costs <sup>d</sup>                            |                                  |  |  |
| Irrigation  |                                  |  |  |
| Landscaping   |                                  |  |  |
| Janion Connection   |                                  |  |  |
| David Foster Harbour Pathway Connection                               |                                  |  |  |
| Legal Costs for Mediation <sup>f</sup>                                |                                  |  |  |
| Mediator Fees   |                                  |  |  |
| <b>Potential Additional Costs:</b>                                    |                                  |  | <b>\$ 279,962</b>                        |
| <b>Total Unallocated Anticipated Costs:</b>                           |                                  |  | <b>\$ 3,858,409</b>                      |
| <b>Current Unallocated Contingency at June 30, 2015</b>               |                                  |  | <b>(1,304,005)</b>                       |
| <b>Budget Shortfall:</b>  |                                  |  | <b>\$ 2,554,404</b>                      |

## Notes

a) \$70,892 additional funding required for 14.5 month extension/does **not** include 3<sup>rd</sup> delay nor increase to premiums

b) Project requires more city resources than currently allocated/budgeted

c) \$360,000 is for the first H&amp;H settlement

d) Additional public realm costs listed below.

e) Subject to increase - dependent on how deep the silt is

f) Estimate of Legal costs for mediation to December 31, 2015. Additional costs from January 1, 2016 to project completion are undetermined.



Appendix D - UBCM Funding Agreement Extension



June 1, 2015

Jason Johnson  
City Manager  
City of Victoria  
1 Centennial Sq  
Victoria, BC V8W 1P6

Dear Jason Johnson:

**RE: POOLED FUNDS FUNDING AGREEMENT AMENDMENT UNDER THE  
AGREEMENT ON TRANSFER OF FEDERAL GAS TAX REVENUES**

Thank you for managing the approvals of the funding agreement amendment between the City of Victoria and the Union of British Columbia Municipalities for the **Johnson Street Bridge Project**. Our review of the documents is now complete and we have enclosed one fully executed copy of the Agreement for your records.

Please feel free to contact me if you need further information. I can be reached by telephone at 250-356-0893 or via email at [bfelker@ubcm.ca](mailto:bfelker@ubcm.ca).

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "B Felker".

Brant Felker  
Gas Tax Policy and Program Manager, Victoria Office

Enclosure

Pc: Susanne Thompson

*City of Victoria-AG384-1-General Strategic Priorities Fund (GSPF)-Executed*

**REGIONALLY SIGNIFICANT PROJECT, TIER 1 AND 2 STRATEGIC PRIORITIES FUND  
AND/OR INNOVATIONS FUND FUNDING AGREEMENT UNDER THE AGREEMENT ON  
THE TRANSFER OF FEDERAL GAS TAX REVENUES AMENDMENT  
FOR THE Johnson Street Bridge Project  
(Pooled Funds Agreement Amendment Agreement)**

This Pooled Funds Agreement Amendment Agreement is made as of June 1, 2015,

BETWEEN: **CITY OF VICTORIA** (the Recipient)

AND: **UNION OF BRITISH COLUMBIA MUNICIPALITIES** as continued by section 2 of the *Union of British Columbia Municipalities Act* SBC 2006, c.18.

The Regionally Significant Project, Tier 1 And 2 Strategic Priorities Fund And/Or Innovations Fund Funding Agreement Under The Agreement On The Transfer Of Federal Gas Tax Revenues Funds Agreement made between the Recipient and the UBCM executed by the UBCM on October 22, 2012, (the Agreement), for the Johnson Street Bridge Project is hereby amended as follows:

(1) In Section 3.2, paragraph (a) is struck out and the following is substituted:

- (a) The Recipient will implement the Eligible Project in a diligent and timely manner, and has commenced or will commence carrying out the Eligible Project on or about December 5, 2011, or a later date approved in advance by the Management Committee, (the Commencement Date) and will complete the Eligible Project no later than March 31, 2018, or a later date approved in advance by the Management Committee (the Completion Date).

(2) In Section 5, 5.1 is struck out and the following is substituted:

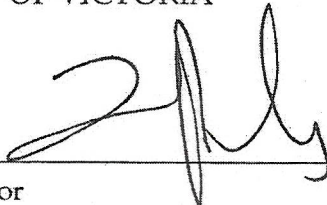
This Agreement shall commence on the date that it is fully executed by both of the Parties and shall expire on December 31, 2018.

**SIGNATURES**


This Pooled Funds Agreement Amendment Agreement has been executed on behalf of the Recipient and the Union of British Columbia Municipalities by those officers indicated below and each person signing the agreement represents and warrants that they are duly authorized and have the legal capacity to execute the agreement.

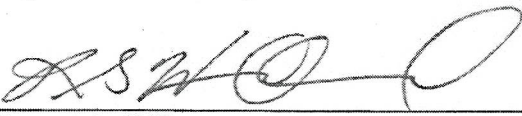
CITY OF VICTORIA

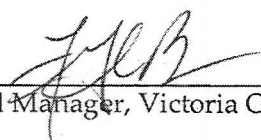
UNION OF BC MUNICIPALITIES

  
\_\_\_\_\_  
Mayor

**MAYOR LISA HELPS**  
#1 Centennial Square  
Victoria BC V8W 1P6

  
\_\_\_\_\_  
UBCM Corporate Officer

  
\_\_\_\_\_  
Corporate Officer  
**Robert G. Woodland**  
Corporate Administrator  
City of Victoria  
#1 Centennial Square

  
\_\_\_\_\_  
General Manager, Victoria Operations





### Marine Channel Closure

- Mid-September, the bridge channel will be closed to most marine traffic
- Over 50 girders to support the approach decks will be installed
- A large crane on a barge will occupy the entire waterway on the north side of the bridge
- Staff working with upper harbour stakeholders and marine users to minimize impacts to day-to-day operations
- A public notification about the closure will occur to inform citizens and other watercraft users

### Construction Progress – West Approach

- Wall 11 which flanks the south property line of 203 Harbour Road is nearing completion as it stretches from the west abutment towards Harbour Road for nearly 100 metres
- As the walls on the west side near completion, the new bridge road approach will also come up to finished grade and become apparent to those passing by

## Construction Progress – West Approach



## Construction Progress – Bridge Site

- In-water bridge structures are substantially completed
- Work being focused on the bascule structure completion
- Concrete pouring has begun for structural columns
- Bulk of the structural work must be completed by late summer for installation of panel and girder sections in September
- Remaining rail span and pier are now being prepared for removal

## Construction Progress – Bridge Site



## Construction Progress – East Approach

- Work has moved out from behind the site fencing
- Ongoing work from Pandora Avenue at Store Street to Johnson Street at Wharf Street
- Work will last several months and involves new underground utility work as well as road work
- City staff continue to work with the contractors to minimize impacts to the public



## Construction Progress – East Approach



## Construction Progress – East Approach

- Work to keep the site tidy are ongoing along with continued efforts to ensure that public areas are in the best possible condition
- Areas near the site have also had irrigation repaired and new plantings installed to help improve the aesthetics during active construction

## Restored Area Near East Approach



## Project Schedule





## Project Schedule

- The revised work schedule presented today is as of June 1, 2015
- Critical element to the completion of the project continues to be the fabrication of the steel
- Further delays since the last quarterly update – new opening date to traffic - spring 2017
- Total completion of the project now fall 2017

## Project Schedule

- Significant uncertainty surrounding the steel fabrication schedule remains
- Challenges ahead related to:
  - final fit up and assembly
  - resolution of future fabrication issues
- City has notified funders of further potential delays
- Still anticipated the work can be completed within the recently extended deadlines

## Financial Overview

- The approved budget for the Johnson Street Bridget Project is currently \$94.3 million
- Council's approval on March 26 of \$1.5 million brings the contingency to \$4.315 million
- Of this revised contingency budget of \$4.315 million, \$3.011 million has been allocated, leaving a remaining \$1.304 million unallocated
- Council requested that money be requested as needed

## Financial Overview

- Potential additional costs have been identified at an estimated \$3.858 million
  - includes costs of professional consulting services habitat compensation, multi-use trail overpass, staff resourcing, and legal costs
- After applying the \$1.304 million unallocated portion of the contingency budget, there is an estimated \$2.554 million funding shortfall
- Recommend an additional budget of \$2.554 million be approved from the Buildings and Infrastructure Reserve

## Financial Overview

- There are a number of unresolved issues requiring additional funding including:
  - costs of fendering, seabed land purchase, relocation of utilities, and additional material costs
  - claim for additional professional consulting services, insurance premiums, legal, and mediator
  - public realm
- Total cost is undetermined for many of these items, but is significant and requires additional funding
- Council will be provided with updates as further information becomes available

## Grant Funding

- Request for UBCM General Strategic Priorities Fund Grant agreement extension approved
- UBCM has approved an extension of funding for the project until March 2018
- The previous deadline was March 2017

## Mediation

- The mediation process is ongoing and involves legal representatives of the City, PCL, MMM, and Hardesty and Hanover
- The mediator has set timelines for information exchanges on all known claims leading up to a mediation session scheduled for December 2015

## Mediation

- The December session is to negotiate a resolution of all known claims
- Subsequent mediation sessions may be required for future claims
- For example, impacts of the delay in steel fabrication cannot be determined until the steel has been delivered

## Steel Fabrication & Quality Assurance



## Steel Fabrication

- Structural steel fabrication is ongoing
- The delivery and schedule remains short of expectations
- A meeting with stakeholders to review the project risks and discuss options to mitigate these risks is scheduled for the near future

## Ring & Truss Fabrication



## Quality Assurance

- In complex steel fabrication, it's normal for parts of the work to be rejected through the ongoing quality control and assurance processes
- Multiple Non Conformance Reports have been issued in June for a number of fabrication issues
- The majority of the non-conformances were self-identified by PCL's steel fabricator

## Fendering Update

- North side fendering design is not finalized – City awaiting revised design from MMM
- The installation timeframe under the existing Fisheries Act Authorization is limited:
  - July 1, 2015 to October 1, 2015 – we are currently in this window
  - December 1, 2015 to February 15, 2016
- Resolving the fendering design is one of the project's top priorities

## Fendering Update

- MMM is proposing a fendering design for review by the upper harbour marine users and ultimately approval by City Council for funding
- The concept provides a higher level of protection than the current single crash dolphin indicated on the current design
- Expectation that added protection will come with a significant cost premium yet to be determined

## Public Realm – Colour & Lighting

- Paint colours remain the same as the original Wilkinson Eyre design
- Steel portions of bridge will be painted a light grey, almost cream colour, on the upper parts, with a darker grey on the underside of the lift span
- Bridge will be illuminated at night by blue flood lighting in addition to the normal roadway and pedestrian lighting
- Multi-coloured flood lighting is not included in the contract

## Public Realm – Consultation

- Council direction to commence consultations around the public realm
- Given the changes in timelines and budgets, priority has been given to steel and mediation processes
- Staff are developing options for how to engage about the public realm space
- A number of considerations are being confirmed including:
  - all indicative design elements, work completed to date, budget available, estimated budget needed, interfaces with neighbouring developments, and location/space required for rail station



## Public Realm – Consultation

- An inter-disciplinary staff team has been established to inform and improve coordination of the public realm and the related elements
- This will inform public engagement options based on changing timelines and budget
- A report to Council seeking feedback and direction will be presented August 20

## Risk and Issue Management

- Delivery of steelwork being fabricated in China
- Financial consequences of mediation
- Fendering
- Public Realm design
- Management of Contingency Funding
- Machinery Issues

## Recommendation

That City Council:

1. Approve an increase to the project budget of \$2.554 million with funding from the Building and Infrastructure Reserve
2. Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties
3. Direct staff to bring forward an amended Financial Plan Bylaw to the July 23, 2015 Council meeting
4. Direct staff to provide options on public realm at the August 20, 2015 Governance and Priorities Committee meeting

Thank You

## Mayor's Task Force on Housing Affordability Recommendations To the Governance & Priorities Committee Meeting of July 16, 2015

---

**Date:** July 6, 2015    **From:** Mayor Helps; Councillor Isitt; Councillor Loveday; J. Reilly Senior Planner, Social Issues; Marika Albert, Community Social Planning Council; Brenda McBain, Together Against Poverty Society; Yuka Kurokawa, Together Against Poverty Society; Dylan Sherlock, Community Social Planning Council; Todd Litman, Victoria Transport Policy Institute; Kathy Hogan, Urban Development Institute; Franc D'Ambrosio, D'Ambrosio architecture + urbanism; Peter de Hoog, de Hoog & Kierulf Architects; Gene Miller, New Landmarks; Rob Bernhardt, Bernhardt Contracting; Leonard Cole, Urban Core Ventures; Don Elliott, Greater Victoria Coalition to End Homelessness; Kaye Melliship, Greater Victoria Housing Society; David Hutniak, LandlordBC; Bernice Kamano, Victoria citizen.

**Subject:** Recommendations from the Mayor's Task Force on Housing Affordability to the Governance & Priorities Committee

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### Summary

On April 16, 2015, Victoria City Council approved its Strategic Plan for 2015-2018. One of the strategies is *Make Victoria more Affordable*. The cost of housing has been consistently identified as a significant factor that negatively impacts affordability for many residents, particularly those of low to moderate income. In order address the issue of housing affordability, Victoria City Council also approved the creation of the Mayor's Task Force on Housing Affordability.

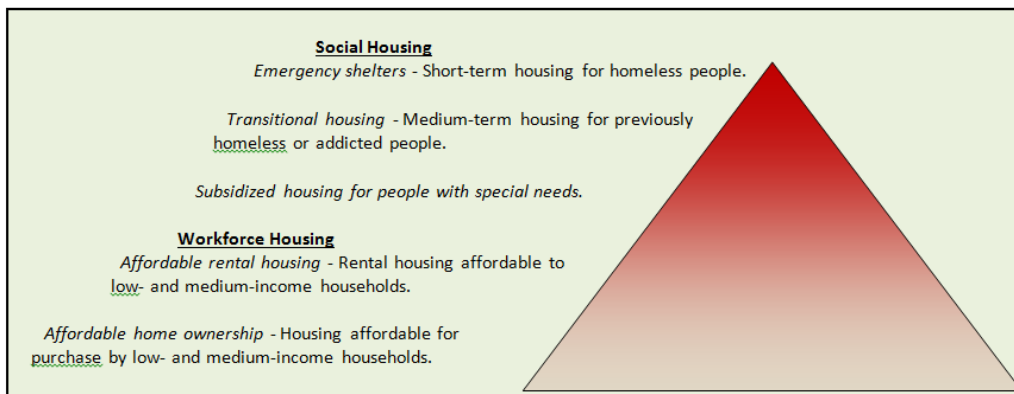
The Task Force is comprised of the mayor, Councillors Loveday and Isitt, planning staff and a range of volunteers from the community. The community members range from those in need of affordable housing, to housing advocates and policy experts, to members of the development community, both for-profit and non-profit. Working together across differences, sectors and perspectives, in two months the Housing Affordability Task Force created a suite of recommendations that it wishes to present to Council for consideration. The report attached in Appendix A was adopted by consensus at the final task force meeting after integrating input received through a town hall meeting and input from the public. (See Appendix B for public engagement summary.)

### Recommendation

That Council adopts the suite of recommendations in Appendix A in its entirety and direct staff to implement the actions contained therein in the timeline laid out.

## Task Force Scope

The Task Force was mandated by Council to identify solutions that could help increase the supply of new units of low-cost housing, defined as a unit that a person earning minimum wage or receiving a pension could afford to live in. Concerned for issues of housing affordability among other low to moderate income households, Task Force members agreed to also identify solutions that could contribute to the development of housing that meets the affordability needs of households in Victoria that fall within the middle two income quartiles as defined by Statistics Canada (\$18,147 to \$57,772 per annum). The Task Force members also agreed to examine potential solutions that could achieve greater affordability in both non-market and market housing developments. Visually depicted, the Task Force focussed on the bottom of the pyramid depicted here. Social housing and supportive housing were outside the ambit of the Task Force mandate and have been addressed by Council in the Housing Action Plan adopted by Council earlier in the year.



## Principles

### 1. Right to Housing

All people deserve access to housing that is safe, stable and affordable and that supports personal and public health. The availability of a diversity of housing types across the housing spectrum that can accommodate people of different ages, incomes, household structures, and physical and social needs is one of the fundamental elements of creating and maintaining a healthy, inclusive and more sustainable community. (City of Victoria OCP pg 94)

### 2. City Hall has a role to play

While the responsibility for housing has fallen traditionally within the jurisdiction of the provincial and federal governments, the City of Victoria can and should take a leadership role and use the tools within its toolbox in innovative and creative ways to immediately increase the availability of low-end of market affordable housing. City Hall can do this by both building capacity and reducing barriers to the provision of affordable housing by both non-profit and for-profit housing developers.



## Goals and Targets

### 1. Increase Overall Housing Supply in City

- The City of Victoria Official Community Plan (OCP) identifies the need for 12,190 apartments and 2,361 ground-oriented units to be added to the City's stock of housing between 2011 and 2041. This means that an average of 485 new units of housing will need to be built per-year to accommodate the projected population increase of 20,000 new residents.

Eighty per cent of that growth is anticipated in the downtown core area as well as areas within and around large urban villages and town centres. Current policies and objectives within the Downtown Core Area Plan (DCAP) and the OCP anticipate denser housing development in these areas. Task Force members have agreed that recommendations for increasing density options in order to stimulate more affordable housing development should be accomplished through the density provisions of the OCP and DCAP.

- Currently, 59% of Victoria households are renters and 41% are homeowners. Renting proportions are expected to decline to 55% of all households renting by 2041.

### 2. Have a Minimum of 19% of New Housing Units Built as Affordable

- Using recent BC Non-Profit Housing Association research projections, the Task Force has further determined affordable housing needs. Table 1 provides a summary of the number of units required to meet future affordability needs within the second and third income quartiles.

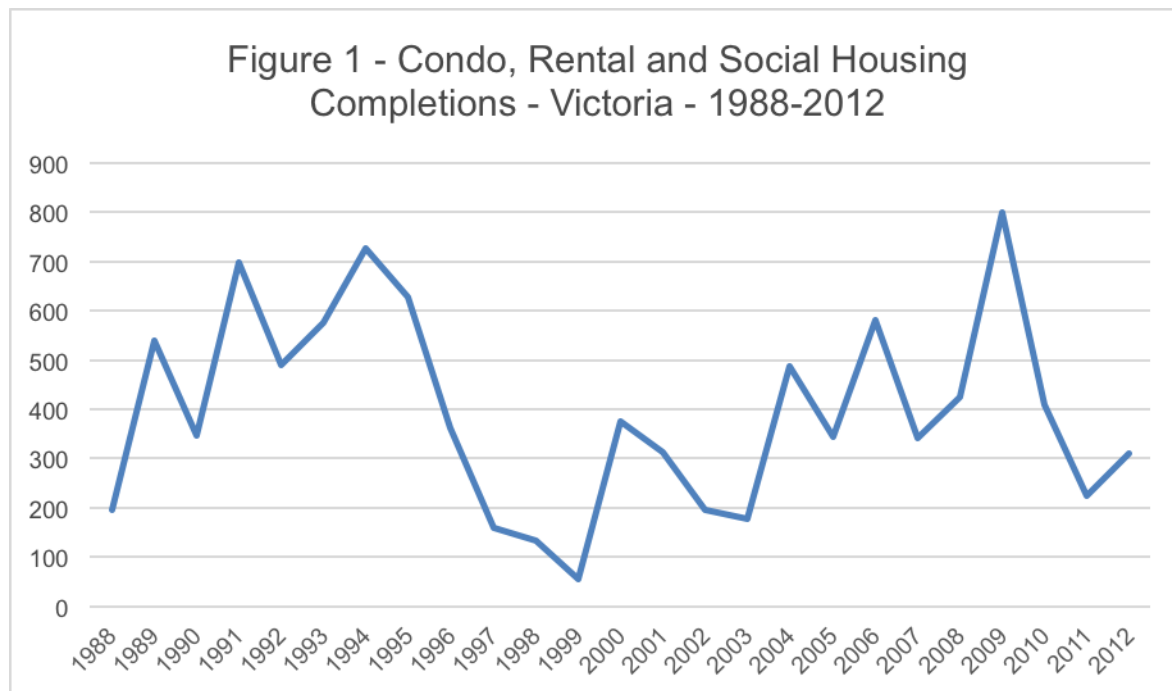
The Task Force recommends that the City focus on interventions that can help achieve Level 2 and 3 targets. Task Force members acknowledge that additional housing options are needed to support households within the first income quartile, but the interventions necessary are beyond the capacity of the City, on its own, to fully implement. The City will explore opportunities to partner with other levels of government as well as stakeholders in the non-profit and private sector to identify and, where possible, implement solutions.

- Using the anticipated change in the proportion of owners to renters over the next 30 years, it is reasonable to anticipate that there will be need to develop between 36 and 39 affordable homeownership units each year in the City.
- Combining rental and homeownership totals suggest that about 18.8% of new development be targeted to households within the scope of the Task Force (see Table 1).

Table 1 – Affordable Housing Targets

| Quartile | Target Household Income | Housing Type          | Units Needed   |          | Rental/Price Range  |
|----------|-------------------------|-----------------------|----------------|----------|---------------------|
|          |                         |                       | Total          | Per Year |                     |
| 2        | \$18,147 - \$35,647     | Low End Market Rental | 1,319 to 1,382 | 44 to 46 | \$454-\$891         |
| 3        | \$35,648 - \$57,771     | Near Market Rental    | 243 to 255     | 8 to 9   | \$892-\$1,444       |
|          |                         | Affordable Ownership  | 1,092          | 36 to 39 | \$120,000-\$250,000 |
| Total    |                         |                       | 2,654 to 2,729 | 88 to 94 |                     |

- Because the number of new units of housing completed each year fluctuates widely (see Figure 1 below), it is recommended that success be measured as a proportion of all new units built in a given year and not be tied to a specific number of units being built each year. Progress toward achieving these targets will be reviewed every 5 years.



Source: CMHC

### 3. Generate and Allocate Additional City Revenue to Affordable Housing

- City Council maintain a strong commitment to contributing to the Victoria Housing

Reserve Fund at a level that supports the development of an adequate number of affordable housing units to meet existing and emerging demand.

- Where possible, generate additional revenue through the sale or redevelopment of existing land.

#### **4. Create Places where Everyone Wants to Live through Urban Planning Principles**

- Good urban design does not emerge from public consultation. Public input works as part of the information-gathering phase followed by analysis and then leads to the synthesis into a design. Qualified and skilled designers should be made responsible and expected to produce 'good public places' with the public good in mind. This is to be expected and not an add-on. Too much effort and resources are spent on repetitively soliciting public opinion and thereby abdicating a role of civic leadership to obtain the best design from the best and most expert, creative, humanistic and public-spirited designers. The City must find a way to budget for design of the public realm as a priority, to create a more livable and resilient city for all citizens.

#### **Housing Types**

Task Force members suggested that the City consider a range of housing types when examining potential solutions to housing affordability, including:

- Small-lot single-family housing. Stand-alone houses on 2,000 to 4,000 square foot lots.
- Multiplex. 2 to 10 units developed in existing residential areas, often single-family house conversions.
- Accessory units (also called secondary suites or granny flats). Self-contained units with separate entrances, kitchens and bathrooms.
- Garden suites or laneway houses (also called garage conversions). Small houses adjacent to a main house, sometimes above or replacing garage.
- Townhouses (also called rowhouses or attached housing).
- Low-rise (2-6 story) apartments, used for either rentals or owner-occupied condominiums.
- Additional floors added to existing buildings.
- Micro-apartments (apartments less than 500 square feet).
- Residential over commercial, Apartments above a commercial space.
- Industrial or commercial building conversions to residential uses, such as loft apartments.
- Housing developed on underused parking lots.
- Older motels and hotels converted to apartments.

#### **Themes**

Throughout the discussions and deliberations of the Task Force, the members identified two key themes:

- Increase the City of Victoria's capacity to support development of affordable housing.
- Remove municipal barriers to the development of more affordable housing options.

Under the umbrella of these two themes, the following report presents the Task Force's recommendations as well as the rationale provided by Task Force members to support implementation of the recommended actions. The report also identifies each recommendation within a three-year time frame within which the recommendations are to be implemented.

#### Recommendation

That Council adopts the suite of recommendations in Appendix A in its entirety and direct staff to implement the actions contained therein in the timeline laid out.

Respectfully Submitted,



Mayor Helps



Councillor Loveday



Councillor Isitt



**Appendix A**  
**Mayor's Task Force on Housing Affordability**  
**Action Plan**

|               |   |
|---------------|---|
| Year 1 – 2016 | Increase the City of Victoria's capacity to support the development of affordable housing |
|---------------|---|

## 1. Municipal Fees

### Rationale

Fixed costs and fees represent a larger share of total costs for smaller projects and lower-priced housing. For example, a planning requirement such as a traffic study, a design requirement such as an elevator, or a development fee of \$10,000 per unit, may significantly increase the retail price of small and inexpensive housing projects. These types of costs can significantly reduce the potential that affordable infill housing can be built, but, at the same time, are likely to have little impact on the final price of more expensive housing being built in larger projects. Governments can minimize such costs and provide discounts and exemptions for lower-priced infill housing by exempting such projects from traffic studies, expensive design requirements (e.g., elevators) and development fees.

### Recommendation

**Minimize and prorate fees for affordable housing projects.**

## 2. Density Options

### Rationale

Allowing additional density provides an immediate opportunity for developers to build more units on a single parcel of land, potentially allowing for a lower per-unit land cost and thus contributing to overall unit price. This approach supports compact, affordable, infill development while preventing land value increases that would otherwise result if increased density were allowed for higher priced housing units. The Official Community Plan and the Downtown Core Area Plan identify key areas of the city where increased density is envisioned, however, the Zoning Regulation Bylaw has not been updated to reflect these policy frameworks. A new Downtown Zoning Bylaw is in the process of being prepared which will implement the Downtown Core Area Plan into zoning regulations, however, this is currently focused on the Central Business District as phase I. At present, rezoning applications are required to seek additional density consistent with City policy.

### Recommendation

**Update the *Zoning Regulation Bylaw* to reflect the densities envisioned within the OCP to facilitate additional housing capacity.**

## 3. Inclusionary Zoning

### Rationale

Affordable housing mandates (also called Inclusionary zoning) require that a portion of new housing units (typically 10-20%) be sold or rented below market prices, or developers contribute to an affordable housing fund. (See Appendix 3 for a more detailed description of Inclusionary Zoning). This helps create affordable housing as communities grow, and if required of all developers, these costs are partly capitalized into land values, minimizing the burden on individual developers or governments. In the right housing market conditions, inclusionary zoning can also help stimulate the development of housing units that are affordable for low to moderate income households. A variety of approaches to inclusionary zoning exist, each of which should be examined prior to being considered for use within the City's housing market.

|               |   |
|---------------|---|
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*Recommendation*

**Direct City staff to report to Council with recommendations on implementing inclusionary zoning as a way to support the development of more affordable housing.**

#### **4. Using Public Land for Affordable Housing Development**

*Rationale*

Many municipalities purchase, keep an inventory and subsequently use land to help foster the development of more affordable housing. The City of Victoria is a compact, mostly-urban city located within a regional network of other municipalities. Because the City does not hold a large amount of property that would be eligible for development or redevelopment into housing, it may be more productive for the City to work with other public bodies such as the provincial government and school districts to identify an inventory all the publicly held land suitable for residential development.

*Recommendation*

**Create an inventory of publicly and privately-held lots suitable for affordable infill.**

#### **5. Grants to Support Affordable Housing Developments**

*Rationale*

Over the past decade, the City of Victoria Housing Reserve Fund has provided grants to developers who have committed, through a housing agreement registered on title, to build and operate housing projects affordable to low and moderate income households. Since its creation, the Fund has provided \$5.8 million in grants to support the creation of 80 emergency shelter beds, 232 supportive housing units and 426 affordable rental housing units. Recently, non-profit providers have expressed concerns that the \$10,000 per unit cap on grants may soon limit the ability of developers to build units that can meet the definition of the City's low to moderate income levels.

*Recommendation*

**Review the Victoria Housing Reserve to determine:**

- **Whether there is a need to increase the \$10,000 per unit amount limit allocated to affordable housing developments, and**
- **Consider the option of introducing a per-bedroom allocation to encourage the development of larger units.**

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## 6. Victoria Housing Reserve Fund Capacity

### Rationale

The Victoria Housing Reserve Fund is currently independently managed by City staff and City Council approves each application. There are other grant providers within the region, including the Capital Regional Districts Housing Trust Fund, United Way, Victoria Foundation and Vancouver Island Community Investment Fund. The City may be able to leverage additional funding for affordable housing development through cooperative agreements with these organizations that set out terms governing the co-management of these funds.

### Recommendation

**Investigate options to expand the capacity of the Victoria Housing Reserve through alternative financing mechanisms.**

## 7. Permissive Tax Exemptions

### Rationale

Section 224 of the Community Charter allows municipalities in BC to grant permissive tax exemptions to charitable, philanthropic and non-profit corporations on land that is owned by that organization and is used for a purpose that Council considers to be directly related to the purposes of the organization. In the past, the City has provided non-profit developers with 10-year permissive tax exemptions for the development of affordable rental housing. Currently the City only grants permissive tax exemptions to some organizations that provide supportive housing. When the City grants these exemptions, the lost revenue is collected by increasing the amount paid by other tax paying entities in the municipality.

### Recommendation

**Provide permissive tax exemptions to charitable, philanthropic and/or non-profit corporations that currently own or that build affordable housing in the city.**

## 8. Converting Motel Properties to Residential Use

### Rationale

Over the past fifteen years a number of motel properties throughout the City have become non-viable within transient-occupation-only zones. Through site-specific rezoning and development permit approvals, a number of these properties have been successfully converted to residential rental uses, some at the high end of the rental spectrum and others at more affordable levels. A review of currently existing T-1 zoned properties has identified a range of former motel properties, some of which may be able to be converted to residential use. (See Appendix 1). The City has options with respect to how to expedite conversions. It could, amend the T-1 zoning regulations to permit residential use, create a general conversion bylaw that offers this opportunity to all properties currently operating as motels, or provide expedited processing to those rezoning applications for motel conversions that fit within the OCP place designations. Should the City consider amending the T-1 zoning regulations or introducing a conversion bylaw for motels, it will be important to also introduce design guidelines and advisory design approval processes that ensure these buildings are developed to a standard that works for the City and surrounding properties in the long term.

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*Recommendation*

**Reconsider policies, guidelines, regulations and application/permit procedures for motel properties in the T-1 Zone, Limited Transient Accommodation District to reduce barriers for residential conversions.**

## **9. City Liaison on Landlord Tenant Issues**

*Rationale*

Responding to tenant issues from the community related to matters within the City's property maintenance bylaws is currently the responsibility of the City's Bylaw Services section. Bylaw Services currently coordinates the RESPOND (Reacting Effectively to Solve Problems in Our Neighbourhoods and the Downtown) team, which includes a broad partnership of organizations and authorities who work together to encourage local landlords to operate appropriate rental properties and, when necessary, use progressive enforcement practices to improve housing conditions. The team currently includes staff from Bylaw Services, Victoria Fire Department, Victoria Police Department, Building and Inspections, Animal Control and Island Health. There is evidence that the team could use additional resources and staff to: review existing regulatory tools, research and develop new regulatory frameworks as well as coordinate actions to address housing conditions and to work proactively with landlords to address problematic behaviours, improve housing conditions and promote high quality of life and safety standards.

*Recommendation*

**Designate a City Housing Officer as a lead City liaison for landlords and tenants on housing issues that are within the City's jurisdiction.**

## **10. Property Maintenance Standards**

*Rationale*

According to BC Assessment data, in 2013 there were an estimated 16,569 purpose built rental housing units in 514 properties located within the boundaries of the City of Victoria. Nearly 70% of these units were built between 1950 and 1975 under a series of Federal tax measures and construction incentives. Much of the remainder of the purpose built stock was built prior to 1950. Local social service organizations and tenant advocates have expressed concerns about the physical quality of the older rental stock.

The challenges for maintaining existing rental housing stock are twofold. Small margins and inflationary costs place pressures on landlords that act as a disincentive to long-term investment. Low-income tenants often face poor housing conditions with little to no recourse and lack security of tenure when renovations occur ("renovictions"). The recommendations of the Task Force are based on a common vision of an inclusive, quality of life-focused approach to housing in which the bad operators are held accountable and landlords who are contributing to long-term affordable housing stock in the City are rewarded.

With this in mind, the Task Force is suggesting that the City explore the potential to strengthen its ability to intervene when housing conditions threaten the quality of life and well-being of tenants. A number of BC municipalities have introduced stronger standards of maintenance requirements within existing bylaws or introducing new regulatory tools that promote improved housing conditions.



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*Recommendation*

**Review and strengthen the Property Maintenance Bylaw and the resources to administer the Bylaw in order to better protect quality of life and promote safe housing conditions for all residents of Victoria.**

- **Add conditions of tenant/resident quality of life (mold, pests, etc) to the City's Property Maintenance Bylaw.**
- **Coordinate actions to address housing conditions through the City Housing Officer and through reviewing and, where possible, re-prioritized bylaw enforcement resources towards addressing housing quality of life and safety issues.**

## **11. Affordable Home Ownership**

*Rationale*

According to the 2015 Demographia International Housing Affordability Survey, Victoria is the second least affordable housing market in Canada, based on a ratio of median income to median home value. While homeownership is not appropriate for all, for some working families, affordable homeownership can offer a long-term path of equity building towards middle-class security. Beyond macro policy shifts such as enabling greater density, the City can also take steps to help introduce the concept of affordable home ownership in Victoria. There are several non-profit and municipally-based organizations working in other cities and provinces to develop and sell below market ownership housing to qualified residents. Hosting a workshop where some of these organizations could present their programs to City staff, housing providers, developers and builders would provide the opportunity to explore the potential to implement similar programs in Victoria and to establish the networks necessary to creating partnerships among organizations that have the capacity and mandate to develop affordable home-ownership programs.

*Recommendation*

**Investigate opportunities for the City to support the development of affordable ownership programs (e.g., shared equity, non-profit) by hosting a workshop for City staff, housing providers, developers and builders.**

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## 1. Development Application Process

### Rationale

The general theme underlying this recommendation is to streamline applications proportionate to project scale (i.e. smaller projects to get through faster to encourage small-scale typologies with criteria that perform more affordably). To the developer time is money; hence any chance to expedite an application presents potential cost savings for a development.

New approaches to processing development applications could allow for City staff review of a proposed project prior to the mandatory CALUC meeting. This kind of approach, wherein staff and the community CALUCs review the application either simultaneously or in short succession of one another, would allow for the more timely processing of applications and eliminate the possibility that the applicant will have to amend their plans twice before the project entering the formal approval process. Thresholds should be established to determine the type and size of projects that would qualify for this streamlining.

Requiring Council approval for some development permit and heritage alteration applications adds a significant amount of time to the process of moving a project to the construction stage. In some cases it may be possible to delegate more authority for specific applications to City staff.

The City could also consider expediting all types of development applications and permits that meet criteria for affordable housing (currently, the City expedites non-profit affordable housing projects – this would expand the scope). Criteria could be established based on characteristics which lend themselves to more affordable forms of housing (e.g., construction type, unit sizes below a certain threshold, no vehicle parking provided, etc.).

### Recommendation

**Streamline development application and permit processes by considering the following:**

- 1. Refine the CALUC process by shifting the timing of the “pre-application” CALUC meeting, and instead, allowing it to occur once the application is submitted to the City. This would permit all reviews to happen concurrently so applicants can receive all feedback at once and amend plans once.**
- 2. Delegate approval authority to staff for development permit and heritage alteration permit applications that propose affordable housing projects.**
- 3. Continue to give priority status to affordable housing applications within the development approval process.**

## 2. Development Cost Charges

### Rationale

The assessment of Development Cost Charges constitutes an essential component of assuring that the costs the City incurs in order to support development are adequately provided for by the developer. Section 933.1 of the BC Local Government Act allows for the reduction or waiver of development cost charges for new non-profit and for-profit affordable rental housing projects. The grants provided through the Victoria Housing Reserve Fund were introduced in order to offset these costs for non-profit affordable housing developments.

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Waiving these costs for both non-profit and for-profit affordable housing projects could allow operators to provide units at lower rent levels or at a lower purchase price. Affordable rents and/or purchase prices could be secured in a housing agreement that the City would register on title.

*Recommendation*

**Waive development cost charges (DCCs) for affordable housing projects where applicants are willing to enter into a Housing Agreement.**

### 3. Minimum Unit Sizes

*Rationale*

Some of the multi-unit and commercial-residential mixed use zones within the Zoning Regulation Bylaw as well as the Conversion Guidelines – Transient to Residential Accommodation set minimum unit sizes at 33 square meters (approximately 335 square feet). Allowing for smaller, more compact units within developments provides the potential for developers to reduce construction costs and allow more units within a given development. Removing this restriction would promote innovation while continuing to allow the City to ensure these buildings are developed to a standard that works for the City and the surrounding properties in the long-term.

*Recommendation*

**Remove the minimum unit size requirements for multi-unit residential zones within the *Zoning Regulation Bylaw* and within the *Conversion Guidelines – Transient to Residential Accommodation*.**

### 4. Housing Conversions

*Rationale*

Schedule G of the City of Victoria's Zoning Regulation Bylaw provides the regulations related to the conversion of existing single detached houses into multi-unit developments. Over the years, many large homes have been successfully converted into multi-unit developments. The objectives of the conversion bylaw include allowing additional density in single detached neighbourhoods and potentially creating more affordable housing by retaining and repurposing older housing stock. Currently, regulations restrict developments on the basis of housing type and the year the house was built. There are also restrictions on the number of units allowed within a given property based on the dwelling's habitable floor area. There may be opportunities to amend the regulations to increase the number of homes that would be eligible for conversion. This could include:

- Adding apartment buildings as a housing type, (\*this may also be addressed through recommendation #3 eliminate minimum unit sizes)
- Allowing conversions of buildings on smaller and narrower lots,
- Allowing the conversion of single detached houses built after 1931 into multiple dwellings,
- Increasing the maximum number of self-contained dwellings allowed within each size category, or
- Removing or reducing the minimum floor area requirements.

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*Recommendation*

**Amend Schedule G – House Conversion Regulations of the Zoning Regulation Bylaw to better facilitate conversion of single detached housing units to multi-unit residential buildings.**

## 5. Parking Requirements

*Rationale*

The provision of parking units to support residential housing development adds a significant cost to construction. An individual unit of parking can cost a developer between \$25,000 and \$45,000, with this cost generally passed on to the prospective tenant or owner of the unit. There is evidence that demand for parking units is declining among residents of multi-unit developments, particularly those within affordable rental projects. Based on parking study evidence presented as part of recent development applications for two affordable rental housing projects, City Council approved parking ratios of 0.57 and 0.30 parking units per unit of housing. Reducing the levels on some specific housing types could yield affordability benefits. At the same time, the City can require that transportation demand management strategies be used to help reduce motor vehicle use through the introduction of car sharing programs and measures that support the use of more active transportation options (e.g., walking, cycling).

The City is about to commence review of Schedule C – Off Street Parking of the Zoning Regulation Bylaw, which will include a review and recommendations for changes to off-street parking requirements for various types of developments. In the interim, some immediate reductions in required parking levels would help reduce development costs and improve the capacity of developers to create more affordable housing units.

*Recommendation*

**Reduce parking requirements within Schedule C – Off-Street Parking of the Zoning Regulation Bylaw as per the table below:**

| Building Class   | Recommended Number of Parking Spaces Per Unit              |
|--|--|
| Buildings converted to housekeeping units  | 0.5  |
| Buildings converted to rooming houses or boarding houses   | 0.5  |
| New buildings containing housekeeping units or rental apartments   | 0.5  |
| Buildings converted to multiple dwellings in zones other than a multiple dwelling zone, both for rental and strata buildings | 0.5 for any building containing more than 3 dwelling units |
| Buildings containing residential use in the CA-3, CA-4 and CA-5 zones  | 0.5  |
| Buildings containing residential use in the C1-CR zone   | 0.8  |

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| Multiple dwellings located in R3-1, R3-2 and other zones                     | 0.8 |
| Multiple dwellings subject to strata title ownership in R3-1 zones           | 0.8 |
| Multiple dwellings subject to strata title ownership in R3-2 and other zones | 1.0 |
| Rental attached dwelling   | 0.8 |
| Condominium attached dwelling  | 1.0 |

## 6. Garden Suites - Rezoning

### Rationale

Garden suites provide the opportunity for home owners to create an additional unit of housing in order to accommodate a family member or as a rental unit available to the public. Although these units often rent close to market rates, they do provide the opportunity for families to share the costs of homeownership and, while adding additional rental housing stock to the existing market, can provide a household with additional rental income to help make home ownership more achievable. Currently the City requires that all Garden Suite applications be subject to a rezoning application. This adds time and additional costs within the development process. To date the City has received very few applications for Garden Suites. Removing this requirement could potentially increase the number of suites built.

### Recommendation

**Amend the *Zoning Regulation Bylaw* to permit garden suites in single-family zones and amend the *Garden Suite Policy* as necessary.**

## 7. Garden Suites – Prohibition on Secondary Suite Properties

### Rationale

The Garden Suite Policy currently prohibits the development of a garden suite on any property that also contains a secondary suite. Allowing the development of garden suites on properties that also contain secondary suites would allow for added density within areas where single detached housing predominates. This action could achieve objectives similar to those associated with removing the rezoning requirement for garden suites.

### Recommendation

**Amend the *Zoning Regulation Bylaw* to permit garden suites on properties with secondary suites and amend the *Garden Suite Policy* as necessary.**

## 8. Secondary Suite Size Restrictions

### Rationale

Currently Schedule J – Secondary Suite Regulations of the Zoning Regulation Bylaw sets limits on the size of a secondary suite and prohibits the development of a suite within a dwelling that has undergone the following exterior changes within the 5 years prior to the secondary suite application:



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- An extension to the building that creates more than 20 square meters of enclosed floor area, including a dormer;
- Raising the building more than 0.6 meters in height; and
- The addition of steps and an entranceway more than 1.5 meters in height.

Allowing the expansion of an existing dwelling, particularly when it is located on a larger lot, and allowing the secondary suite to be bigger than regulations currently allow would allow owners of dwellings built between 1932 and 1972 to add a larger secondary suite that could accommodate a small family. This action could also achieve objectives similar to those associated with removing the rezoning requirement for garden suites

*Recommendation*

**Amend *Schedule J – Secondary Suite Regulations of the Zoning Regulation Bylaw* by eliminating the minimum size requirement and the restriction on dwellings that have been renovated in the past five years.**

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## 1. Innovations in Parking Requirements

### Rationale

The City of Victoria is about to commence a review of Schedule C – Off-Street Parking of the Zoning Regulation Bylaw. Parking demands and options for transportation demand management being used by developers have changed substantially since the last review of the regulations (see Appendix 2).

As well, unbundling parking from housing units has the potential to reduce costs for the renter or buyer. Parking unbundling means that parking spaces are rented separately from building spaces. For example, rather than paying \$1,000 a month for an apartment with two “free” parking spaces, residents pay \$800 per month for an apartment plus \$100 for each or any of the parking spaces they wish to use. In this way renters are not forced to pay for parking spaces they do not need and will not use. This is particularly appropriate for affordable-accessible housing since lower-income occupants tend to own fewer than average vehicles. This reduces development costs and encourages households to reduce their vehicle ownership, which can help reduce traffic problems.

The Task Force recommends that these trends and new approaches inform the current review of Schedule C.

### Recommendation

**Consider a variety of innovations such as facility sharing, unbundled parking, land use mix, transit proximity, car-sharing options, and demographic needs and incomes within the scheduled review of *Schedule C – Off-Street Parking* of the *Zoning Regulation Bylaw*.**

## 2. Using City Owned Land

### Rationale

In the past, the City has provided land to support the development of affordable housing. The projects supported have ranged from affordable townhouse units within a cooperative housing project to an emergency shelter for homeless people. Under current law, the City can donate land or enter into long-term lease agreements with organizations that commit to providing affordable housing. The City can also enter into land swaps with other public institutions or the private sector and use those properties for affordable housing purposes.

### Recommendation

**Contribute land at no cost or at reduced market value for the development of affordable housing projects.**

## 3. City-based Real Estate Function

### Rationale

The City currently employs one staff in the role of Property Manager. Should the City wish to consider becoming more active in acquiring and using property to support the development of more affordable housing, it would be prudent to consider allocating additional resources and developing operational guidelines to support a real estate function within its

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administration.

*Recommendation*

**Create a real estate function within the City's administration that can purchase and sell or lease property for the purpose of creating affordable housing.**

#### 4. Incentives to Utilize Underdeveloped Space

*Rationale*

The City currently provides grants to property owners to upgrade heritage buildings to improve their performance in a significant seismic event. In many cases, these grants have been used in combination with other incentives for heritage reuse and rehabilitation (e.g. density bonus, tax incentive program) to help develop residential units above existing commercial spaces in heritage buildings, particularly in the downtown area. The City still has a substantial inventory of space above commercial properties that is undeveloped. There are other incentives that could possibly encourage existing property owners to convert underutilized and unused spaces above commercial properties into residential units. Possible incentives should be investigated and, where appropriate, implemented.

*Recommendation*

**Create incentives that support converting underutilized or unused spaces above commercial properties into residential use.**

#### 5. Incentives to Maintain Existing Properties

*Rationale*

Since the elimination of the Federal Residential Rehabilitation Assistance Program (RRAP), rental property owners have access to very few resources that can assist in the improvement of existing properties. A Revitalization Tax Credit that would incentivize landlords by allowing partial write-off of major capital investments could help extend the life of units that are currently more affordable. This could also help improve the quality of housing for tenants. Tax credits could be tied to Affordable Housing Agreements that includes assurances that existing tenants will continue their tenancy during and after renovations are completed. Credits should not be used to subsidize the cost of meeting basic standards of repair.

Where possible and appropriate, applying reduced charges for development and building permits as well as licensing fees could be used to help encourage non-market and market affordable housing providers to add units to their existing properties.

*Recommendation*

**Investigate and implement appropriate incentives (e.g. grants, tax credits, loans and/or loan guarantees, lowered development fees for adding units to existing rental stock) that can assist landlords in maintaining and/or improving affordable market and non-market housing.**

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## 6. Housing Agreements

### Rationale

Currently the City uses Housing Agreements to ensure that new strata units are not restricted from being rented within the secondary rental market. It also uses Housing Agreements to secure rental affordability levels on properties where Victoria Housing Reserve Fund Grants have been used to build affordable housing units. There has been a recent increase in applications to build rental-only multi-unit housing. In some cases, developers are seeking to secure short-term (10 year) rental-only covenants on strata-titled properties. This may secure rental units in the short-term, but does not guarantee that units will remain rental into the long-term, potentially compromising tenant security.

### Recommendation

**Develop policies and procedures for establishing affordable housing agreements that include:**

- **Consistent and transparent processes;**
- **Guarantees or protections for the long-term security of tenure and affordability of units; and/or**
- **Supports for other housing affordability measures (e.g. inclusionary zoning requirements, revitalization tax credits, etc.).**

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## 1. Zoning Regulations

### Rationale

The City's Zoning Regulation Bylaw is decades-old and has been amended over the years as a result of rezoning applications and City-led improvements to fix issues. However, a comprehensive review of the entire bylaw using a housing affordability lens has not occurred to determine if other regulatory barriers to affordable housing exist beyond those recommended in this report.

### Recommendation

**Review the *Zoning Regulation Bylaw* to ensure it accommodates a variety of housing types (e.g. fee-simple row housing, co-housing, minimum parcel sizes for infill subdivision, etc.) that can be used to achieve greater owner affordability in the housing market.**






# Appendix 1

## Potential Motel Conversions to Residential in Victoria







### City of Victoria

| Status             | Motel Name         | Address           | Units | Current Zoning | Residential Permitted In Zone | OCP Designation    | OCP Amendment Required? |
|--------------------|--------------------|-------------------|-------|----------------|-------------------------------|--------------------|-------------------------|
| Under Renovation   | Traveller's Inn    | 626 Gorge Rd      | 26    | R-70           | YES                           | Urban Residential  | NO                      |
|                    | Traveller's Inn    | 3025 Douglas St   | UK    | T-1            | NO                            | General Employment | YES                     |
|                    | Dalton             | 759 Yates St      | 105   | CA-4           | YES                           | Core Business      | NO                      |
| Operating as Motel | Scotsman Inn       | 474 Gorge Rd      | UK    | T-1            | NO                            | General Employment | YES                     |
|                    | Robin Hood         | 136 Gorge Rd      | UK    | T-1            | NO                            | Urban Residential  | NO                      |
|                    | Castle Inn         | 133 Gorge Rd      | UK    | T-1            | NO                            | Urban Residential  | NO                      |
|                    | Mayfair            | 650 Speed Ave     | UK    | T-1            | NO                            | Urban Residential  | NO                      |
|                    | Strathcona         | 919 Douglas St    | UK    | CA-22          | YES                           | Core Business      | NO                      |
|                    | Hotel 760          | 760 Queens Ave    | UK    | C1-N-Q         | NO                            | Core Employment    | NO                      |
|                    | Ocean Island Inn   | 791 Pandora Ave   | UK    | CA-4           | YES                           | Core Business      | NO                      |
|                    | Super 8            | 2915 Douglas St   | 60    | T-1            | NO                            | General Employment | YES                     |
|                    | Tally-Ho           | 3020 Douglas St.  | UK    | T-1            | NO                            | General Employment | YES                     |
|                    | Capital CityCenter | 1961 Douglas St.  | 84    | T-1            | NO                            | Core Employment    | NO                      |
|                    | Plaza              | 603 Pandora Ave   | UK    | CA-70          | YES                           | Core Historic      | NO                      |
| Vacant             | Crystal Court      | 701 Belleville St | UK    | T-1            | NO                            | Core Inner Harbour | NO                      |

-  No rezoning or OCP amendment required to operate as residential
-  Requires rezoning
-  Requires OCP amendment and rezoning

## Appendix 2

**Onsite Parking + Impacts on Affordability**
[www.portlandoregon.gov/bps/article/420062](http://www.portlandoregon.gov/bps/article/420062)

| Cost of Onsite Parking + Impacts on Affordability  |   |            |                     |                         |                                    |   |                   |  |  |  |
|--|---|------------|---------------------|-------------------------|------------------------------------|---|-------------------|--|--|--|
| Development Prototype  |   | # of Units | # of Parking Spaces | Parking Spaces per Unit | % of Ground Floor used for parking | Parking Cost as a Percentage of Total Construction Cost | Construction Cost | Potential Monthly Rental Range (\$50 sq ft apartment)* | Monthly Rent Increase as a percentage above No Parking Development Prototype |  |
| No Parking   |   |            |                     | 0                       | 0%                                 | 0%  | 4.3 M             | \$800 - \$1,150  | -  |  |
| A building with no parking is able to utilize the full capacity of the development on the site (factoring in assumptions outlined in Methodology). In this scenario fifty units and zero parking spaces are constructed.   |   |            |                     |                         |                                    |   |                   |  |  |  |
| A  |  | 50         | 0                   |                         |                                    |   |                   |  |  |  |
| Tuck-Under   |   |            |                     | 0.25                    | 33%                                | 4%  | 4.3 M             | \$850 - \$1,200  | 6%   |  |
| A building with tuck-under parking is able to utilize nearly all development capacity, with a loss of 5 residential units. In this scenario 45 units and 9 parking spaces are constructed. There is a moderate rental rate increase associated with this scenario to accommodate the cost associated with providing tuck-under spaces and loss of potential residential units.   |   |            |                     |                         |                                    |   |                   |  |  |  |
| B  |   | 45         | 9                   |                         |                                    |   |                   |  |  |  |
| Surface  |   |            |                     | 0.6                     | 47%                                | 2%  | 2.8 M             | \$1,200 - \$1,800                                      | 50%  |  |
| A building with surface parking is able to utilize 50 percent of development capacity. In this scenario 30 units and 19 parking spaces are constructed. There is a rental rate increase associated with this scenario to accommodate for the opportunity cost associated with not producing 20 units.  |   |            |                     |                         |                                    |   |                   |  |  |  |
| C  |    | 30         | 19                  |                         |                                    |   |                   |  |  |  |
| Podium   |   |            |                     | 0.5                     | 66%                                | 10%   | 4.3 M             | \$950 - \$1,350  | 19%  |  |
| A building with podium parking utilizes 75% of the ground floor to provide parking. In this scenario 42 units and 22 parking spaces are constructed. There are negative impacts to ground floor activity and street frontage which may have a direct impact on surrounding businesses, pedestrians, and street character due to additional curb cuts and loss of continuous storefront/first floor character.  |   |            |                     |                         |                                    |   |                   |  |  |  |
| D  |    | 42         | 22                  |                         |                                    |   |                   |  |  |  |
| Mechanical   |   |            |                     | 0.5                     | 40%                                | 22%   | 5.4 M             | \$1,175 - \$1,660                                      | 47%  |  |
| A building with mechanical parking utilizes 40% of the ground floor to provide parking. In this scenario 46 units and 23 parking spaces are constructed. Mechanical parking is a space-efficient parking alternative as it stacks parking spaces with the aid of mechanical systems. As a result, more parking spaces can be constructed in a smaller space; however, it adds significant cost, at \$45,000 a space.                                     |   |            |                     |                         |                                    |   |                   |  |  |  |
| E  |    | 46         | 23                  |                         |                                    |   |                   |  |  |  |
| Underground  |   |            |                     | 0.75                    | 20%                                | 28%   | 6.5 M             | \$1,300 - \$1,900                                      | 63%  |  |
| A building with underground parking is challenged given the limitations of the 10,000 sq foot lot. The practicality of producing underground parking is challenged given the short bay width (less than 100') and limitations to circulation between levels. In this scenario 44 units and 33 parking spaces are constructed. The rental increase can be attributed directly to the cost of providing underground parking at a cost of \$55,000 a space. |   |            |                     |                         |                                    |   |                   |  |  |  |
| F  |    | 44         | 33                  |                         |                                    |   |                   |  |  |  |

Housing Unit




Housing Unit w/Parking Space

Housing Unit Not Built as a result of providing parking

• Based on Results of Emission Tomorrow Return on Investment Model & Analysis.

• Developments with a Return on Investment of 7 to 10% are reported.

Cost Contribution Analysis: Breakdown by Increase in Taxes and Affordability

 Housing Unit  
 Housing Unit w/ Parking Space  
 Housing Unit Not Built as a result of providing parking

\* Based on Results of Envision Tomorrow Return on Investment Model & Analysis.  
 \* Developments with a Return on Investment of 7 to 10% are reported.

Cost Comparison: Parking Prototype Impacts on Form and Affordability  
 Prepared by Bureau of Planning and Sustainability  
 Page 5

## Inclusionary Zoning

### Definition

The process whereby a municipality, by ordinance, sets forth a minimum percentage of units to be provided in a specific residential development as affordable to households at particular income levels.

### Goals

- Create mixed-income neighbourhoods, where residents of diverse socio-economic backgrounds can meet, interact and potentially gain culturally and economically from that interaction; and
- Produce affordable housing units through private development projects.
- Features of Inclusionary Zoning
- Sub-areas within a given region should meet their fair share of low and moderate housing needs.
- Proportion of units to be included is identified – current practice of 10% to 25% depending on market.
- The developer is generally afforded some form of compensation due to lost profitability (e.g., increased density, reduced municipal costs, and relaxation of regulations).
- Affordability controls are generally secured through a legal housing agreement or covenant.
- Development controls attached to the affordable portion of the development ensures that low-income housing is not low-quality housing.
- Developers can accrue development credits when they build more affordable units than required and then redeem them in future developments that are on the higher end of the market spectrum.
- Developers can sometimes be offered alternatives to building a specific portion of the development as affordable (e.g., make contribution to an affordable housing fund).

### Recommended Principles for Program

- Target IH units to those most in need while assuring that new development is still financially feasible.
- Incorporate affordability standards into the program that are consistent with CRL standards.
- Consider depth of income targeting and percentage of IH units together, because there is an inherent financial trade-off between them
- Record long term affordability covenants on IH units in order to benefit as many households as possible and meet agency's production obligation (e.g. 45 years for sale; 55 years for rental).
- Confirm that the restricted sales prices and rents of IH units are sufficiently below those of market rate units to generate demand. Consider allowing a phase-in period for the IH requirement.
- Consider allowing alternative ways for the development community to meet the IH requirement if these alternatives are economically equivalent to the on-site requirement (e.g., contribution to the Victoria Housing Fund Reserve).

- Consider exempting small developments from the on-site requirement or allow them to pay a fee in-lieu of providing the units on-site.

### Local Examples of Inclusionary Zoning

- *Langford*: All new rezoning applications for fifteen or more new single-family residential lots will provide either one affordable housing unit or a cash contribution to the City's Affordable Housing Reserve Fund.
- *Richmond*: In exchange for increased density proposed as part of a rezoning application, multi-family or mixed-used developments containing more than 80 residential units must build at least five per cent of total residential building area as LEMR units, with a minimum 4 units, secured in perpetuity with a Housing Agreement registered on title.
- *Burnaby*: Through its "Community Benefit Policy", during a rezoning additional density may be permitted for the provision of affordable housing units within the project.
- *Vancouver*: The City currently, as part of its rezoning process, provides additional density to developers willing to include up to 20% of base density as affordable units. The final percentage to be built as affordable is negotiated on a project by project basis. To date, projects have achieved between 11% and 17% as affordable housing.

### Victoria Context

The City has used inclusionary approaches in the past but has not created a specific policy in this regard. In 2012, City Council approved the Downtown Core Area Plan that includes a density bonus program. In exchange for additional density during a rezoning application, developers are required to make cash contributions equal to 75% of the lift in land value to the Downtown Core Area Public Realm Improvement Fund and the Downtown Heritage Buildings Seismic Upgrade Fund. Currently, a density bonus program for areas outside the downtown is being explored and recommendations to Council are expected in the near future.





**Mayor's Task Force on Housing Affordability**  
**Public Response to Proposed Recommendations**  
**Summary of Activities and Findings**

Date: June 18, 2015

**Background**

In the spring of 2015, Victoria City Council approved the creation of the Mayor's Task Force on Housing Affordability. The Task Force was responsible for identifying actions that were within the City's jurisdiction that could help address affordability issues faced by households of low to moderate income. The Task Force met five times on a weekly basis starting on April 28, 2015 and through its deliberations developed with 25 recommendations for changing City policies, programs or regulations to help promote more affordability in the development of both market and non-market housing projects.

**Public Engagement Methods**

In order to gather input from the public on the proposed recommendations the Task Force supported three different methods through which citizens could provide feedback.

1. The Mayor and Council members on the Task Force hosted a Workshop at City Hall where the recommendations were presented on large poster boards and in print form. Participants provided written feedback and were also given the opportunity to speak directly to Task Force members and share their responses to the recommendations as well as any ideas that the Task Force may not have considered in their discussions.
2. A webpage was established on the City's website that included a link to the report of the Task Force's recommendations. Visitors to the site were encouraged to send their responses and ideas to an email address specifically set-up to gather public feedback.
3. Information on the Task Force's work and links to the recommendation report were also made available through the City's Facebook and Twitter accounts.

**Public Engagement Outputs**

Approximately 40 people attended the workshop held on June 1, 2015 and many provided feedback, input and responses to the Task Force's recommendations. The City also received 21 emails through which citizens provided input. The social media campaign reached 1,997 individuals, received 16 likes and was shared once. There were four posts and 3 comments that provided links to articles on housing affordability and solutions to homelessness.

**Findings**

Overall, respondents supported the recommendations of the Task Force. One posting on Facebook suggested the City consider a program in Hawaii where retired transit buses were being converted into

shelter for people who are homeless while another provided a link to a newspaper article outlining the City of Vancouver's plan to lease large land areas for affordable housing purposes.

A matrix summarizing all email and workshop participant responses is provided in Appendix I and a summary of the social media feedback is included in Appendix II. Copies of the email responses are included in Appendix III and any attachments or documents from relevant internet links provided in the emails are included in Appendix IV.

It is worth noting that some of the recommendations did not receive unanimous support from those who attended the workshop and/or emailed responses through the City's website. The two most notable were:

- Thirteen respondents did not support the suggestion that the pre-application meeting with CALUCs be eliminated while only one responded specifically identified this recommendation as supportable.
- Four respondents did not support the recommendation that the City contribute land at no cost or reduced market value to affordable housing projects. Two identified it specifically as supportable. Three respondents suggested the City consider retaining ownership of properties and then leasing them to non-profits that were prepared to operate affordable housing programs.

### **Next Steps**

The feedback from the public will now be reviewed by the members of the Task Force and any decisions regarding amendments or additions to the current recommendations will be made at the final meeting of the Task Force, scheduled for June 30, 2015.

## Public Engagement Outputs

This summary includes the responses of individuals who were at the Workshop hosted by Mayor Helps on June 1 and those who provided written feedback through [housing@victoria.ca](mailto:housing@victoria.ca). Most submissions expressed general support for the Task Force recommendations. In certain cases, specific recommendations were identified as either supported, not supported, or supportable with an identified condition. The tables below identify the number of times each recommendation was specifically identified as either supported or not supported, and presents any conditions that were recommended.

| YEAR 1 - Build Capacity   |         |         |   |
|---|---------|---------|---|
| Recommendation  | Support | Against | Suggested Amendment or Condition  |
| 1. Minimize and prorate fees for affordable housing projects.   | 1       |         |   |
| 2. Allow for higher densities and greater heights than permitted within existing zones in exchange for affordable housing units.  | 3       | 3       | Not beyond what City currently allows in OCP and DCAP.<br>Support only if neighbourhoods have their say.<br>And include measures for green development. |
| 3. Create an inventory of publicly and privately-held lots suitable for affordable infill.  | 2       |         |   |
| 4. Review Victoria Housing Reserve allocation of \$10,000 per unit of affordable housing to determine whether there is a need to increase the amount of dollars per door. | 3       |         | Providing additional fees are not required.<br>Consider a "per-bedroom" grant to promote family housing.  |
| 5. Investigate options to expand the capacity of the Victoria Housing Reserve through alternative financing mechanisms.   | 2       |         | Providing additional fees are not required.<br>Consider low-rate loans for secondary suites.  |
| 6. Expedite conversion of motels and other transient accommodations to residential, where appropriate, and expand conversion opportunities to all downtown zones.         | 2       | 2       | This will negatively impact the Burnside neighbourhood.   |

| YEAR 1 - Remove Barriers   |         |         |  |
|--|---------|---------|--|
| Recommendation   | Support | Against | Suggested Amendment or Condition   |
| 1. Expedite development approval and permitting process by:  |         |         |  |
| a. Allowing rezoning applications for affordable housing projects to by-pass the pre-application meeting required with CALUCs.   | 1       | 13      |  |
| b. Delegating more approval authority within the development permit and heritage alteration permit processes.  | 1       |         |  |
| c. Continuing to give priority status to affordable housing applications within the development approval process.  | 1       |         |  |
| 2. Waive development cost charges (DCCs) for affordable housing projects.  | 1       | 1       | Would consider reduced fees.   |
| 3. Remove minimum unit size requirements within the <i>Zoning Regulation Bylaw</i> and <i>Conversion Guidelines – Transient to Residential Accommodation</i> .   | 2       | 2       | In some zones, not all.<br>Support only with good evidence based research. |
| 4. Amend <i>Schedule G – House Conversion Regulations</i> of the <i>Zoning Regulation Bylaw</i> to better facilitate conversion of single detached housing units to multi-unit buildings.                                    | 2       |         | With evidence based research.  |
| 5. Reduce parking requirements within <i>Schedule C – Off-Street Parking</i> of the <i>Zoning for selected housing types, zones and geographic locations (e.g. urban villages) Regulation Bylaw</i>                          | 3       |         | Visitor parking requirements in strata developments should be retained.    |
| 6. Remove the rezoning requirement within the <i>Garden Suite Policy</i> .   | 4       | 2       | Retain meeting with CALUC. Add laneway housing.                            |
| 7. Remove the restriction within the <i>Garden Suite Policy</i> that prohibits development of garden suites on properties with secondary suites.   | 4       |         |  |
| 8. Amend <i>Schedule J – Secondary Suite Regulations</i> of the <i>Zoning Regulation Bylaw</i> by eliminating the minimum size requirement and the restriction on dwellings that have been renovated in the past five years. | 1       | 1       | Need data to support this recommendation.                                  |

## Public Engagement Outputs

| YEAR 2 - Build Capacity   |         |         |   |
|---|---------|---------|---|
| Recommendation  | Support | Against | Suggested Amendment or Condition  |
| 1. Consider a variety of innovations such as facility sharing, unbundled parking, increased density, land use mix, transit accessibility, car-sharing options, and demographic needs and incomes within the scheduled review of Schedule C – Off-Street Parking of the Zoning Regulation Bylaw. | 1       | 1       | Need data to support this recommendation.   |
| 2. Direct City staff to report to Council with recommendations on implementing inclusionary zoning as a way to support the development of more affordable   | 3       | 1       | Provide a definition of "inclusionary zoning".<br>Move this to Year 1.                            |
| 3. Contribute land at no cost or at reduced market value for the development of affordable housing projects, where possible.  | 2       | 4       | Consider long-term, below-market leasing rather than donating land.<br>Could this be done sooner? |
| 4. Create incentives that support converting underutilized or unused spaces above commercial properties into residential use.   | 2       |         |   |
| 5. Create a real estate function within the City's administration that can purchase and sell property for the purpose of creating affordable housing.   | 3       | 2       |   |

| YEAR 3 - Build Capacity  |         |         |   |
|--|---------|---------|---|
| Recommendation   | Support | Against | Suggested Amendment or Condition  |
| 1. Review and strengthen the <i>Property Maintenance Bylaw</i> and the resources to administer the Bylaw in order to better protect quality of life and promote safe housing conditions for all residents of Victoria.   | 4       | 2       | Only with wide consultation on existing bylaw deficiencies and support Revitalization Tax Credits<br>No, this is province's responsibility. |
| 2. Designate a lead City liaison for landlords and tenants on housing issues that are within the City's jurisdiction.  | 4       | 2       | Do this in Year 1.<br>No, this is province's responsibility.<br>Support if City can recoup costs through bylaw enforcement fees.            |
| 3. Investigate and implement appropriate incentives (e.g. grants, tax credits, loans and/or loan guarantees) that can assist landlords in maintaining and/or improving affordable market and non-market housing.   | 1       | 1       |   |
| 4. Develop policies and procedures for establishing affordable housing agreements that include: consistent and transparent processes; guarantees or protections for the long-term security of tenure and affordability of units; and/or supports for other housing affordability measures (e.g. inclusionary zoning requirements, revitalization tax credits, etc.). | 1       | 1       | Use strong business plans as criteria for approvals of affordable housing.  |
| 5. Investigate opportunities for the City to support the development of affordable ownership programs (e.g., shared equity, non-profit) by hosting a workshop for City staff, housing providers, developers and builders.  | 3       |         | Add co-ops.   |

| YEAR 3 - Remove Barriers   |         |         |   |
|--|---------|---------|---|
| Recommendation   | Support | Against | Suggested Amendment or Condition  |
| 1. Review the <i>Zoning Regulation Bylaw</i> to ensure it accommodates a variety of housing types (e.g., fee-simple row housing, co-housing, and where appropriate, strata conversion and subdivision of oversized lots for infill) that can be used to achieve greater owner affordability in the housing market. | 3       | 1       | Why in year 3 as opposed to year 1?<br>Need to clarify what this means. |

**Recommended Additions:** (Suggested recommendations that were not identified by the Task Force)

**Public Engagement Outputs**

Exempt small homes from the requirement that a second floor can't exceed 70% of the main floor area (R1-G zone).  
 Incorporate the "Well Building Standard" into all new housing developments in the city. <http://delos.com/about/well-building-standard/>  
 Consider providing Victoria Housing Reserve grants to individuals building secondary suites.  
 Adjust the minimum ceiling height for a secondary suite to below 2.0 meters.  
 Better define what is meant by "affordable housing".  
 Create regulations for the development of "cob housing".  
 Support community organizing that supports increased housing supply in existing neighbourhoods.  
 Provide non-profit housing providers with a permissive tax exemption.  
 Consider incentives for the development of "passive" housing to improve ecological performance of buildings.  
 City should consider purchasing properties in other municipalities in the region and setting up supportive and affordable housing in these locations.

**Parking Lot: (Recommended actions that were outside the scope of the Task Force)**

Support the implementation of the recommendations of the 2013 Ombudsperson's Report on Seniors Care.  
<https://www.policyalternatives.ca/publications/reports/ombudspersons-report-seniors-care>  
 Increased disposable income for seniors and better home care support for seniors of low income.  
 Continue to insist on high building design standards, even for affordable housing developments.  
 Consider converting 'retired' public transit buses into temporary shelter for people who are homeless.





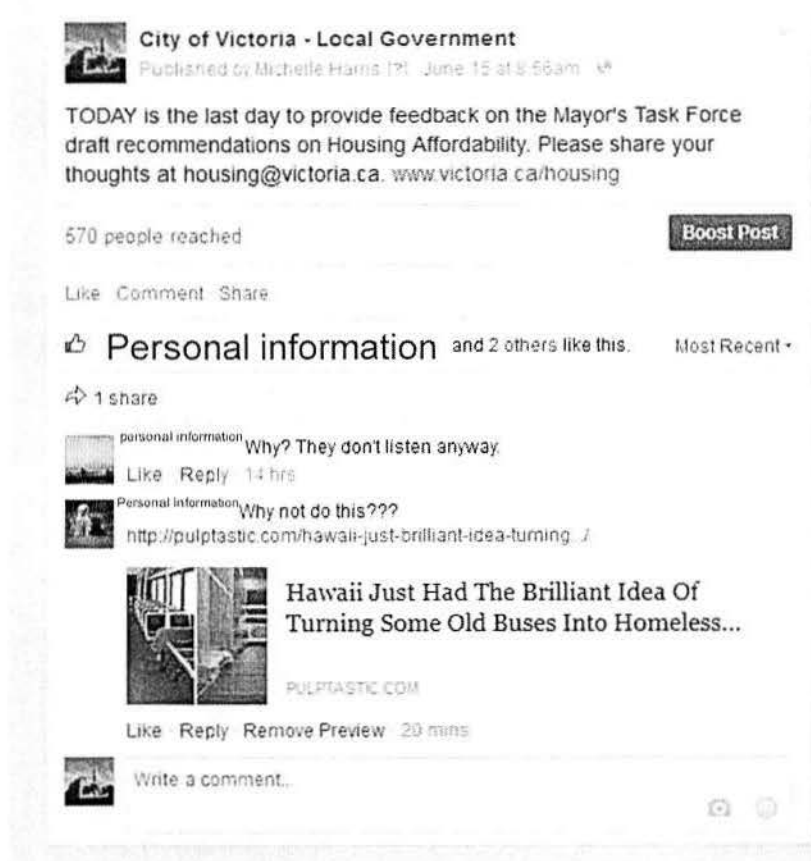
## MAYOR'S TASK FORCE ON HOUSING AFFORDABILITY SOCIAL MEDIA SUMMARY

Wednesday, June 17, 2015

### Facebook Summary:

# of Posts: 4  
# Reached 1,997  
# of Likes: 16  
# of Comments: 3 (2 with links to articles)  
# of Shares: 1

### Facebook Posts:



The link in the above Facebook comment links to the Hawaii News Now article noted below:  
<http://pulptastic.com/hawaii-just-brilliant-idea-turning-old-buses-homeless-shelters/>

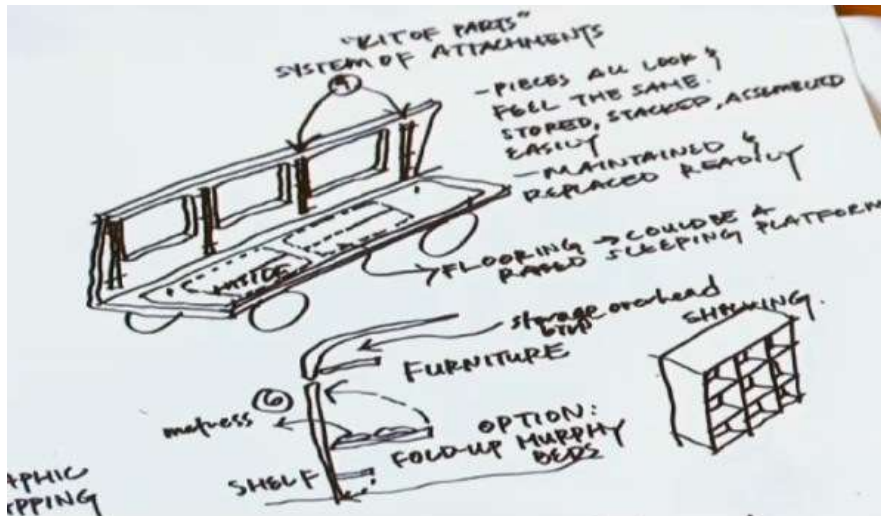
### Hawaii Just Had The Brilliant Idea Of Turning Some Old Buses Into Homeless Shelters

Honolulu City's Executive Director of Housing, Jun Yang, has announced plans to make transitional homeless shelters out of five decommissioned city buses.

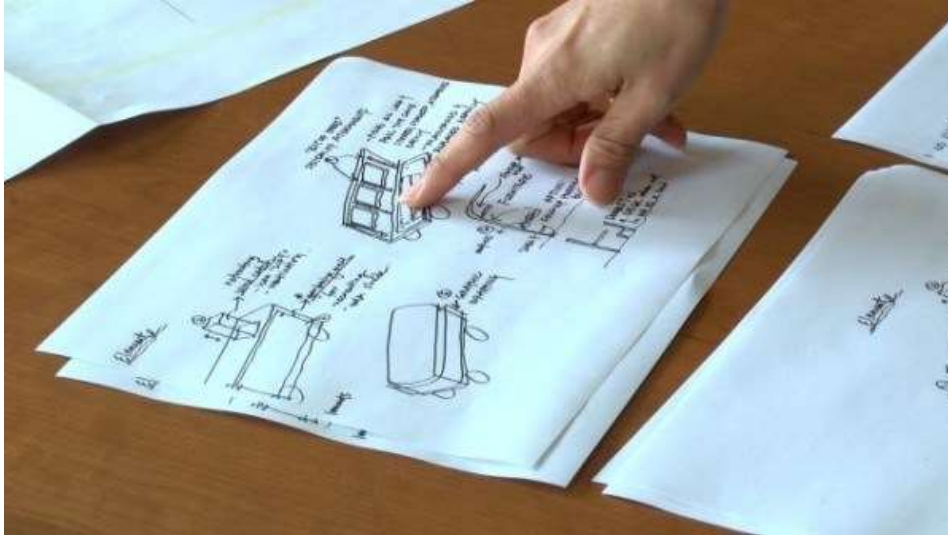


[Hawaii News Now](#)

"The idea is to convert them into living, sleeping, showering, recreational facilities," said Ma Ry Kim of Group 70 International, the firm that will be working on this project.



"The entire design is based on the premise that you could walk in to a hardware store, buy everything you need in one go and build everything with no trade skills," she said.



The buses are donated, as are the supplies for the refurbishment. Labor will also come from volunteers.



The buses will have to work as a fleet because each individual bus will have a specific purpose.

"We're fitting some out to be bathrooms and showers, we're fitting some out to be sleeping areas, and the design completely folds away like a little Japanese tatami mat."



While details like where the buses will be deployed and who will operate them are still in the works, the team aims to finish the project within the calendar year.







The link noted in the above Facebook comment links to the following Vancouver Sun article noted below:  
[http://www.vancouversun.com/business/Vancouver+land+create+more+than+affordable+housing+units/11125212/story.html?fb\\_action\\_ids=10153390030036000&fb\\_action\\_types=og.recommends](http://www.vancouversun.com/business/Vancouver+land+create+more+than+affordable+housing+units/11125212/story.html?fb_action_ids=10153390030036000&fb_action_types=og.recommends)

### **Vancouver to use its own land to create more than 800 affordable housing units**

The program, which will see the city keep control of its lands while working with housing providers and senior governments, is being rolled out under a new Vancouver Affordable Housing Agency.

By Jeff Lee, Vancouver Sun June 10, 2015





A view from above at Vancouver's River District Farmers Market. The city has identified 12 city sites on which it can build 1,350 affordable housing units, five sites of which are in the new and as-yet undeveloped River District in the southeast corner of the city.

Vancouver's new affordable housing agency plans to use seven city-owned sites to build the first 810 units of housing for low-income families, individuals and seniors.

The land, worth \$62 million, is the city's contribution to a partnership it hopes to form with non-profit housing providers and the provincial and federal governments. Under the plan, the city will give non-profit housing providers long-term leases of up to 99 years. In return, they have to organize either private or public construction and mortgage financing, and then repay those debts with rents geared to a range of housing types.

The first seven parcels are part of an ambitious plan by the city to create as many as 1,350 units on 12 properties over the next four years and 2,500 units on 20 properties by 2021.

The announcement Wednesday by Mukhtar Latif, the Vancouver Affordable Housing Agency's chief executive office and the city's director of housing, signals the city's plan to dip further into its vast stock of land for more affordable housing projects. The city has already committed \$85 million to the agency, largely in the form of community amenity contributions and development cost levies collected from developers.

But the city has stopped short of financing the construction of the housing projects itself, saying that is best left to non-profits that can use the land value as security against private financing, or to encourage the involvement of senior governments. However, both Ottawa and Victoria have been hard sells on investing in large housing projects. B.C. Housing has started to target more of its support to individuals in the form of rent supplements.

City manager Penny Ballem said the program announced Wednesday is the city's best effort to entice the federal and provincial governments back into the public housing market.

"We have a menu by which you can drive down affordability," she said. "What we are trying to do is drive through the capacity. We're saying to our senior levels of government: 'Take your pick. Participate in whatever works best for you, whether it is through capital, equity, financing and a combination of those things. We're very, very flexible.' "

Of the seven sites, Latif said, five are in the new and as-yet undeveloped River District in the southeast corner of the city. The other two include a vacant lot on West Hastings across from the Army and Navy store, and a lot in Kensington-Cedar Cottage.

This is not the first time the city has dipped into its own property holdings — in the 1980s it partnered with union pension funds to try to build rental housing. But the company, now called Concert Properties, failed to achieve its goal of 750 units a year and moved into strata condo construction.

More recently, in 2013, the city gave long-term leases on four parcels of land worth \$22 million to the Cooperative Housing Federation of B.C. for a similar plan to build 350 units.

That project has been slowed by organizational, planning and financing challenges. Construction was supposed to start this spring but has been delayed until August.



**City of Victoria - Local Government**  
Published by Michelle Harris [?] · June 2 at 4:17pm · 🌐

The Mayor's Task Force on Housing Affordability is looking for feedback on draft recommendations on how the City can increase capacity for and reduce barriers to affordable housing. Take the opportunity to view the draft recommendations online and provide feedback to [housing@victoria.ca](mailto:housing@victoria.ca) by end of day Monday, June 15. Thank you to those who were able to attend last night's Housing Affordability workshop and for your input. [www.victoria.ca/housing](http://www.victoria.ca/housing)



716 people reached

Boost Post

Like · Comment · Share

 **Personal information** and 3 others like this.



Write a comment...


**City of Victoria - Local Government**

Published by Wesley Yu [?] · June 1 at 1:05pm ·

The Mayor's Task Force on Housing Affordability invites you to participate in a workshop on TONIGHT from 5-7pm at Victoria City Hall to provide feedback on draft recommendations on how the City of Victoria can increase capacity for and reduce barriers to affordable housing.

View displays, meet the Task Force members, ask questions and give input. The workshop is co-hosted by the City of Victoria, the Urban Development Institute and the Together Against Poverty Society. You can view the draft recommendations online and provide feedback by June 8 at [housing@victoria.ca](mailto:housing@victoria.ca).

Learn more. [www.victoria.ca/housing](http://www.victoria.ca/housing)



## Making Victoria More Affordable

### Housing Affordability Task Force | Victoria

"Make Victoria More Affordable" is a key objective in the City's new strategic plan for focus and investment over the next four years. City Council has created the Mayor's Task Force on Housing Affordability, comprised of citizens and...

VICTORIA, CA | BY CITY OF VICTORIA

461 people reached
 

Boost Post

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**Personal information** and 2 others like this.


 Write a comment...
 





**Twitter Summary:**


# of Tweets: 7


# of Retweets: 32


# of Favourites: 9


**Tweets:**

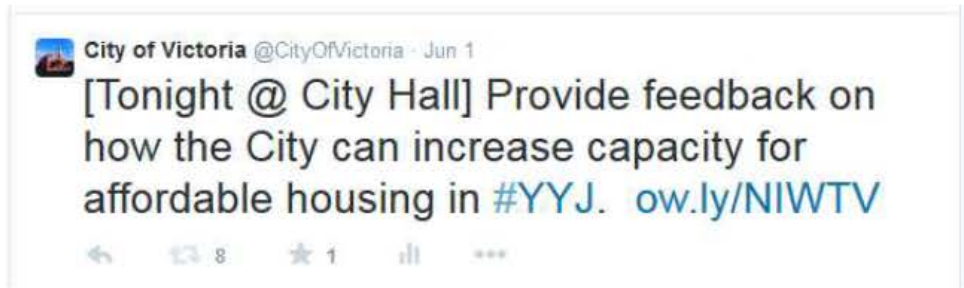

**City of Victoria** @CityOfVictoria · 7h  
 Today is last day to provide feedbck on [#HousingAffordability](#) draft recommendtns at [housing@victoria.ca](mailto:housing@victoria.ca) [#yyj](#) [victoria.ca/housing](http://victoria.ca/housing)  
 ↩️ ↻ 3 ★ 1 📊 ...


**City of Victoria** @CityOfVictoria · Jun 2  
 Email your feedback on [#HousingAffordability](#) draft recommendatns to [housing@victoria.ca](mailto:housing@victoria.ca) by Jun 15 [#yyj](#) [victoria.ca/housing](http://victoria.ca/housing)  
 ↩️ ↻ 7 ★ 1 📊 ...


**City of Victoria** @CityOfVictoria · Jun 2  
 Thanks to those who attended last night's [#HousingAffordability](#) workshop & for your input [#yyj](#) [victoria.ca/housing](http://victoria.ca/housing)  
 ↩️ ↻ 5 ★ 1 📊 ...


**City of Victoria** @CityOfVictoria · Jun 1  
 Live webcast of [#HousingAffordability](#) Task Force Workshop is underway [#yyj](#) at [victoria.ca/EN/main/city/c...](http://victoria.ca/EN/main/city/c...)  
 ↩️ ↻ 6 ★ 3 📊 ...


**City of Victoria** @CityOfVictoria · Jun 1  
 Provide feedback on [#HousingAffordability](#) draft recommendations by June 8 to [housing@victoria.ca](mailto:housing@victoria.ca) [#yyj](#) [victoria.ca/housing](http://victoria.ca/housing)  
 ↩️ ↻ 3 ★ 1 📊 ...





On Jun 17, 2015, at 4:19 PM, John Reilly <JReilly@victoria.ca> wrote:

Dear Heather,

Sorry for the delay in responding. The minutes of the Mayor's Task Force on Housing Affordability can be found at the following link: Minutes HATF <<https://victoria.civicweb.net/Documents/DocumentList.aspx?ID=82600>> . The blogger that spoke at the meeting was Jaclyn Casler and her blog can be found at Victorian Analysis <<http://victoriananalysis.ca/>> .

Regards,

John Reilly MSW RSW  
Senior Planner – Social Issues  
Sustainable Planning and Community Development Department  
City of Victoria  
1 Centennial Square, Victoria BC V8W 1P6  
T 250.361.0351 F 250.361.0557

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-----Original Message-----

From: Heather McArel [REDACTED]  
Sent: Thursday, Jun 4, 2015 1:35 PM  
To: Housing  
Subject: Task Force on Affordable Housing

Good day members of the task force,

I attended the workshop held on Monday and have a few questions I was hoping you could answer:

- 1) When will the minutes be up, or will they be up? I checked and they were not online.
- 2) Would you happen to know the name of the blogger who spoke at the workshop, I am interested to read her blog on the workshop.

Thank you for your time,

Heather McArel

From: Alexander Kovalchuk [REDACTED]  
Sent: Monday, Jun 15, 2015 5:56 PM  
To: Housing  
Subject: housing affordability

Dear Task Force,

I commend the report for looking into ways to convert other properties more quickly into housing like motels and removing building height restrictions so developments could accommodate more. I was worried by suggestions to remove the minimum size requirements for rooms. I think we should not be tempted by "better than nothing" thinking and force upon others to accept any less than we would. That is an explicit double standard and unequal.

I heard that the council entertained a micro-housing proposal/presentation as a strategy to alleviate homelessness in the city. To be blunt, the problem of homelessness already has its solution in its word/term. Homelessness demands homes to be built. I hope the task force seriously considers that small confined spaces are an inappropriate response to the problem. Those units are literal after-thoughts to the fact that there are insufficient amounts of housing being built that can accommodate people with different abilities.

As a privileged individual attending post-secondary education I am aware that I cannot speak for others. Thus I feel that in these recommendations there is a lack of incorporating a feedback/consultative/outreach mechanism for those that would be using the services. They would know what they need and we are in positions of power and comfort and thus have responsibility to provide it to them.

Sincere regards,

sasha kovalchuk

From: jaclyn@v[REDACTED]  
 Sent: Monday, Jun 15, 2015 5:38 PM  
 To: Housing  
 Subject: Feedback on draft recommendations

#### General comments

Lots of good ambition and intention. In absence of clear data however it is hard to recognize and or prioritize importance of any particular initiative. For instance, how many complaints have been received about poor quality dwellings that could potentially be enhanced by efforts to tighten up the property maintenance bylaw? Are there any clear numbers on how many affordable housing units are needed? Is there a clear definition of an "affordable unit"? I must admit I'm still confused about the difference between housing types (e.g., supported, affordable and subsidized). If more information was provided to justify each particular recommendation then I think you would also be more prepared to establish a logical sequence between efforts for the years 2016-18. As is, proposed sequencing is somewhat confusing.

Where I recognize that Mayor Helps is as record as saying "easy wins" are put forward for 2016 I think more time needs to be spent on bundling proposed recommendations into key topic areas within the two themes because then a more logical affordable housing business case could emerge. For instance, all parking related items should be considered and presented together - same goes for zoning related items, fees and charges related items, housing reserve related items, landlord and property maintenance issues, and land and real estate related items.

Once this information is clarified, maybe a professionally conducted telephone polls of residents and businesses may be an appropriate way of fully establishing City wide relevance of any particular issue.

#### Particular comments

1. Minimize & prorate fees for affordable housing...
  - \* This should be considered together with DCC charges - similar to how there are charges for residential and commercial perhaps there could be a category of charges established for affordable housing? A tight affordable housing definition would be needed though.
2. Allow for higher density and greater heights in exchange for...
  - \* A clear and supportable definition of affordable housing is needed as well as neighbourhood supported clarification on necessary services/provisions/accommodations associated with effective affordable housing.
3. Create an inventory of publicly & privately held land...
  - \* This seems like a reasonable and easy thing to do. It should then be clearly tied into other land related items including the proposal for a real-estate function and the proposed recommendations for real-estate transactions. Only make land available for long term leases. Don't sell it.
4. Review the Victoria Housing reserve allocation of ....
  - \* Again - need clear definition of affordable housing. I thought the reserve was only for supported housing? Please clarify.
5. Investigate options to expand the capacity of the Victoria Housing reserve....
  - \* Again - need clear definition of affordable housing. I thought the reserve was only for supported housing? Please clarify.

6. Expedite conversion of motels and other transient accommodations....
  - \* Before doing this, I would like to see a report on the efficiency and effectiveness of past city efforts in this area? What has been successful and what hasn't? Might there be other community partners who are better equipped for facilitating such a process?
7. Designate a City Housing Officer as a lead City Liaison....
  - \* I did not know about this RESPOND program. Sounds interesting. Still not convinced though that the City should be the lead proponent? Might there be appropriate fee and penalty provisions within the terms of this program to allow the City to recoup related costs? If so, then I can support this.
1. Review and strengthen Property maintenance bylaw....
  - \* Sounds like a good idea. I would like to see data though on the actual priority of this item from a resourcing of bylaw services perspective. Will this data be coming out of the bylaw services audit that I believe is scheduled for 2015? Related to my comments made on item 7 I would also like to see proof of the City's ability to recoup appropriate enforcement costs from negligent landlords.
2. Investigate opportunities for the City to support the development of affordable home ownership programs....
  - \* I remember reading something about a similar program supported by the City of Victoria which seemed like a good idea. Suggestions and recommendations could then be tested in a telephone polls of city residents.
3. Expedite development approval and permitting process....
  - \* This is not an appropriate topic for 2016. More research and agreement on what could be feasibly delegated or expedited first is needed. Also, with the city's new neighbourhoods team I imagine that some time will be needed as everyone gets used to new relationships and responsibilities. 1) I DO NOT support by-passing CALUC pre-meetings. 2) Delegating of approval authority may be appropriate once Zoning amendments specific to Conversions are clarified - clarity needed first. 3) With respect to giving "priority" clarity is needed both on what this means in terms of expediting and as well, clarity is needed on what affordable housing projects are and why they should be expedited. A clear definition is needed.
4. Waive development cost charges (DCCs) for affordable housing projects....
  - \* Similar to my response to item #1 I think development cost charges should be considered with other development fees. I don't think they should be waived but perhaps a lesser fee requirement could be established. If fees are waived completely then the City is indirectly subsidizing affordable housing. Perhaps the issue of development related fees will come up in review of the Housing reserve and City fees could be seen as a secondary and or related way of supporting/facilitating affordable housing?
5. Remove the minimum unit size requirements for multi-unit zones....
  - \* I think more research is needed on what this might look like. Parking could become a huge headache very quickly in areas where conversions occur. .
6. Amend Schedule G-House conversions....
  - \* Within reason I think this is a good idea because some houses are more appropriate for conversions than others. I would like to see more research on this. Related to this, research will be needed on what appropriate cost categories and requirements will be from a City development and enforcement perspective because of the complexity of such projects.
7. Reduce parking requirements....
  - \* These numbers seem arbitrary. Is it possible to provide some numbers on parking levels permitted at recent developments and to also look at what the traffic situation is in the neighbourhoods around these developments first? From a sequencing perspective, it seems more logical to explore item 18 (innovations in parking requirements) prior to reducing parking requirements. Proactive innovation makes more sense!
8. Remove rezoning requirement within Garden Suite Policy

\* If I were a homeowner I would be really opposed to this item because what if I brought my property because I have young kids and I want them to play in our big backyard and my kids become unable to play in the backyard because my neighbour builds a garden suite that both wrecks the experience of my backyard and also makes it inappropriate for my kids to play in since the new tenants of this garden suite are dodgy? It wouldn't be unusual for my neighbour to also have a big backyard in this context. Garden suites are a big change and require neighbourhood consultation and approval. Clear yard size minimum requirements and garden suite size restrictions would also need to be retained.

9. Remove the restriction within garden suites policy that prohibits the development of garden suites on properties with secondary suites....

\* I can support this one so long as clear specifications are established for yard and house size minimums (e.g., your house and yard has to be a certain size). I also have to wonder who would want both a garden suite and secondary suite? Would the owner live upstairs and rent the downstairs and garden? Or would all three suites be rentals? Idea sounds good but also sounds like the requirement could also be easily taken advantage of. Is data available on current existing rentals and city application made but rejected as a well of getting a sense of need for such a setup?

10. Amend schedule J - Secondary suite regulations by eliminating the minimum size requirements.....

\* Does the city have any data on # of legal and illegal suites? Could this be associated with re-introduction of the secondary suite renovation grant program? If size requirements are removed, I would think some criteria for servicing and amenities would have to be introduced so as to ensure a minimum quality of liveability (for instance bachelor suites with only basic kitchens versus proper suites with full kitchens).

11. Consider a variety of innovations such as facility sharing, unbundled parking, increased density, and use mix, transit accessibility, car sharing options.....

\* As per my response to # 14 I would like a report on possibilities related to this item to come to Council before the City contemplates reducing parking requirements full stop.

12. Direct City staff to report to Council with recommendations on implementing inclusionary zoning....

\* I support feasibility reports. I don't quite understand though how this will be different from previous efforts and or the current situation. Related to this, can some Zone standards be established to move the city away from continuous spot-zoning?

1. Contribute land at no cost or at reduced market value for the development of affordable housing projects....

\* I don't support this. Think its a bad idea. As per the advice given by the one fellow at the workshop, land should only be made available on long term leases in accordance with best practices.

2. Create a real estate function within the City's administration that can purchase and sell property for the purpose of creating affordable housing.

\* I seem to recall that similar item related to the City Real-estate function will likely be a recommendation from the economic development task force. That said, I don't support this item because I don't see the need for it - very cart before the horse. If there is a need, a clear case should be made by the City. Related to this, what would the expectation be for public transparency of this new real-estate office because I know that the majority, if not all of the City's real-estate related transactions occur incamera meetings. Which is to say, a City real estate arm is only supportable if it is transparent.

1. Create incentives that support converting under-utilized or unused spaces above commercial properties into residential use.

\* This could be good. Depends on landlord and owner support as well as the potential livability of certain places. What would associated rezoning requirements? If anything, I think this item would

actually be an “easier win” that garden suite rezoning because 1) fewer neighbours to worry about and 2) these buildings would likely be closer to necessary services the garden suite dweller in a residential neighbourhood would be. In sum, this item could be an effect 2016 item I think.

2. Investigate and implement appropriate incentives (e.g., grants, tax credits, loads and or loan guarantees, lowered development fees for adding units to existing rental stock) that can assist landlords in maintaining and or improving affordable market and non market housing.

\* I don't support this. Seems super dodgy and just an excellent opportunity to facilitate things like renovictions. This is too far out of City jurisdiction that it is just a bad idea.

3. Develop policies and procedures for establishing affordable housing agreements...

\* I support this.

4. Review the Zoning regulation bylaw to ensure it accommodates a variety of housing types.....

\* Don't know what this means - seems like it would come out of the other zoning related items and recommendations? Please make an effort to group recommendations by topic (zoning) so they make more sense. If they make more sense, you could get better public support and also have a better chance that these items would actually be implemented. Lastly, is it not false to say the city is “planning a review” when Council recently rejected a staff motion to fund a zoning bylaw review?



From: Douglas L. [REDACTED]  
Sent: Monday, Jun 15, 2015 11:29 AM  
To: Housing  
Subject: One more article on housing

Vancouver's Affordability Trap <[http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap\\_b\\_7563602.html](http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap_b_7563602.html)>

<[http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap\\_b\\_7563602.html](http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap_b_7563602.html)>  
image

<[http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap\\_b\\_7563602.html](http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap_b_7563602.html)>  
Vancouver's Affordability Trap

While the provincial government might want to wish this crisis away, the facts have a way of hanging around.

<[http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap\\_b\\_7563602.html](http://www.huffingtonpost.ca/matt-toner/vancouver-housing-affordability-trap_b_7563602.html)>  
View on [www.huffingtonpost.ca](http://www.huffingtonpost.ca)

Preview by Yahoo

From: Carolyn Knight [REDACTED]  
 Sent: Monday, Jun 15, 2015 11:18 AM  
 To: Housing  
 Subject: Mayor's Task Force Draft Responses

Good morning,

I did attend the work shop and plenary session.

Fascinated to hear from UDI that density ought to be limited.

In response to density, please CONSIDER environmental impacts to densification; balance need for prudent, ecological implications of any new builds, and require water/ sewer/ stormwater/ transportation/ liveability issues for the present, but more so, for FUTURE implications. Put water/ stormwater/ sewerage issues first and foremost in considering development permit application.

Ensure that IF/ WHEN developers receive incentives to build affordable housing, that measures are enacted to ENSURE housing units CONTINUE to be affordable; ie, have robust rules so that developers DO NOT use incentives to get permissions, and then renege on commitments in the future. How?

Support residential property owners to tap into funding ( via grants or other means), to ADD AFFORDABLE housing units in existing homes/ new builds of innovative secondary and garden suites, to MAINTAIN affordability of tax burdens that continually increase. It is promising and positive that The City recognizes that home owner affordability is ALSO a driver of increasing REALLY affordable housing that ADDS units that are transitional, does not require large tracks of pricey land acquisition, assists people across a spectrum of need/ value. Add this home owner supply as viable, sustainable and HELP owners maintain their properties, through incentives, grants, permissions to build with innovative green resources ( ie, cob, rammed earth, earth bag, etc, building methods).

Recognize that pushing Parks as a Number One Solution for "temporary, mini-housing", pits users against one another. Parks bear the burden of EVERY stakeholder over-using a public amenity that risks the ecology of the very places we consider so valuable. I am tired of the "loved to death" quality that has hit ALL the special places that parks are throughout the CRD. Stop thinking Parks Are IT for housing! What about brown land? What about corporations leasing lands for temporary housing? How come the public sector lands have to take hits over and over again? How come City thinks Parks can be "re-branded" as housing allotments? WHERE is the private sector, with the cash, to become part of the solution, having gained incredible benefits from the overt over-building that constitutes " the economy", yet offers less than it gains in providing support, resources, leverage, to put in place the resources/ funds/ expertise to support ACTUALLY affordable housing?

I appreciate that the City recognizes that action is imperative, is seeking solutions, is developing updated policy drivers ( ie, LID, permissions to transition to greener technologies, moving toward water capture/ mitigation on home owner properties), and is building consensus that SOMETHING has to shift.

While we are on this topic: encourage innovators to create green technology redevelopment of existing housing, ie, transition to off grid water mitigation solutions; solar power renovators, and other redux thinking - and permissions - to transition to low impact energy solutions. ENCOURAGE this transition at the regulatory level, in the post secondary education realm, in the tech sectors - EVERYwhere that we require NEW THINKING and ACTION.

Thank you for this leadership by CoV. I am hopeful.

Truly,

Carolyn Knight

Home Owner,

Artist in Residence, Fairfield Gonzales Community Association

From: Rachel O'Neill [REDACTED]  
Sent: Monday, Jun 15, 2015 10:49 AM  
To: Housing  
Cc: Burnside Gorge Community Association  
Subject: Feedback - Draft Recommendations of Housing Task Force  
Attachments: Letter to Council - Housing Task Force - June 2015.pdf

Good morning,

Thank you for the opportunity to provide feedback on the draft recommendations put forward by the Mayor's Task Force on Housing Affordability. Please see the attached letter.

Warm regards,

Rachel O'Neill  
Manager, Communications & Development  
Burnside Gorge Community Association  
Phone: [REDACTED]  
[www.burnsidegorge.ca](http://www.burnsidegorge.ca)

Appendix III

From: Neb Radojkovic [REDACTED]  
Sent: Monday, Jun 15, 2015 10:38 AM  
To: Housing  
Subject: Cob Housing

Hi,

I would try to include some regulations for Cob Housing as it is becoming a very popular way of building homes

with inexpensive earth materials.

Cheers!

Neb

From: Douglas L. [REDACTED]  
 Sent: Monday, Jun 15, 2015 9:14 AM  
 To: Housing  
 Subject: Feedback to Housing report

Hello,

There is a Vox news story on the housing problems in San Francisco which I thought interesting. Basically, the low housing density is the cause of economic stagnation. However, it occurred to me that benefits from a housing boom could be lost if that boom was met with investment property buyers who see it as a safe place to put their money.

This may, to a certain extent, be true in Victoria. Noting that this has been recognized as a problem in Vancouver, it should be anticipated here too.

Douglas Laird

[REDACTED]

This woman has a plan to fix San Francisco's housing crisis — but homeowners won't like it  
 <<http://www.vox.com/2015/6/15/8782235/san-francisco-housing-crisis>>

<<http://www.vox.com/2015/6/15/8782235/san-francisco-housing-crisis>> image

<<http://www.vox.com/2015/6/15/8782235/san-francisco-housing-crisis>> This woman has a plan to fix San Francisco's housing cri...

A new generation of affordable housing activists argue that the way to get rents down is to build a lot more housing.

<<http://www.vox.com/2015/6/15/8782235/san-francisco-housing-crisis>> View on [www.vox.com](http://www.vox.com)

Preview by Yahoo



From: Lee Herrin [REDACTED]  
 Sent: Friday, Jun 12, 2015 12:02 PM  
 To: Housing  
 Cc: Lisa Helps (Mayor)  
 Subject: Policy idea for housing affordability

The policy recommendations do not include using permissive tax exemptions as a policy tool to support the development or ongoing supply of affordable housing.

Most affordable housing is provided by non-profit organizations and/or charities. One way to move money to these organizations is to provide permissive exemptions on their existing affordable housing projects (as well as on new developments). Obviously, an eligibility policy would need to be developed for this, but most affordable housing providers have received contributions from either the City and/or other levels of government. Projects receiving these funds usually make a commitment that is registered on title. This would be an easy way to screen applicants. If they could show proof on title that there is still an existing covenant to provide affordable housing (likely with either CMHC or BC Housing), they would be eligible for some level of permissive exemption. This would reduce ongoing operating costs for these providers. This reduced operating cost would most likely either be used to reduce rents (contributing directly to increased affordability), or to generate surpluses which would be used for the equity portion of a new affordable housing project (affordable housing providers have a purpose in their constitution to provide affordable housing—this could be another screening tool). Reducing ongoing operating costs would help the providers generate that equity sooner, leading to more rapid supply of new affordable units to market.

As an example, my organization provides 10 three bedroom units of affordable family housing on two sites. We currently receive no property tax forgiveness on these properties. The rents on these properties amount to roughly \$120,000 per year (market rents would be more like \$180,000 per year). Municipal property taxes, which are paid from the rents, amount to an estimated \$5,333 per year (I have to estimate because four of the units are in a mixed use building and calculating the residential only portion of the municipal tax bill is very complicated). Obviously, this is not a large amount, but it is ~\$45/mo per unit. An organization my size would likely use this contribution to keep rents affordable. However, a larger organization, with say, 100 units, could build \$4500 of equity per month with a full of exemption.

One other observation, which I have already shared with Councillor Thornton-Joe. The CRD and CoV housing trust funds currently pay “per-door” contributions to affordable housing projects. This incentivizes the construction of “workforce” housing (bachelors/one bedrooms) which is fine, in and of itself. However, as the population pyramid below shows, the City of Victoria has an unnaturally low population of children. I believe this is due to the lack of housing affordability for families. There is a significant cohort of people age 20 to 35 (known to demographers as the family formation stage of development). Providing “workforce” housing is great, as they need affordable places to live while in school or early career. But where do they go when they stabilize in employment, form couples and want to have children? Answer: Langford. We need a contribution policy that recognizes that affordable family housing is less advantageous economically for a housing provider to build (i.e. two- and three-

bedroom). A “per front door” policy is unfair to those who would build affordable family housing. Perhaps a “per bedroom door” policy? Yes, a three-bedroom apartment still has only one kitchen and bathroom, but a family complex might contain half as many units as a comparable sized complex of bachelor units and attract half as much subsidy, while being substantially similar in costs to build, and generating considerably less rent over its lifetime.

Lee

Lee Herrin  
Executive Director  
Fernwood NRG



[www.fernwoodnrg.ca](http://www.fernwoodnrg.ca) <<http://www.fernwoodnrg.ca/>>

From: Mike G [REDACTED]  
Sent: Wednesday, Jun 10, 2015 3:48 PM  
To: Housing  
Subject:[Feedback] Provide Feedback on Draft Recommendations of Mayor's Task Force on Housing Affordability

Hello,

As a resident of Victoria, I support most of these proposed changes in the draft. I like the idea of improving the efficiency of developer applications and reducing the high cost that's associated with these applications.

Please, however, for the love of god, do not do what the city of Victoria did in the old days and allow developers to build, crappy, unsightly, apartment blocks. Apartment blocks after apartment blocks it seems were allowed to be build along much of Cook st (towards the Village) and along Fort st and Pandora st. When a building needs a name like the "Shangri La", or "Emerald Greens" that really projects a much prettier mental picture of the building then it actually is, something is definitely wrong.

Thank you,

Mike Gazdag

725 Vancouver St.

From: Fairfield Community Assoc [REDACTED] >  
Sent: Monday, Jun 8, 2015 4:26 PM  
To: Housing  
Cc: Fairfield Community Place  
Subject: Mayors Task Force On Housing Affordability: Draft Recommendations

Attachments: 2015 06 03 FGCA Housing Affordability FINAL.pdf

Hello,

We are responding to your request for comment on the Mayors Task Force On Housing Affordability: Draft Recommendations Dated 27 May 2015. We appreciate the opportunity to provide the following commentary and feedback on several of the recommendations. Letter attached.

All the best,

Pippa Davis  
Reception  
Fairfield Gonzales Community Association  
1330 Fairfield Road Victoria, BC V8S 5J1  
[REDACTED]  
place@fairfieldcommunity.ca  
www.fairfieldcommunity.ca

Celebrating 40 years of community service - 1975-2015 <<http://fairfieldcommunity.ca/>>

From: sandra steilo [REDACTED]  
Sent: Monday, Jun 8, 2015 11:20 AM  
To: Housing  
Subject: Mayor's Task Force on Housing Affordability

I am writing to provide feedback on the recommendations, in particular this one:

Expedite development approval and permitting process by:

- a. Allowing rezoning applications for affordable housing projects to by-pass the pre-application meeting required with Community Association Land Use Committees.
- b. Delegating more approval authority within the development permit and heritage alteration permit processes.
- c. Continuing to give priority status to affordable housing applications within the development approval process.

I believe Victoria and B.C. have a challenge in creating affordable housing and housing for the homeless and I believe each community and municipality throughout the GVRD is responsible for addressing this challenge. I don't believe that bypassing meaningful consultation with communities is a way to solve or expedite this solution. We shouldn't bypass this consultation with communities on any decision.

Our neighbourhood parks and greenspaces are a part of where we live, raise families and pay taxes and this needs to be considered when making decisions that affect us.

I would be encouraged to see a greater emphasis on rent supplements as well.

thank you

Sandra Steilo

From: Anthony Taylor [REDACTED]  
 Sent: Sunday, Jun 7, 2015 1:57 PM  
 To: Housing  
 Subject: Comments on draft recommendations

Hello,

After reviewing the recommendations of the task force and attending the presentation last week, I have the following comments on the recommendations:

- 1) Late in the presentation, one of the task force members mentioned creating essentially passive buildings - it would be ideal to find a way to have the development of affordable units that are also green and use passive heating/cooling strategies to be dually incentiveized, as this creates both a win for the environment and also for long term affordability with lower energy costs
- 2) As was clear from the meeting, removing the CALUC should be reconsidered to ensure transparent community consultation throughout the development process and try to minimize NIMBYism. On this note - I agree with the height and density bonusing idea should be reconsidered, albeit for a different reason. It seems there is no better way to create community animosity/NIMBYism around affordable housing that already stigmatized and the target of disdain in some communities than to create it at a height/density scale that is outside that which is specified in the OCP. If people are already on the fence/against affordable units in their neighbourhood, they certainly won't want more dense/bigger ones. However height and density bonusing can still be a useful tool if there are provisions in place to transfer additional height and density to a different site/project. For example, in return for developing affordable housing at site x, the developer is rewarded with additional height/density at site y. This has been used effectively in other jurisdictions and I think it would be worth considering here.

Thank you for your work on this important issue,

Anthony Taylor



From: Judy Marston [REDACTED]  
 Sent: Friday, Jun 5, 2015 5:19 PM  
 To: Housing  
 Cc: Lisa Helps (Mayor)  
 Subject: Another idea to possibly supplement the affordable housing shortfall at the same time as we address two other looming social issues

Hello,

I was not aware of this Committee otherwise I might have made an effort to get involved. I had a quick glance at your recommendations document and see the ideas presented below as fitting well into the "expanding into the details" aspects related to Year 2 (2017).

However, I heard Mayor Lisa on CFX today discussing your Committee and wanted to share an idea I "spawned" a couple of weeks ago when I heard Isobel MacKenzie discussing the recent Ombudsmen for Seniors 18 Recommendations <<https://www.seniorsadvocatebc.ca/wp-content/uploads/sites/4/2015/05/Seniors-Advocate-Housing-Report-News-Release.pdf>> report.

As it turns out, it may also marry well with the problems raised in Marcy Cohen's 2013 report: The Ombudsperson's Report on Seniors Care <https://www.policyalternatives.ca/publications/reports/ombudspersons-report-seniors-care>, which outlines the problems in getting enough of and high quality in-home care for seniors in order to allow them to stay in their own homes as they age.

My idea is a "kill THREE birds with one stone" kind of idea. I realize it won't suit everyone and may be too complex to be implemented (knowing how our governmental controls tend to work), but it still might be a potential solution for a number of those older Victorians (and any Canadians!) who have good-sized homes.

The benefits this concept could create are:

- 1) More affordable housing (for younger and/or underemployed people that are in demand to provide the support services we need but who can't afford local housing)
- 2) Increased disposable income for seniors who are house-poor but want to stay in their homes as they age
- 3) Better security for aging seniors who are continuing to live in their own homes but have limited access to home-health care support services (due to lack of funding).

And... here's the email content I sent to the Ombudsman's office (<http://www.seniorsadvocatebc.ca/>) a couple of weeks ago around the proposed concept:

How about this?

Seniors with a suitable home could access a tax-free (or subsidized) affordable housing income benefit so they can create a rental suite or "help/nanny" accommodations. Then they could collect disposable income from the rent and not be forced to get a reverse mortgage (although some or all of the renovations could be paid by that means because, obviously, there would be an outlay required to create the additional rental unit).

This would make for a win-win-win situation!

This way, seniors would be able to maintain their equity, as well as their independence and it would create more affordable housing for the younger/lower-incomed population who are also needed to fill the senior support jobs, especially with the grey tsunami and retirement population also increasing exponentially for the next 20 years or so. After all, who's going to serve these seniors when only wealthy people live in the expensive housing and the less-wealthy workers live too far away to hold the service jobs. (Such a crazy Catch-22 we're heading into here!)

Plus, it would help address the huge problem of an extreme -- and growing -- lack of affordable housing in Canada's urban centres (as CTV news covered a night or two ago:

<http://www.ctvnews.ca/business/municipal-study-warns-of-looming-housing-problem-1.2380064> ).

#### ADDITIONAL BENEFITS:

- Part of the deal for reasonable rent would be that the renters could play a quasi-security role for the resident senior(s) and agree to keep an eye on them. Or have an alarm buzzer situation set up so they're not being bothered but would allow for the provision of an extra pair of eyes on a potentially isolated or house-bound senior. Then they could have a standard means of alerting some authority to come and check on them, if they don't see them for a day or two. (After all, now that we're losing mail delivery, this has been cited as a major issue for single seniors.
- o Seniors could also potentially barter/trade for additional services from their "renters" such as gardening and other maintenance or general assistance in exchange for lower rents.
- Socially this also has the potential of enhancing the blending of generations which has been cited as being especially healthy for seniors, instead of plunking them into seniors' residential housing so that they only interact with people of their own generation. (Like they do in very inclusive "collaborative" housing developments in Denmark <<http://eliteseniorsolutions.com/cohousing-provides-community-and-independence/>> and other parts of Scandinavia.)

I have a number of other thoughts about this subject and, yes, I can also easily identify a few obvious "issues" related to it, but decided I would flash it off to you now, while it was fresh in my mind.

If you have any questions, I'd be happy to provide more details.

Hoping this might give your committee something to chew on!

Thanks very much...

Judy

Judy Marston  
Career Transition Specialist  
Military - Civilian Coach  
Website: [www.resumecoach.ca](http://www.resumecoach.ca)

From: Ben Isitt (Councillor)  
Sent: Friday, Jun 5, 2015 10:34 AM  
To: Housing  
Subject: Fwd: Parks and Homeless

Please include with input for Housing Affordability Task Force.

Begin forwarded message:

From: Michael Sharpe [REDACTED]  
Date: June 5, 2015 at 12:31:16 PM EDT  
To: <mayor@victoria.ca>, <councillors@victoria.ca>  
Cc: Michael Sharpe [REDACTED]  
Subject: Parks and Homeless  
June 6th 2015

All-

I have been spending a lot of time this season in the parks and playgrounds used by Beacon Hill Little League as well as the parks in Saanich that host our players as visitors.

The condition and quality of these playgrounds is noticeable without even looking hard – even their 'inner city' parks such as the ball diamond at Hampton Park are a step above many of Victoria's playing fields.

The recent talk of turning another one of Victoria's parks in to some form of assisted housing/homeless encampment is in my opinion shortsighted and inappropriate. The level of disrespect to those who frequent the selected parks and whose tax paying properties neighbor these locations is immeasurable.

There are other options and I feel the majority of council is not looking outside the box but is instead willing to accept the fact that a regional problem (such as homelessness) is something we are obligated as a municipality to shoulder entirely on our own.

There are no restrictions in the Local Government Act preventing Victoria from purchasing apartment buildings in Saanich, Esquimalt, View Royal, Langford etc.

You may say that the city is not in the business of 'landlording' however, in all actuality that is what you are entering in to with your talk of creating 'homeless parks'. You are also now owners of a number of properties in the downtown core that were purchased from the PCC.

Sell the downtown buildings.

Take the sales proceeds from them and start purchasing multi family buildings outside the City of Victoria. Lease the property for \$1 a year to one of the already established societies who are qualified and experienced in this industry (the city isn't). 47 suites for sale on Craigflower Road for \$3.1m, 39 suites for sale on Burnside Road \$2.3m, 30 units for sale on Regina Avenue \$3.5m.

Let Saanich Police and Saanich Bylaw deal with the additional costs that go with the territory of hard-to-house. Sure, you might not be making friends with your fellow local government leaders, but you don't work for them – you work for the residents of the City of Victoria.

Don't get me wrong, it's an admirable idea and something needs to be done (since the Province is passing the buck on to the local governments) but you need to put the pressure on the region – not more pressure on our already stretched local resources. Spending the \$350,000 on the present idea is wasteful as the spin-off expenses have not been considered such as policing, bylaw and the devaluation of neighboring properties tax assessment.

This isn't a case of NIMBY....it's been in our backyard for decades. It's more of a case of HAIEBY (how-about-in-everyone's-backyard).

It's time rate payers in Victoria get a break for once on this issue and time for others to be forced to the table.

Save our parks. Spend money on real housing instead.

Regards,

Michael Sharpe

From: Brian Scarfe [REDACTED]  
Sent: Thursday, Jun 4, 2015 6:25 PM  
To: Housing

Subject: Comments on the Program Proposals of the Affordable Housing Task Force

Attachments: Comments on the Program Proposals of the Affordable Housing Task Force.pdf

Please find attached some preliminary comments on the program proposals of the Affordable Housing Task Force.

Brian Scarfe  
[REDACTED]

From: Heather McArel [REDACTED]  
Sent: Thursday, Jun 4, 2015 1:35 PM  
To: Housing  
Subject: Task Force on Affordable Housing

Good day members of the task force,

I attended the workshop held on Monday and have a few questions I was hoping you could answer:

- 1) When will the minutes be up, or will they be up? I checked and they were not online.
- 2) Would you happen to know the name of the blogger who spoke at the workshop, I am interested to read her blog on the workshop.

Thank you for your time,

Heather McArel

From: Ana Simeon [REDACTED]  
Sent: Wednesday, Jun 3, 2015 7:21 PM  
To: Housing  
Subject: Feedback on proposal

Dear Task Force,

Great recommendations overall, and it looks like there is some legs to this proposal too - I like to see timelines! Many great ideas - thank you!

Two things that I would be wary of and would recommend be struck off the recommendations:

- yes to increased density in exchange for affordable housing, but not to height, or at least not before neighbourhood associations have had their say. Otherwise it becomes a developer-fest like in Vancouver in exchange for a few affordable units. Downtown is one thing, but height regulations in residential neighbourhoods should stand. Added density can compensate.
- no to by-passing meetings with neighbourhood associations in exchange for affordable housing. These checks and balances are there for a reason. The time gained is minimal compared to the loss of democratic input from nearby residents.

Many thanks,

Ana Simeon  
1703B Fernwood Road  
Victoria BC V8T2Y3  
[REDACTED]



From: Lisa Helps (Mayor)  
Sent: Wednesday, Jun 3, 2015 10:50 AM  
To: Suzanne Bradbury  
Cc: John Reilly; Jayne Bradbury  
Subject: Re: Affordable Housing Task Force

Thanks! John, see below. Please incorporate these suggestions as part of the public input.

--

Lisa Helps, Victoria Mayor

[www.lisahelpsvictoria.ca](http://www.lisahelpsvictoria.ca)

[REDACTED]  
@lisahelps

"Cities have the capability of providing something for everybody only because, and only when, they are created by everybody."

- Jane Jacobs

On Jun 2, 2015, at 10:51 AM, Suzanne Bradbury [REDACTED] wrote:

Good morning, Lisa!

I thought this "well-building" website and the downloadable guidelines therein might be a useful resource to facilitate the wellness discussion for your Affordable Housing Task Force.

<http://delos.com/about/well-building-standard/>

This website was recommended to us by the Gerding Edlen people (<http://www.gerdingedlen.com/>) who have done wonderful work in Portland and who show true thought leadership with regards to community based development.

Have a great day, and really great work on the task force.

Suzanne

Suzanne Bradbury  
Fort Properties Ltd\*  
814 Broughton St | Victoria | BC | V8W 1E4  
[REDACTED]

W: [www.fortproperties.ca](http://www.fortproperties.ca) <<http://www.fortproperties.ca/>>

F: [www.facebook.com/FortProp](http://www.facebook.com/FortProp) <<http://www.facebook.com/FortProp>>

I: [instagram.com/fortprop](http://instagram.com/fortprop) <<http://instagram.com/fortprop>>

T: [twitter.com/fortprop](https://twitter.com/fortprop) <<https://twitter.com/fortprop>>

Dear Richard,

Your submission to the Mayor's Task Force on Housing Affordability has been received and your recommendation will be presented to the Task Force for consideration. Thank you for taking the time to submit your suggestions.

Sincerely,

John Reilly MSW RSW  
Senior Planner – Social Issues  
Sustainable Planning and Community Development Department  
City of Victoria  
1 Centennial Square, Victoria BC V8W 1P6  
T 250.361.0351 F 250.361.0557

From: Richard Brunt [REDACTED]  
Sent: Friday, May 29, 2015 9:17 AM  
To: Housing; Lisa Helps (Mayor)  
Subject: affordable housing idea

Hello,

I hope I am not too late to submit an idea for the affordable housing task force. If this is not the appropriate email please let me know. I have attached it as a PDF file.

Regards,

Richard Brunt

[REDACTED]

From: George & Jo-Ann Zador [REDACTED]  
Sent: Friday, May 29, 2015 3:38 PM  
To: Housing  
Cc: Lynn Beak; Fairfield Community Place  
Subject: Mayor's task force on housing affordability, draft recommendations.

Please note my personal comments on the above subject:

Ref. Year 1, Theme: Remove barriers etc.....I

Item 1.a "bypass meeting with CALUCs"

Respectfully suggesting it to be a most retrograde idea when the pre-application meeting is the only avenue for neighbourhood and stakeholders' comments and input.

If anything, such projects should involve the community even more.

The scheduled meeting and comments relayed to the City should not delay the process.

Item 6. "Remove the rezoning requirement within the Garden Suite Policy"

It is the rezoning application that triggers the CALUC Community Meeting process and this would mean (as in the above) that such projects would proceed without community involvement.

Perhaps the the paperwork and process of rezoning can be eliminated but the Community Meeting maintained?

As a general comment: it would be necessary to define what is "affordable" as a term for accommodation and how it may vary depending on location

Sincerely

George Zador

Planning and Zoning Chair  
Fairfield Gonzales Community Association  
1330 Fairfield Rd. Victoria, BC V8S 5J1  
planandzone@fairfieldcommunity.ca  
www.fairfieldcommunity.ca  
Facebook



## ROCKLAND NEIGHBOURHOOD ASSOCIATION

Mayor and Council, Victoria

Dear Mayor and Council,

It is with real disappointment and alarm that we respond to the Draft Recommendations from the Task Force on Affordable Housing.

Neighbourhood associations are led by volunteers democratically elected to represent their residents. They spend countless hours on land use issues. That not a single N.A. is on the Task Force is completely unacceptable. The unrealistically short time line provided for our response to the recommendations that we had no share in creating adds to the insult.

Several of the Task Force's recommendations would have negative impacts on our neighbourhood that we would strongly oppose. Consider, for example, "allowing rezoning applications for affordable housing projects to bypass the pre-application meeting required with Community Association Land Use Committees," and "removing the rezoning requirement with the Garden Suite Policy." Disenfranchising those people most impacted by development from their full role in ensuring it is appropriate or desirable will serve only to frustrate and anger them. Is this the new face of civic engagement?

Two of the threats most likely to cause concern in a neighbourhood are increased density and building heights, yet one recommendation is to "allow for higher densities and greater heights than permitted within existing zones." To what purpose zoning?

The Task Force's mandate was to "engage the public and stakeholder groups as appropriate to develop recommendations." If the neighbourhood associations are not considered to be "stakeholders," the City has little notion of what community engagement really is.

Sincerely,

Janet Simpson, President

**Christine Havelka**

---

**Subject:** FW: Policy idea for housing affordability

On 2015-06-15, at 7:14 AM, Lee Herrin wrote:

I forgot to mention another possible screen. Serious housing providers apply for and obtain "municipal" tax status with respect to filing GST for providing services that in other parts of Canada are provided by municipalities (thereby providing them a 100% credit on GST paid for this activity). One of these is affordable housing, but in Cowichan Bay, a non-profit runs their "municipal" water supply (for instance). Providers have to prove to CRA that they are providing affordable housing in order to obtain the status. The permissive tax exemption could flow toward those who have municipal status.

-----Original Message-----

From: Lisa Helps (Mayor) [<mailto:mayor@victoria.ca>]

Sent: June-14-15 11:34 AM

To: Lee Herrin

Cc: Housing; Lisa Helps (Mayor)

Subject: Re: Policy idea for housing affordability

Thank you. We will ensure your feedback is added. A property tax exemption for non-profits that run affordable housing projects could be included as a concrete recommendation of the task force should the task force members agree to add it.

--

Lisa Helps, Victoria Mayor

[www.lisahelpsvictoria.ca](http://www.lisahelpsvictoria.ca)<<http://www.lisahelpsvictoria.ca>>

250-661-2708

@lisahelps

"Cities have the capability of providing something for everybody only because, and only when, they are created by everybody."

- Jane Jacobs

On Jun 12, 2015, at 12:02 PM, Lee Herrin <>> wrote:

The policy recommendations do not include using permissive tax exemptions as a policy tool to support the development or ongoing supply of affordable housing.

Most affordable housing is provided by non-profit organizations and/or charities. One way to move money to these organizations is to provide permissive exemptions on their existing affordable housing projects (as well as on new developments). Obviously, an eligibility policy would need to be developed for this, but most affordable housing providers have received

contributions from either the City and/or other levels of government. Projects receiving these funds usually make a commitment that is registered on title. This would be an easy way to screen applicants. If they could show proof on title that there is still an existing covenant to provide affordable housing (likely with either CMHC or BC Housing), they would be eligible for some level of permissive exemption. This would reduce ongoing operating costs for these providers. This reduced operating cost would most likely either be used to reduce rents (contributing directly to increased affordability), or to generate surpluses which would be used for the equity portion of a new affordable housing project (affordable housing providers have a purpose in their constitution to provide affordable housing—this could be another screening tool). Reducing ongoing operating costs would help the providers generate that equity sooner, leading to more rapid supply of new affordable units to market.

As an example, my organization provides 10 three bedroom units of affordable family housing on two sites. We currently receive no property tax forgiveness on these properties. The rents on these properties amount to roughly \$120,000 per year (market rents would be more like \$180,000 per year). Municipal property taxes, which are paid from the rents, amount to an estimated \$5,333 per year (I have to estimate because four of the units are in a mixed use building and calculating the residential only portion of the municipal tax bill is very complicated). Obviously, this is not a large amount, but it is ~\$45/mo per unit. An organization my size would likely use this contribution to keep rents affordable. However, a larger organization, with say, 100 units, could build \$4500 of equity per month with a full of exemption.

One other observation, which I have already shared with Councillor Thornton-Joe. The CRD and CoV housing trust funds currently pay “per-door” contributions to affordable housing projects. This incentivizes the construction of “workforce” housing (bachelors/one bedrooms) which is fine, in and of itself. However, as the population pyramid below shows, the City of Victoria has an unnaturally low population of children. I believe this is due to the lack of housing affordability for families. There is a significant cohort of people age 20 to 35 (known to demographers as the family formation stage of development). Providing “workforce” housing is great, as they need affordable places to live while in school or early career. But where do they go when they stabilize in employment, form couples and want to have children? Answer: Langford. We need a contribution policy that recognizes that affordable family housing is less advantageous economically for a housing provider to build (i.e. two- and three-bedroom). A “per front door” policy is unfair to those who would build affordable family housing. Perhaps a “per bedroom door” policy? Yes, a three-bedroom apartment still has only one kitchen and bathroom, but a family complex might contain half as many units as a comparable sized complex of bachelor units and attract half as much subsidy, while being substantially similar in costs to build, and generating considerably less rent over its lifetime.

<image002.jpg>

Lee

---

Lee Herrin  
Executive Director  
Fernwood NRG  
(250) 381-1552 ext. 103  
[www.fernwoodnrg.ca](http://www.fernwoodnrg.ca)<<http://www.fernwoodnrg.ca>>

Attachment to Email Richard Brunt  
May 29, 2015

I have built two smaller, lower-cost homes in Victoria, and one home elsewhere. I've learned a lot about efficient, more affordable construction, and would like to share my opinion on how we could encourage the building of more affordable detached homes.

For several years now in Victoria we have had a regulation on detached, new homes with basements, stating that second level floor space must be only 70% of first level floor space. Presumably, this was to ensure large, new homes would not have an excessive visual impact in the neighborhood. A good idea.

However, there have been unforeseen negative consequences of this regulation, when applied to smaller homes. In fact, it is very difficult to build smaller, more affordable detached homes in Victoria because of the 70% rule.

Here is why: to maximize affordability, you need to build square footage at the lowest possible cost. The best way to do this is a two level home - plus a basement (which can further improve affordability if used as a basement suite). Construction costs rise directly in relationship to footprint size. A small footprint means a small foundation, small excavation, small roof area, less materials, less labour – and lower costs. The smallest possible footprint is therefore critical to lower cost construction.

It is standard practice (and pretty important) to have 3 bedrooms on the upper floor. (I think most parents want to sleep on the same level as their kids). Three modestly sized bedrooms, a main bath and small en suite requires a minimum of 750 sq feet on the upper floor. (800 square feet would be better). Under the current 70% rule, that means a lower floor and foundation footprint of 1100-1200 square feet. That is huge, expensive, and far more than most people need for a living room, kitchen, dining (and maybe a den) on the main floor.

Therefore, under the current 70% rule, to get our 3 bedrooms upstairs, we are forced to build a footprint and main level about 400 square feet larger than necessary. At construction costs of \$150-\$200 per square foot, that increases the cost of building the house by \$60,000-\$80,000. It also means much more (roughly 30%) more material must be excavated from the site, and dumped. Significantly more concrete, lumber, drywall and additional materials must be used and transported. It is also 400 square feet more to heat and insure. The total amount of greenhouse gases produced by the construction of the home increases substantially.

Well-known house designer Ron McNeil recently designed a new house on Wilmer that had this problem. It was difficult, according to him, to get decent living space on the second floor (and they ended up not being able to put a bath tub in one bathroom). They had to build a much larger main floor than necessary, and had a challenging time filling up all that main floor space.

The visual presence of the house was substantially increased, since the upper floor was approximately the size they needed, while the main floor and footprint of the house was much bigger than they needed. There is more visual impact to the neighbors, and less green space in their yard, as a direct result of the 70% rule.

No one “wins” here. It's bad for the homeowner, bad for the neighbors, and it increases the cost of the house dramatically.

I was, until this week, going to build a compact, efficient house at 931 Bank Street. However, I pulled out of the deal because after having discussions with 3 designers, I determined it is now impossible to build a compact, efficient, lower cost house with a basement in Victoria - because of the 70% rule.



The regulation works well to minimize the visual impact of larger homes. However, it has exactly the opposite effect for smaller homes, increasing the visual impact – while substantially increasing cost of construction.

I suggest as a solution exempting small homes from the 70% rule. You could say that any house with a footprint of 900 square feet or less could build a full second storey, with floor space equal to the first floor. People could build smaller homes that work better, for less money. Developers would have an incentive to build smaller, more efficient, lower cost homes with broader appeal. As it stands, they must build larger, more expensive homes, and market them to the very highest end of the housing market.

If we want people to build more affordable houses, we have to have regulations and incentives that allow them to do so. Currently, this is not the case in Victoria, because of the 70% rule.

### Secondary Suite Recommendation

Currently in the City's zoning regulations/policies there exists a restriction that is negatively affecting many homeowners rights when it comes to being permitted to build a secondary suite.

A little background: for many years the City has had a unique permitted use within its "single-family " zoning which allows for existing dwellings to be converted to multiple units if the existing structure is of a certain age and the exterior remains unaltered. I don't have the exact details here but something like a pre-1932 house can be 3 or more units depending on square footage of existing structure and pre-1972 dwelling to become 2 units if no exterior change to existing structure. There are many examples of the pre 1932 conversions of 3 or more units throughout the City and in the majority of cases this has been a very positive and innovative housing option. However there are very few examples of the pre 1972 housing option to create duplexes likely for the following reason: mainly the fact that most housing built between 1932 and 1972 is fairly modest in size so with no exterior changes permitted, creating two equal size/quality housing units within the existing structure is just not economically or structurally viable.

More recently when the City adopted its secondary suite policy, namely, that any single family dwelling is permitted to have a secondary suite up to a max of 900 sq feet, I believe the inappropriate application of the above policy concerning conversions became applied to secondary suite applications. The result is that many homeowners, who would like to do a renovation to the existing dwelling, plus at the same time, add a secondary suite to help pay the costs cannot do so. Currently they would have to do the renovation and then wait 5 years before applying to build a secondary suite. I'm not sure all members of Council know of this restriction or really understand its implications.

Firstly, the vast majority of the housing built in Victoria neighbourhoods between 1932 and 1972 were post second world war and due to the economics and need at that time were rather modest in size and simple in design ...ie a typical raised bungalow of between 1100 and 1300 square feet on the main. The other fact is that most of these were built on, at the time, "suburban lots" of between 6000 and 9000 square feet. This resulted in the house occupying very little of the site, say under 15% when perhaps 30%- 40% is more normal for site coverage with new housing.

Fast forward to today and you have many of these existing pre-1972 homes being sold and, in my view, the much needed new owners for these homes has to be young families who bring new energy and vitality and help keep our inner City schools and parks relevant and well used. The problem lays with today's taste and lifestyle vs the post WWII baby boom. Almost all of these modest raised bungalows have 2 or maximum 3 small bedrooms and 1 bathroom on the

main. With today's high costs of inner City neighbourhood housing the only way to allow these new owners to even modestly expand the floor area of the home (likely at least to increase master bedroom and add a second bathroom) is for the new young owner to be able to pay for the reno by adding a secondary suite. BUT ...this is currently not allowed! So who wins?, certainly not the neighbourhood or the city as what often happens is the would-be owner chooses to move to outside communities to get more housing for their dollar. The person who then buys it is often just a small investor who holds for future development and who doesn't put the same care and energy into it as an owner occupant likely would. The city loses the revenue from increased housing value that new renovations would bring on and also the much needed secondary suite space to add to the affordable housing inventory.

When you consider that a new house on the same lot can have perhaps 4000 feet of livable space including a new suite of 900 square feet not allowing a homeowner to say add 5 or 600 square feet onto their modest bungalow plus develop a secondary suite in the basement at the same time is very unequal treatment for the same zoning.

If the City merely passed a motion to remove the restriction that if a homeowner decides to renovate his existing residence and at the same time add a suite he wouldn't have to wait 5 years to do so, it would solve this inequality.

If Council does this you will rejuvenate neighbourhoods, bring in more young families, increase building activity, create increase tax revenue and increase number of secondary suites....all for no cost to the City! You certainly will not have to give a \$5000.00 incentive to create a secondary suite. The demand and self interest will take care of it.

June 18, 2015



**Re: Mayor's Task Force on Affordable Housing**

Further to the recommendations by the Mayor's Task Force on Affordable Housing, the Victoria Residential Builders Association submits the following response:

**Year 1 Theme: Increase City of Victoria's capacity to support development of affordable housing**

1. Supported
2. Not supported - the City already requires cash and/or amenities for adding density beyond maximum heights. We do not support additional requirements.
3. Supported
4. Supported provided additional fees on private development are not required.
5. Supported provided additional fees on private development are not required.
6. Supported

**Year 1 Theme: Remove barriers to the development of more affordable housing options**

1. Support (a) particularly in light of a consultant's report commissioned by the City of Victoria in 2009 which says:

*"CALUCs are an anomaly in local government in BC as a means to gather community comments for development applications. The typical model is for applicants to host a community information meeting to present their development post-application submission, record comments, and use the information to amend their project."*

*"The roles between Council and CALUCs are presently blurred, with CALUCs sometimes seeking in effect to fulfill Council's role in speaking for the broad community."*

*"Their highly focused commitment can work against overall effectiveness."*

*"Comments from core groupings of participants; council, CALUCs, staff and industry survey respondents point the finger of blame at each other with varying degrees of intensity. There is a lot of anger, frustration and feeling of dismissal flowing from the CALUC process. It is not an exaggeration to say that almost no one is content with the current situation."*

*"It is recommended that the CALUC model be changed substantially to move towards a more typically municipal model while seeking to retain the high level of interest by CALUCs in making a value-adding contribution to their neighbourhood."*

The consultant made the following recommendation: *"Ensure that applicants and other participant groupings involved in application processing understand that applicants are not required to meet with CALUCs prior to submitting a rezoning application."*

Support (b) and (c)

2. Supported
3. Supported
4. Supported
5. Supported



6. Supported and suggest laneway houses be added to the policy which has been a significant success in Vancouver.
7. Supported
8. Supported

**Year 2 Theme: Increase City of Victoria's capacity to support development of affordable housing**

1. Supported
2. Not supported – inclusionary zoning discourages development and introduces a significant and costly set of problems for owners evidenced by projects such as Dockside Green and in other municipalities. Affordable housing must be supported by a solid business plan rather than regulatory restrictions having unintended consequences for both owners and developers.
3. Supported
4. Supported
5. Supported

**Year 3 Theme: Increase City of Victoria's capacity to support development of affordable housing**

1. Supported only with wide consultation and discussion on the existing bylaw's potential deficiencies, improvements, cost/benefit analysis etc. We support Revitalization Tax Credits encouraging landlords to improve their properties as noted in recommendation 3.
2. Supported
3. Supported
4. Not supported – affordable housing must be supported by strong business plans rather than more regulatory requirements contributing to a lack of housing affordability and unintended consequences.
5. Supported

**Year 3 Theme: Remove barriers to the development of more affordable housing options**

1. Supported

Thank you for the opportunity to provide feedback on the report. While we express concern about several of the recommendations, there is a great deal of good work that could contribute to affordable housing.

We appreciate the efforts of the Mayor and the Task Force to address this challenging issue in one of the highest priced housing markets in North America.

Our association is always open to discussion and consultation on any of these issues and others affecting affordable housing.

For additional information, please contact me at 250.383.5044 or [cedge@vrba.ca](mailto:cedge@vrba.ca)

Sincerely,

Casey Edge  
Executive Director  
Victoria Residential Builders Association



## Comments on the Program Proposals of the Affordable Housing Task Force

Dr. Brian L. Scarfe

June 5, 2015

### 1. Background Observations

(a) Given its location and climate, Victoria provides attractive lifestyles, but high housing costs. It also attracts homeless persons, who might not survive the winter climate in other parts of the country. Put differently, Victoria already has a “comparative advantage” in attracting homeless persons to this region.

(b) The City of Victoria experiences central, or core, city costs that are not borne elsewhere in the Capital Regional District (CRD). Policing is just one such cost.

(c) Within the CRD, average household incomes in the City of Victoria are the lowest, while property tax burdens are the highest. Indeed, inter-urban differences in average household incomes and in property tax burdens are quite significant.

(d) On a per capita basis, the City of Victoria already spends far more than other municipalities within the CRD on homelessness and social housing, indeed more than twice the expenditure of the next ranked contributor (Saanich), and in excess of four times that of most of the remaining members of the CRD, including wealthy Oak Bay, where average household income is more than twice that in Victoria.

(e) Victoria’s City Council intends to expand its expenditures related to homelessness and social housing support during its current term of office. Council does not seem to perceive the possibility that the problem of housing affordability will perpetuate itself, even with greater expenditures, because of the “build it and they will come” syndrome. The same is true of supports for the homeless.

(f) In the meantime, municipal councils in the rest of the CRD will rest on self-satisfied laurels, possibly laughing all the way to the bank.

(g) The affordable housing task force has been charged with coming up with proposals how best to spend the funds that Victoria City Council is allocating to the affordability problem.

### 2. Features of Urban Centres and Urban Form

(a) It is important to recognize that, as a general rule, housing costs per square foot are normally highest in the vicinity of the central business district (CBD) where many people work, because residents trade-off commuting costs against housing costs. The more viable is the CBD, the less viable will be the attempt to provide affordable, non-market housing in the down-town core. There is a rent gradient.

(b) The existence of various services for low-income, and frequently unemployed, people in the down-town core, services that may not be as available in suburban areas, also creates an incentive to live close to the urban core, again in order to minimize the travel costs associated with access to these services.

(c) It follows that the attempt to provide significant volumes of affordable housing close to the down-town core runs counter to market differentials in land prices. Another way of putting this point is to indicate that affordable housing is unlikely to be “the highest and best use” of scarce land in the urban core. One is inevitably fighting an uphill battle.

(d) In general, other municipalities within the CRD do not have the same affordability issues as the City of Victoria, largely because average household incomes are higher and land prices are lower, while the property tax burden is also lower. Commuting costs for residents of other municipalities who work in the downtown core are, however, higher.

### 3. Comments on Specific Recommendations

(a) Year 1 (2016), recommendation one, reads: “expedite the development and permitting approval process by allowing rezoning applications for affordable housing projects to by-pass the pre-application meeting required with Community Association Land Use Committees”. This recommendation is dead wrong for several reasons.

(b) First, it is not the CALUC process that holds up the development and permitting approval process, because compared to the machinations of the City of Victoria planning department, the City’s PLUSC process, and the Council’s hearing process, the CALUC process involves very little time. The CALUC process frequently leads to re-zoning and development adjustments that ease the burdens on the City’s process.

(c) Second, taking away the ability of neighbourhood association meetings to host preliminary discussions of land-use proposals may lead to all kinds unrest, which will surface in the hearing process, possibly associated with the notion, right or wrong, that the City is trying to impose slum conditions on a particular neighbourhood.

(d) Third, recommendation one may well lead to City Council making decisions that over-ride the zoning stipulations contained within land use plans, including the Official Community Plan, the Downtown Core Area Plan, or a particular neighbourhood plan. Goodbye trust.

(e) The remaining Year (1) recommendations all provide additional reasons for NOT supporting recommendation one. However, recommendations six and seven are sensible, and follow current practices in Vancouver, B.C.

(f) Year 2 (2017), recommendation two, is unclear without the provision of a definition for “inclusionary zoning”.

(g) Year 2 (2017), recommendation three, flies in the face of the idea that land should be allocated to “the highest and best use”. Municipal governments that try to allocate land without proper consideration of land markets and alternative uses will inevitably lead to inefficient land use, and thereby undermine city productivity. “Opportunity costs” should not be ignored.

(h) Year 2 (2017), recommendation five, suggests that the City create a real estate function within the City’s administration. This makes sense, although the purpose of such a function should definitely not be solely to “purchase and sell property for the purpose of creating affordable housing”.

(i) Year 3 (2018), recommendation three, suggests the establishment of all kinds of subsidies to help with the creation of affordable housing. Sorting out which are the most effective forms of subsidies would be worthwhile. However, has City Council really asked the over-burdened property tax-payers of Victoria for their opinions about this recommendation? Money does not grow on trees.





FAIRFIELD GONZALES  
COMMUNITY ASSOCIATION  
the place to connect

June 8<sup>th</sup> 2015

Dear Mayor and Council;

We are responding to your request for comment on the "Mayors Task Force On Housing Affordability: Draft Recommendations Dated 27 May 2015. We appreciate the opportunity to provide the following commentary and feedback on several of the recommendations (recommendations are repeated in italics for easy reference);

*Allow for higher densities and greater heights than permitted within existing zones in exchange for affordable housing units.*

- **Height relaxation as given is not supported;** site specific relaxation may be appropriate.

*Expedite development approval and permitting process by: Allowing rezoning applications for affordable housing projects to by-pass the pre-application meeting required with Community Association Land Use Committees (CALUC).*

- **Not supported!** This pre-application meeting is the means by which residents who live in proximity to proposed developments are actively engaged and transparently informed about proposed developments. This civic participation ensures issues are identified and effectively addressed early in the process, and minimizes misinformation and unfounded fears and concerns. The scheduled meeting and comments relayed to the City should not delay the process.

*Reduce parking requirements within Schedule C – Off-Street Parking of the Zoning Regulation Bylaw for selected housing types, zones and geographic locations (e.g. urban villages)*

- We comment, the requirement for reduces parking especially if car-share coop membership or bicycle parking is provided. Parking requirements could be specifically relaxed for commitments to increased numbers of rental units, especially below-market cost ones.

1330 FAIRFIELD RD. VICTORIA, BC V8S 5J1

Tel. 250.382.4604 Fax 250.382.4613

www.fairfieldcommunity.ca

place@fairfieldcommunity.ca

Resident Parking in a Strata could be reduced but allocation for **Visitor Parking in Strata's should be maintained. Further,** the criteria for quantity of Visitor spaces should be calculated based, as it is in the BC Strata Act, on the number of residential units not the number of residential parking spots. The later change is even more important if you are reducing residential parking spots.

Remove the rezoning requirement within the Garden Suite Policy.

- **Not supported** as it is the rezoning application that triggers the CALUC Community Meeting process and this would mean (as in the above) that such projects would proceed without community involvement.

Remove the restriction within the Garden Suite Policy that prohibits development of garden suites on properties with secondary suites.

- **Supported**

Contribute land at no cost or at reduced market value for the development of affordable housing projects, where possible.

- Rather than a gift of land, suggest a long term lease at market rates as a means to defer up front ownership capital costs and that you look at the arrangement used by Whistler to provide "affordable" housing for employees in the community as another possibility (land value is controlled upon resale so as to ensures property is not flipped for a profit by a owner).

Create a real estate function within the City's administration that can purchase and sell property for the purpose of creating affordable housing.

- **Support recommendation**, see comment above. This is what we believe Whistler did or some variant of this proposal/model.

Review and strengthen the Property Maintenance Bylaw and the resources to administer the Bylaw in order to better protect quality of life and promote safe housing conditions for all residents of Victoria.

- **Supported**

1330 FAIRFIELD RD. VICTORIA, BC V8S 5J1

Tel. 250.382.4604 Fax 250.382.4613

[www.fairfieldcommunity.ca](http://www.fairfieldcommunity.ca)

[place@fairfieldcommunity.ca](mailto:place@fairfieldcommunity.ca)

*Review the Zoning Regulation Bylaw to ensure it accommodates a variety of housing types (e.g., fee-simple row housing, co-housing, and where appropriate, strata conversion and subdivision of oversized lots for infill) that can be used to achieve greater owner affordability in the housing market.*

- **Supported.** Concept should be advanced for implementation immediately.

As a general comment, it would be informative to define what is “affordable” as a term for accommodation and how this may vary depending on location. For example, at the other extreme with respect to affordability would be housing on Hollywood Crescent which abut the ocean. Suffice to say “location” is critical to affordability and while one does not want to create ghettos there needs to be a balance. Lastly, the full solution will take more than amending or adjust municipal tools and resources, it needs both Provincial and Federal fiscal support. The property tax base is not progressive, so to be both fair and appropriate, financial support must and should come from the upper two levels of government.

Yours truly,

Lynn Beak  
President  
Fairfield Gonzales Community Association



June 15, 2015

Mayor & Council  
#1 Centennial Square  
Victoria, BC

RE: Mayor's Task Force on Housing Affordability

Dear Mayor & Council,

I am writing on behalf of the Burnside Gorge Community Association (BGCA) to share our feedback on the Draft Recommendations recently put forward by the Housing Affordability Task Force. While we applaud the City's efforts to address the issues surrounding housing affordability, there were several items that raised questions and/or concerns for our members.

**Year 1. Theme: Increase City of Victoria's capacity to support development of affordable housing**

*Recommendation 2: Allow for higher densities and greater heights than permitted within existing zones in exchange for affordable housing units.*

Our comment: This recommendation undermines all of the efforts (on the part of the City and community) that have gone into creating the Official Community Plan as well as the local area planning process that is currently underway for the Burnside Gorge community. Great caution should be given to attaching too many concessions to affordable housing projects.

Our recommendations: Projects should possess both neighbourhood and regional value.

*Recommendation 4: Review Victoria Housing Reserve allocation of \$10,000 per unit of affordable housing to determine whether there is a need to increase the amount of dollars per door.*

Our comments: Increasing the amount of per door allocation would provide an incentive to developers to diversify and include more family-appropriate housing in developments. Additionally, the current model excludes individuals who could also provide affordable housing, at a smaller scale to be integrated into the existing built-up housing stock.

Our recommendation: Consider providing the Victoria Housing Reserve allocation to individuals building secondary suites, in addition to non-profits.

*Recommendation 5: Investigate options to expand the capacity of the Victoria Housing Reserve through alternative financing mechanisms.*

Our recommendation: Consider providing low-rate loans to individuals for the creation of secondary suites. The interest raised could go to into the reserve, while at the same time encouraging the creation of housing.

*Recommendation 6: Expedite conversion of motels and other transient accommodations to residential, where appropriate, and expand conversion opportunities to all downtown zones.*

Our comment: Burnside Gorge currently has one of the highest concentrations of low-income single occupancy housing in the city, largely due to conversions. This does little for the development of the community overall and does not encourage a diversity of housing in the area.

Our recommendation: Encourage re-development and the creation of quality construction and housing that supports diverse and healthy housing and communities.

**Year 1. Theme: Remove barriers to the development of more affordable housing options**

*Recommendation 1. Expedite development approval and permitting process by:*

*a. Allowing rezoning applications for affordable housing projects to by-pass the pre-application meeting required with Community Association Land Use Committees.*

Our comment: The pre-application meeting is an opportunity for CALUCs to provide proponents with a heads-up on issues and potential opposition they might come across later. These meetings can help the proponent be one step ahead when they do go to a community meeting.

Our recommendation: Do not remove this requirement as it may adversely affect the development process and timing.

*Recommendation 3. Remove minimum unit size requirements within the Zoning Regulation Bylaw and Conversion Guidelines – Transient to Residential Accommodation.*

Our comment: For certain types of development this is acceptable. However, reducing the minimum size of units will inevitably impact the general housing market as the cost of such small affordable units tends to rise with market demand. This recommendation also creates potential for ever-lower quality developments or revisions to existing units, on the grounds of affordability.

*Recommendation 6. Remove the rezoning requirement within the Garden Suite Policy.*

Our comment: We fully agree with this recommendation and feel that it would remove an important disincentive.

*Recommendation 8. Amend Schedule J – Secondary Suite Regulations of the Zoning Regulation Bylaw by eliminating the minimum size requirement and the restriction on dwellings that have been renovated in the past five years.*

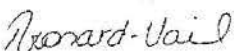
Our comment: Presently, some older buildings with perfectly acceptable ceiling heights cannot accommodate a legal suite because of beams or ductwork only a few centimetres below this absolute height restriction. As a result, the structural modifications required to create a legal suite are prohibitive in many cases.

Our recommendation: A simple change in the City's building bylaw could make many more legal secondary suites possible, while retaining the spirit of providing pleasant and safe living spaces. Adjusting the minimum ceiling height requirements of 2.0 m and allowing a certain small percentage to be below 2.0 m (as is allowed in many other jurisdictions) would increase available housing stock.

Final Comment: Unrelated to a specific theme or recommendation, the vague definition of what constitutes 'affordable' housing is cause for concern. True affordability requires liveable communities with diverse services within walking distance. The recommendations lack an emphasis on long-term affordability and quality of life (location, ease of access, operating costs) for the people living in affordable housing.

Thank you for the opportunity to provide feedback.

Sincerely,



Tamara Leonard-Vail  
Board President

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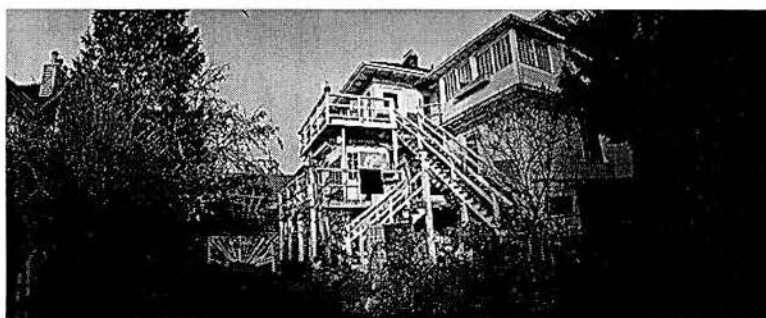
June 16, 2015

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HuffPost's signature lineup of contributors***Matt Toner**[Become a fan](#)

B.C. Green Party Critic For Finance And New Economy

## Vancouver's Affordability Trap

Posted: 06/13/2015 11:09 pm EDT | Updated: 06/13/2015 11:59 pm EDT

*(Photo by sporkist / CC BY)*

It's hard to know what to make of B.C. Premier [Christy Clark's response](#) to Mayor Gregor Robertson's better-late-than-never request for government action around Vancouver's affordability trap. But if you peel back the layers and actually take the time to read through both the B.C. Finance Ministry's briefing note on the topic, and then the research submitted by the B.C. Real Estate Association, things become a little more clear. This is a decision born more from ideology than from any evidence-based analysis.

And while the provincial government might want to wish this crisis away, the facts have a way of hanging around.

The Bank of Canada, hardly a collection of anarcho-leftists, considers the Canadian housing market to be as much as [30 per cent overvalued](#) -- which is an estimate alarmingly close to those that came just before the massive U.S. correction of 2008.

The Demographia Institute study of [housing affordability](#) continues to place Vancouver as the second worst city in the world, just behind Hong Kong, and just ahead of San Francisco. And credit union [Vancity reports](#) that while wages in Vancouver grew by 36 per cent between 2001 and 2014, house values soared by a whopping 211 per cent. The list of warnings goes on and on.

So with a runaway real estate market that shows few signs of slowing -- one which, if left unchecked, will fundamentally re-write the makeup of Vancouver for a generation -- the provincial government is taking a pass. That's a pretty bold decision and one that you would expect to have backed up by some compelling research.

But as far as I can tell, it all rests on one single piece of near guesswork: an "estimate" by uncited "industry experts" that the degree of foreign speculation in Vancouver hovers at a negligible five per cent. Therefore, doing nothing is the right move.

(To be clear, the "foreign" origin of such investment is a bit of straw man: it is the speculative nature that is worrisome, whether that money comes from Shanghai or Sarnia.)

So let's explore the origins of this five per cent estimate on which so much rests. It [originates from the B.C. Real Estate Association](#), and you must admit that asking the BC REA for their opinion on housing affordability is a little like asking the fox how to build the best henhouse.

What can be extracted from [the documents](#) is not entirely reassuring:

- First, the BC REA cites residential measurements based on the 2011 census, which is of limited usefulness in understanding a bubble that, judging from MLS price data, has largely manifested since the 2010 Olympics. Next.
- They then talk about a CMHC rental market survey of property managers, which seems promising, but they do little to explain the methodology. Next.
- The report then mentions a 2010 study by Urban Futures (outdated, next) and an informal poll of 200 realtors (methodology, next).



- As a finale, the BC REA cites housing market studies from the US and Australia that measure non-resident investment... which are, at best, extremely crude proxies for whatever is happening in Vancouver.

None of this gives much credibility to the five per cent number, unless you squint your eyes just right and *really* want to believe.

But because of this vanishingly small number -- unverified by any hard research -- no policy action is required. We can just sit back and let the invisible hands of the market give us all a refreshing neck rub.

Indeed, Clark's letter goes on to assert that *any* move by the government to cool a housing market renowned worldwide for its heat would instead bring up disastrous economic repercussions: negative homeowner equity, depleted investor returns, somehow higher rental rates, cats and dogs sleeping together, etc.

This meltdown scenario is also a straw man argument. No one sensible is talking about policies to bring down the overall price level: this would wreak exactly the same havoc as an uncontrolled collapse of the housing bubble. But any reasonable analysis of the situation suggests a clear role for policy to slow or halt the rate of increase in housing prices so that income levels can catch up. The combination of the two would let us all squeeze out of the affordability trap.

Oddly enough, the B.C. Ministry of Finance references what seems to be an excellent example of how this can be accomplished in their own briefing note on the issue. They point to Singapore, which used a basket of policy measures to bring their housing price increases under control. As a result of their actions between 2009 and 2013, housing prices in that market slowed and then began a slow decline.


But the finance department states that this is not a success story, as housing is still unaffordable for many who live in Singapore -- missing the point of the exercise entirely. If the Singaporean government can continue to maintain housing price stability, these policies will give local incomes a chance to catch up to those admittedly levels. Their economy will grow out of its housing crisis without triggering a sudden market correction.

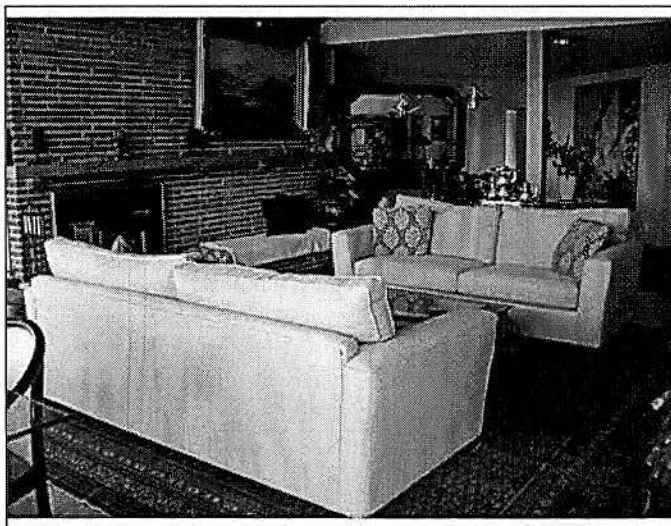
That's exactly the kind of outcome we need to engineer here in Vancouver, and we need to get to work now. The Vancity study raised the alarm that affordability issues are poised to trigger an exodus of millennials from Vancouver, in search of the higher incomes and satisfactory homes that they have been told won't be possible here.

This is a terrible prospect for a city that wants to build its future around the jobs of tomorrow, filled by our brightest and best. Instead we risk turning into a resort city, where few who grew up here can aspire to actually live here.

But, as with seemingly any non-LNG related economic challenge, the government's policy non-response seems to be the sort of frantic shooing gesture a BMW driver makes when faced with a squeegee kid. Unfortunately for those of us living in Vancouver, this one isn't going to go away. It's a real problem with real consequences that are directly opposed to building a sustainable society.

**ALSO ON HUFFPOST:**

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## Conversations



Add a comment...

Comment



**Lisa Clarke**

What drives me crazy is that the middle-class British Columbian pays for this grossly inflated housing market in so many ways. Increased debt load, money going towards mortgages that could go into savings, vacations, resp's, the BC economy, you name it. I'm sick of it! Raising a family here is so hard, the greedy real estate market is gobbling up our quality of life. They've created a monster here! Do something about this, you're wrecking the province my grand-parents and great-grandparents worked so hard to build!

Reply · Like · 6 · June 13 at 10:37pm



**Foreign Investment in Vancouver Real Estate**

Totally agree. I think that it's fear of being priced out forever. I have friends that have jumped into the detached market on the East Side, and they are so stretched financially, but they just don't care because they think it's just going to go up-up-up. It's such a speculative market, not based on rates or salaries, but the hope that we just keep getting more foreign buying.

Reply · Like · June 14 at 7:14am



**Aaron Anderson** · Vancouver, British Columbia

There are a couple of ways to address this issue. The easiest is the bank of Canada raising interest rates to what they used to call "normal". That would mean 6-8% mortgages. Immediately regular dual income middle class families will not be able to afford their million dollar slum-homes, many will be forced to foreclose. New home owners would not be able to enter the market with these interest rates even if they had the minimum down payment of 10%. Supply and demand would tilt, demand would reduce, supply would increase and prices would fall.

The other option is, just don't buy. Save your money, rent, look at ms listings now and then, continue to save, laugh at pushy real estate agents who try to get you to over bid another offer to lock in the property. Keep saving. Your bank will send you letters as your assets grow, offering... See More

Reply · Like · 1 · June 14 at 8:45pm



**Michael Wilson** · Vancouver, British Columbia

Sorry, Matt, but you lost me here:

"No one sensible is talking about policies to bring down the overall price level"

The only way to truly restore affordability is to do exactly that.

The biggest deterrent to risky financial decisions is fear of loss. When the government says they will do whatever it takes to prevent price drops, it encourages the very behaviour that got us into this mess!

Reply · Like · 1 · Yesterday at 5:54am



**Matt Toner** · Vancouver, British Columbia

Hi Michael, this is why I call it a trap. If we were to knock the price levels down by X%, this would shove many existing owners underwater wrt their mortgages. The effects would be more localized, but would feel a lot like the US housing market correction of 2008: it would hit homeowners hard and could have a knock-on effect that impacts the Vancouver economy in general.

This is why I suggest measures to bring about price stability in the housing market. If prices weren't galloping ahead, incomes would steadily catch up and we could escape the trap.

Reply · Like · Yesterday at 9:23am



**Brad Richert** · Top Commenter · Associate Broker/Realtor at Macdonald Realty Langley

9 million Millennials in Canada have entered or are entering home buying age. All want what their parents have. But sure, blame Asians and Realtors and the government.

8.2 million baby boomers completely changed the face of real estate two generations ago but we can't learn from history. We gotta find our minority scapegoat. Keep it up. See how far that gets us.

And yes, real estate is overtly racist. It takes 6 months in the industry to realize this if you haven't already. Canadian racism is polite and in denial.

Reply · Like · 1 · June 14 at 10:10am



**Peter James** · Top Commenter

>>>>"Canadian racism is polite and in denial."

Not that polite.

Let's just say it's not as overt and in-your-face.

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Part of HPMG News

**Vox**

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Clarion Alley in the Mission neighborhood of San Francisco. | Darwin Bell

# **This woman has a plan to fix San Francisco's housing crisis — but homeowners won't like it**

*by Timothy B. Lee on June 15, 2015*

When I visited San Francisco last month, everyone wanted to talk about Bay Area's affordable housing crisis. Tech

industry money has made San Francisco the most expensive city in America, and ordinary San Franciscans are finding it harder and harder to afford housing.

There's a raging debate over what to do about it. Traditionally, many affordable housing advocates have viewed market-rate housing developers with suspicion. In their view, developers make things worse by building luxury condos that are too expensive for ordinary San Franciscans. This kind of thinking is behind a recent proposal to freeze (<http://www.vox.com/2015/5/5/8557153/san-francisco-mission-campos>) market-rate housing development in a neighborhood called the Mission.

But a new generation of affordable housing advocates have a different view. For example, Sonja Trauss leads a new group called the San Francisco Bay Area Renters Federation — "SFBARF" for short — that believes promoting development, rather than stopping it, is the key to making the region affordable again. She hopes to remove legal barriers to housing construction in order to unleash a major building boom in San Francisco and throughout the Bay Area.

This is a fight with national implications. The Bay Area has become the center of American innovation, yet strict housing regulations in San Francisco and Silicon Valley have stunted job creation there. Other big coastal cities are struggling with similar problems. A recent study (<http://www.nber.org/papers/w21154>) suggests that relaxing housing regulations in the San Francisco and New York metropolitan areas alone could boost the American economy by hundreds of billions of dollars.

But the politics of this are tricky. Everyone supports more housing *somewhere*, but hardly anyone wants housing to be built near them. People like their neighborhoods the way they are and worry that development will change them for the worse. Ultimately, then, the Bay Area housing fight is about culture as much as it is about economics. Solving the region's housing crisis will require convincing ordinary voters that long-term benefits of more plentiful housing will be worth the upheaval that would result from a building boom.

## **Why long-time Mission residents hate luxury condos**

On June 2, the Board of Supervisors, San Francisco's city council, met to consider a proposal by supervisor David Campos to freeze market-rate housing construction in the Mission, a neighborhood Campos represents. The supervisors heard comments from constituents for more than seven hours.

Most of the speakers favored the moratorium. The Mission has traditionally had a large Hispanic population, but surging demand for housing there has led to a steady attrition of Hispanic residents over the past 15 years. The neighborhood's strict rent control laws mean that it's not easy for landlords to force out existing residents. But when longtime renters move, landlords can boost rents to market levels, which means the new residents are likely to have little in common with the old ones.

## **The Mission isn't exactly having a construction boom**

Writing for San Francisco Weekly, Julia

Carrie Wong described

( <http://www.sfweekly.com/thesnitch/2015/06/03/tl>

mission-moratorium-and-the-other-

bubble) how many longtime Mission

residents feel about the changes in their

neighborhood — and why so many are

hostile to the construction of new

condos there:

These new glass and concrete edifices contribute to the alienation of the neighborhood's old residents. As do the fancy new restaurants and boutiques that working class residents can't afford. As do the giant tech shuttles lumbering through the narrow streets. For some, these are neighborhood improvements that provide jobs and improve the economy. But for those who will never enter them unless it's through the back door to wash dishes, deliver food, or clean rooms, they are just another reminder that they no longer belong.



Advocates of the Campos moratorium conceded that it wasn't a long-term solution to the neighborhood's affordability crisis. But they hoped the measure — which would have lasted for at least 45 days and been renewable for up to two years — would focus the city's attention on the issue and give it time to buy land for subsidized housing projects before private developers get it.

The Board of Supervisors voted for the development freeze by a 7-4 margin. That was short of the nine votes required to put the emergency measure into effect. But the issue isn't dead — advocates have vowed to put the measure to voters this fall.

### **San Francisco's "very deep hole"**



SFBARF leader Sonja Trauss. (Timothy B. Lee/Vox.com)

The stakes in the Mission moratorium fight are actually quite low; the neighborhood isn't exactly having a construction boom. In recent years, the Mission has been adding around 100 units per year (it gained 85 units ([http://www.sf-planning.org/ftp/files/publications\\_reports/2014\\_Hou](http://www.sf-planning.org/ftp/files/publications_reports/2014_Hou) in 2014), which works out to a third of 1 percent of the 25,000 units in the neighborhood.

The pattern is similar in the city as a whole: rents are surging, but development has been sluggish. "For the last decade, we've been growing by about 10,000 people a year," says Scott Weiner, a San Francisco supervisor who voted against the Mission development freeze. Yet the city has only added about 2,100 units per year over the last decade. In a city with 380,000 housing units, that's an annual growth rate of less than 1 percent.

When population growth dramatically outpaces housing construction year after year, "you start digging yourself into a very deep hole," Weiner says.

"We've been doing that for about a decade."

Last year was better than average, with the city adding 3,500 units ([http://www.sf-planning.org/ftp/files/publications\\_reports/2014\\_Ho](http://www.sf-planning.org/ftp/files/publications_reports/2014_Ho)

"We've finally turned in a positive direction," Weiner says. "The last thing we need is to shut down housing production when we have a housing shortage. This moratorium will increase the pressure on our inadequate housing stock."

### **How housing regulations hold back the American economy**

San Francisco's housing fight has implications for the American economy as a whole. The reason San Francisco is experiencing such a severe housing shortage is that the Bay Area is home to dozens of innovative technology companies that are desperate to hire more workers. They've been bidding up technology workers' salaries, and those workers are using their higher salaries to bid up the region's scarce housing.

This is a crisis for San Franciscans who can't afford the spiraling cost of housing. But it's also a problem for the American economy as a whole, because a shortage of housing is stifling the growth of some of America's most innovative companies.

## **Housing shortages are having similarly detrimental effects in other major metropolitan areas like Boston, New York, and Washington, DC**

In a more flexible housing market, the growth of Google, Twitter, Airbnb, and other companies would have triggered a massive housing boom and rapid growth in the Bay Area's population. And this wouldn't just create more jobs at technology companies. The region's growing wealth would also create a lot of jobs for other professions — schoolteachers, nurses, chefs, and nannies — that provide services to high-tech workers. As workers moved to the

Bay Area to take advantage of opportunities there, workers in the rest of the country would find it a little easier to find jobs and get raises.

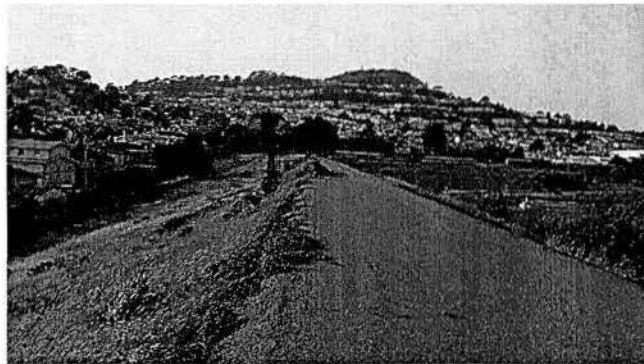
Housing shortages are having similarly detrimental effects in other major metropolitan areas like Boston, New York, and Washington, DC. These are all areas with high wages and a shortage of qualified workers. In a more flexible labor market, they'd all be experiencing a building boom as people moved there to take advantage of these opportunities.

How much are housing regulations holding back the American economy? It's impossible to put a precise number on the costs, but a recent study (<http://www.nber.org/papers/w21154>) by economists Chang-Tai Hsieh and Enrico Moretti suggest that the costs are easily in the hundreds of billions of dollars. They estimated that if cities built enough housing to allow 10 percent of Americans to move to higher-productivity cities, this would increase US economic output by 3.4 percent, which is more than \$500 billion. They

find that the New York and San Francisco Bay areas are responsible for the lion's share of economic losses due to housing shortages.

So every American worker has a stake in San Francisco's housing debate. A building boom in the Bay Area there would not only boost some of America's most innovative companies, it would also create hundreds of thousands of new jobs and help reverse America's recent economic slump.

### Not in my backyard



This abandoned reservoir site could provide housing for thousands of people. (Timothy B. Lee/Vox.com)

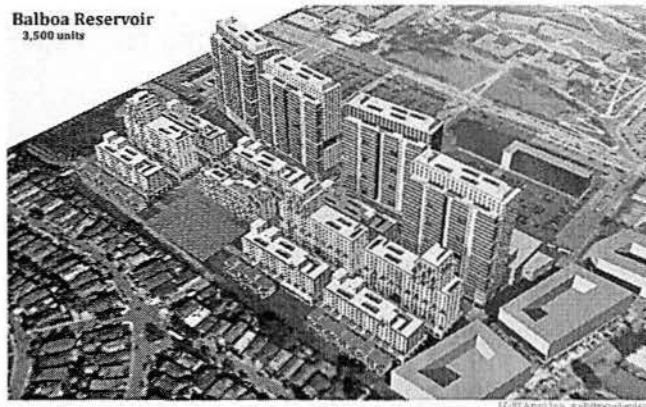
Development advocates believe that for San Francisco to really get a handle on its affordability crisis, it needs to add a lot more housing. One particular site in south San Francisco seems to offer an opportunity to do that. The long-retired

Balboa Reservoir now serves as a huge parking lot for the City College of San Francisco. The 17-acre site is owned by the San Francisco Public Utilities Commission, and city planners want to build affordable housing there.

The site is less than a 15-minute walk from the Balboa Park BART station, so residents who work downtown would be able to get there without a car, limiting the need for parking. And with a college campus on two sides and a four-story apartment building on a third, there are few neighbors next door to complain about having tall buildings towering over their yards.

Pro-development activists see this as an opportunity to build thousands — not just dozens or hundreds — of housing units. Here's [one conceptual sketch](http://sfbarf.tumblr.com/post/118213525855/fisrt-cultural-industries-balboa-reservoir) ( <http://sfbarf.tumblr.com/post/118213525855/fisrt-cultural-industries-balboa-reservoir>) by artist Alfred Twu of how the site could be developed to provide homes for 3,500 low- and moderate-income residents. That's about as many new housing units as the entire city added in 2014.





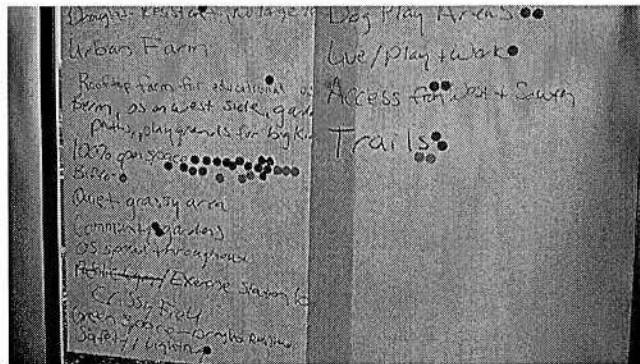
The city organized a May 5 meeting at the community college to solicit public input on what the project should look like. Sonja Trauss, the head of the pro-development group SFBARF, attended along with several of the group's members to press for an ambitious, high-density project.

But they were vastly outnumbered by the locals, who had a different agenda. Development advocates use the phrase NIMBY ("Not in my backyard") to describe people who resist change in their neighborhoods. NIMBYs were out in force at this Tuesday-night meeting.

Dozens of neighborhood residents packed the large classroom, writing their views on enormous Post-it notes city officials had posted around the room. People could endorse another

person's view by placing a colored sticker next to it.

The majority view was that the project should provide housing for as few people as possible. By the end of the night, "100% open space" had dozens of brightly colored stickers next to it. A lot of people also wanted buildings that were no more than one or two stories tall because taller buildings would destroy the "character" of the neighborhood.



Many people who lived near the Balboa Reservoir wanted it to be converted to "100% open space." (Timothy B. Lee/Vox)

Parking was a concern for many residents. At one point, Trauss was confronted by a resident who appeared to be in her 60s. She demanded to know if Trauss lived in the neighborhood, and Trauss admitted she lived in West

Oakland, on the other side of San Francisco Bay.

"Then you can't know what it's like here," the woman replied. "It's like a parking lot every day." She blamed the parking problems on previous development projects that hadn't provided enough parking spaces.

### **If you want more housing, you have to put it somewhere**

This kind of scene — which has played out again and again around the Bay Area — is a big reason for the region's housing crisis. Almost everyone agrees that the San Francisco Bay Area as a whole needs more housing. But the region is heavily developed, so any specific site developers choose is likely to be located near *somebody*. And those somebodies almost always find reasons to say, "Not in my backyard!"

In many ways, the fight over the Mission moratorium and the fight over the Balboa Reservoir project are mirror images of each other. In the Mission, low-income renters are organizing against development projects that they

fear will bring in a new crop of more affluent homeowners, transforming their neighborhood in ways that will make them feel out of place.

## **This kind of conservatism has been a major factor behind the city's affordability crisis**

In the Balboa Park neighborhood, affluent and predominantly white homeowners are organizing to stop a development that will provide housing for less affluent residents. While their stated concerns had more to do with parking and green space than changing demographics, the practical result of converting the site to "100% open space" would be to freeze the current demographics of the neighborhood.

People move to neighborhoods they like, so it's natural that longtime residents of a neighborhood would be resistant to change. But in the aggregate, this kind of conservatism has been a major factor behind the city's affordability crisis. Because no one

wants housing built in their own neighborhood, San Francisco isn't building housing anywhere — at least not at a rate that can keep up with demand.

Sonja Trauss hopes to convince renters in San Francisco that they have a shared interest in making housing more affordable — and then organize them to lobby for more development. On paper, renters should be a potent political force. More than 60 percent ([http://factfinder.census.gov/faces/tableservices/jsf/pid=ACS\\_13\\_5YR\\_B25003&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pid=ACS_13_5YR_B25003&prodType=table)) of San Francisco households rent. So if they were well-organized — and convinced that more development would lower housing costs — they would be an unstoppable political force.

And Trauss believes that the intensity of recent debates is helping to galvanize the city's renters — especially relatively affluent newcomers — into becoming more politically active.

"There's actually a very nasty tone to the conversation from the NIMBYs," she says. "People say, 'Tech assholes, go home.'"

## How developers make neighborhoods boring

Graffiti on Haight Street in San Francisco ([Jack Says Relax](https://www.flickr.com/photos/jbparrott/3948539219/in/photolist-71Vi9p-71ZleS-atZcTA-bm2LDY-rXMzhW-8mHGxk-9iwtU-56Uo6i-5reuY9-6SEsSq-6yLdaE-7kKBbU-71Zi7U-3yQXPc-ba7hz-8mqwRZ-9D9FQ6-7BowBy-frTVAn-7Zr3yt-89G6wC-7oDinY-7ozqbR-7oDikm-7ozq9z-4j67cC-5QzPt5-c1Q3u-5MJgwV-u5viZ-5Qvyre-bm2PLY-HL3Ss-5R4AiZ-5R8Tym-6SAApX-4PvWGS-9iwk3-8JSbJY-6J2eLu-LJxSW-4HYWZ-frU5ce-8YpPHk-fxYJct-HL3RN-fnpgdyv-7BjxtM-7BjKGx-9tz8U6)  
(<https://www.flickr.com/photos/jbparrott/3948539219/in/photolist-71Vi9p-71ZleS-atZcTA-bm2LDY-rXMzhW-8mHGxk-9iwtU-56Uo6i-5reuY9-6SEsSq-6yLdaE-7kKBbU-71Zi7U-3yQXPc-ba7hz-8mqwRZ-9D9FQ6-7BowBy-frTVAn-7Zr3yt-89G6wC-7oDinY-7ozqbR-7oDikm-7ozq9z-4j67cC-5QzPt5-c1Q3u-5MJgwV-u5viZ-5Qvyre-bm2PLY-HL3Ss-5R4AiZ-5R8Tym-6SAApX-4PvWGS-9iwk3-8JSbJY-6J2eLu-LJxSW-4HYWZ-frU5ce-8YpPHk-fxYJct-HL3RN-fnpgdyv-7BjxtM-7BjKGx-9tz8U6>))

While Trauss's political project is pro-development, she blames developers for some of the friction between newcomers and longtime residents.

"Developers are part of mainstream America," she says. "And mainstream America is pretty racist."

What she means is that major real estate developers use their wealth and influence to change the culture of the neighborhoods where they build. "If you have some neighborhood that's marginal or unusual and has any kind of street life that is technically illegal but generally not enforced," she says, developers will lobby to change that.

"They call it awful things," Trauss says. "They say 'cleaning up the neighborhood.' And what that means is getting all kinds of laws like loitering enforced, making street life difficult and illegal."

Trauss sees this kind of cultural friction as an unfortunate side effect of development projects. But she doesn't see it as a reason to block housing



projects. Instead, she wishes traditional housing groups would focus more on these issues. "If you're organized anyway, don't organize to stop the new building, organize to stop the accompanying integration problem."

**"Aaron Peskin is a legendary hater"**

(Michael Larson

( [Right now, SFBARF is pretty small.](https://www.flickr.com/photos/10502977@N05/1442395538/in/photolist-bvr9mi-dqdNbf-bvRJwp-7J25z2-2kRveC-bBv78g-b2gwmx-aP44PR-dzFbQ4-bTdoXP-aJaiTz-9Km2UR-fhrcuq-3csDWA-gGSuS-bt3YpX-9Evp9w-7BWQCV-9i6b5b-fH1q9p-fzhNSx-aFdwon-pJ4S5r-4heGvv-fiwt3r-7EbheV-7SiHYX-6tSPB1-akRdoF-5RT97n-i3f2p1-bmzvqK-4856v6-bn1GxB-biYt8p-9pMVBA-bdWmaF-9hMnEV-aSDvyp-54H2zK-aRcxPM-ddNEF8-7D6Le4-bnD6gL-hwBY5a-dXRcsR-fcBhWg-6pxdvD-iid9Du-6i2wbl) )</a></p></div><div data-bbox=)

Besides Trauss, the group has only one other paid staffer — a part-timer working on a contract basis. Trauss also has a handful of active volunteers and a mailing list with around 300 people.

So far, Trauss has focused on getting her supporters to meetings like the one in Balboa Park, to ensure that elected officials always hear a pro-development perspective to counter the NIMBYs. And she says the next big step is getting involved in electoral politics.

This fall, Aaron Peskin, a former president of the Board of Supervisors, is running in a special election to unseat recently appointed supervisor Julie Christensen. Trauss says the race provides an ideal opportunity for SFBARF to flex some political muscle.

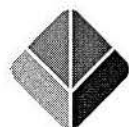
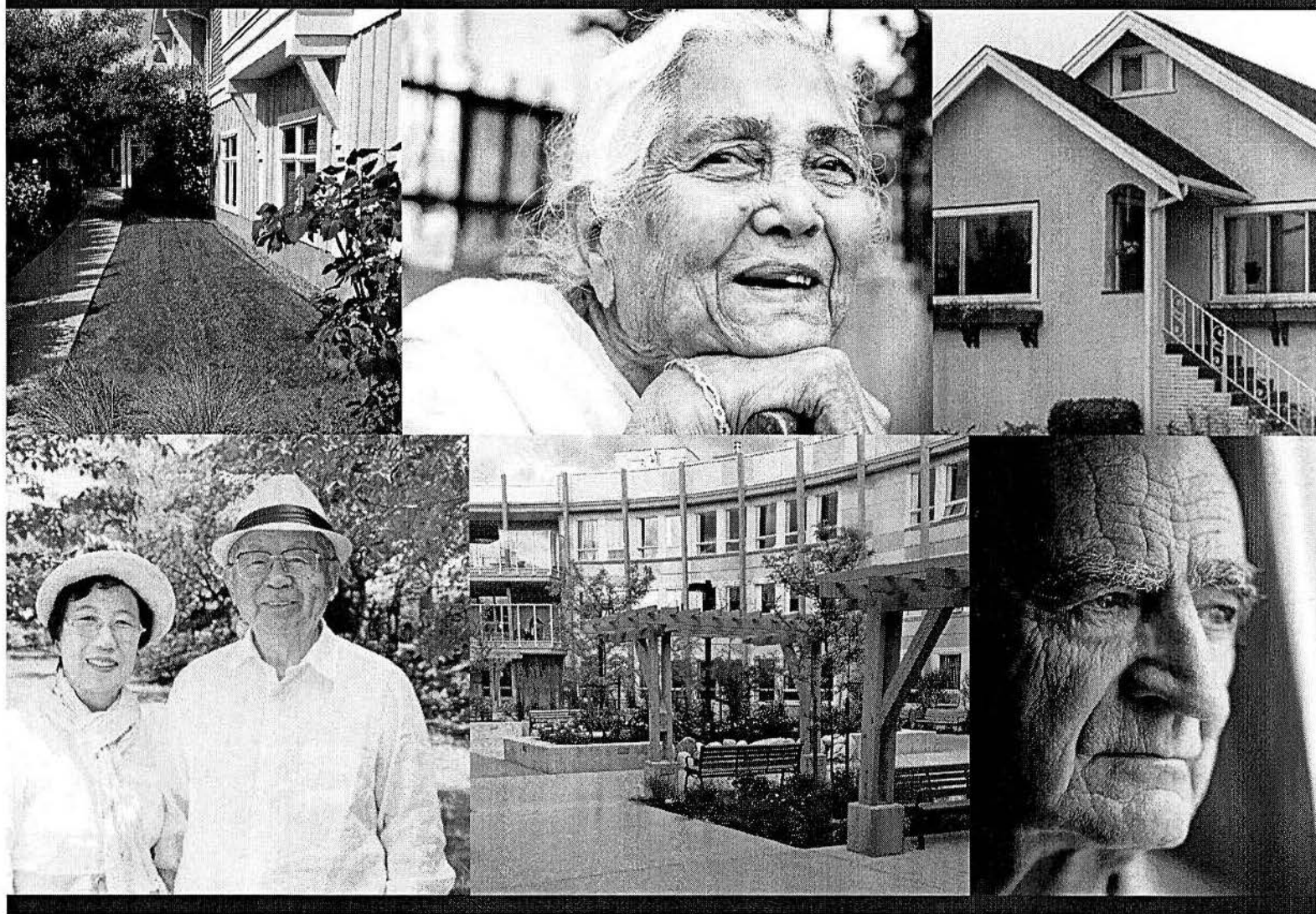
"The Board of Supervisors is split between 'yes we can build' people and people who are like, 'No way,'" she says. "Julie Christensen and Aaron Peskin are on opposite sides of that spectrum. Aaron Peskin is a legendary hater. He would be terrible."

So SFBARF hopes to mobilize thousands of relatively new San Francisco residents who haven't become politically engaged yet with an issue that all of them care about: the sky-high cost of housing. If the group helps Christensen beat Peskin in November, it could demonstrate that there's a substantial constituency for pro-development politics.

# Seniors' Housing in B.C.

Affordable • Appropriate • Available

## Executive Summary



OFFICE OF THE  
**SENIORS ADVOCATE**

[www.seniorsadvocatebc.ca](http://www.seniorsadvocatebc.ca)  
1-877-952-3181

May 2015  
Report #4

# Executive Summary

In the past year, the Seniors Advocate has met with thousands of seniors and their families in every region of the province. Among the many issues and concerns these seniors have raised and brought forward for discussion, they expressed a deep concern around the affordability, availability and appropriateness of seniors' housing in the province.

Seniors expressed clearly that they want to age as independently as possible in their own homes and in their local communities. However, low incomes and high living costs have a profound impact on the affordability of independent housing options for seniors, and on their ability to freely choose their living arrangements.

Many seniors accept that, as they age, changes to their health and mobility may necessitate a move to housing that incorporates a support or care component. However, many feel frustrated that their housing options are limited by the availability of appropriate housing in their communities and by the policies, practices and regulations currently in place that determine eligibility for particular types of housing. They fear they will be forced into assisted living or residential care prematurely, or need to move to faraway communities where there is no support system of friends and family.

Given the breadth and depth of the concern, the Seniors Advocate sought to undertake a review to identify issues across the continuum of independent housing, assisted living, and residential care settings that might limit seniors' ability to make choices about their housing. At each step along this housing continuum, the Advocate asked:

1. Have we done everything we can do to make this housing **affordable**?
2. Have we done everything we can to ensure this is the most **appropriate** place for seniors to live?
3. Have we done everything we can to make this housing option **available** to seniors?

The goal of this report is to emphasize some of the most pressing housing priorities facing seniors living in British Columbia. It is focused on recommendations that are practical, realistic and have the potential to leverage significant change.

The context of where and how B.C. seniors are currently living is necessary to appreciate the magnitude of the issues. The data indicate that, while many seniors are doing fine, some are not and require help to ensure their housing is affordable, appropriate and available.

A snapshot of how B.C. seniors are living shows that:

- 93% live independently in houses/townhouses/apartments/condominiums
- 80% are homeowners, of which 22% carry a mortgage
- 20% are renters, with 20% receiving some rent subsidy
- 26% live alone



## EXECUTIVE SUMMARY

- 4% live independently but receive provincially subsidized home care services
- 3% live in assisted living, with 20% receiving a subsidy
- 4% live in residential care, with 95% receiving a subsidy

The financial circumstances of B.C. seniors show that:

- The median income for seniors is \$24,000
- 35% of seniors who rent live on a household income of \$20,000 or less
- Average rents for a one-bedroom apartment vary from a high of \$1,038 in Vancouver to a low of \$547 in Quesnel
- While the average house price varies greatly in the province, the average annual costs of homeownership net of any mortgage payments is about the same regardless of where a senior lives, averaging around \$1,000 per month
- 36% of seniors with household incomes less than \$30,000 believe they will need to move in the future due to affordability

## Independent Housing

Independent housing options for seniors include both home ownership and rental situations. Independent housing is a choice that is **appropriate** for most seniors if it is affordable, if there is housing available that can provide accessibility to services and supports, and if it allows for design features to make the environment safe and accessible. There are data to support that, if seniors choose to, they can be cared for in their own home to very high care levels. Where the housing is located, whether or not there is a co-residing caregiver, and the degree of risk that a senior chooses to live with are all factors that will influence this choice, and different people will make different choices. However, should a senior choose to live independently, evidence supports this can be an appropriate choice.

The **affordability** of independent housing for low and moderate income seniors, both renters and homeowners, is challenging. Data support that many seniors who rent, particularly those in the Lower Mainland and Greater Victoria, are in genuine need of more support to cover their rental costs. The data also support that some low to moderate income seniors who are homeowners need to find cost relief for either their ongoing home ownership costs, or the extraordinary costs of major repairs.

The **availability** of suitable housing for seniors is lacking most in rural and remote areas of the province. This presents a particular challenge for those seniors who are isolated and may need to move into the nearest town once they are either widowed, lose the ability to drive, or require daily home support services if they want to continue to live independently and optimize their safety.

In response to these issues, this report makes a number of recommendations including changes and amendments to existing programs designed to help seniors financially. For homeowners, a bold new initiative is proposed that would allow for some, or all, of seniors' household expenses to be deferred.

## Assisted Living

Assisted living in British Columbia takes various forms: publicly-subsidized Registered Assisted Living, private-pay Registered Assisted Living, and private-market assisted living residences. Assisted living is a housing choice for many seniors who wish to live in a community with others and have hospitality services like cooking and cleaning provided by the facility. It is also appropriate housing for seniors who require care but have a level of cognitive function that allows them to engage with the community of seniors they live with while maintaining their independence.

The data reviewed in this report support that, for many of the people living in Registered Assisted Living, it is an **appropriate** setting. However, the data also clearly indicate there are other seniors for whom subsidized Registered Assisted Living would be appropriate, but they are not eligible for this type of housing and care as a result of the current regulations. These seniors would appear to instead go prematurely to residential care.

The **affordability** of subsidized assisted living appears to be adequately regulated by the current rate structure whereby seniors pay 70% of their net income, with a Temporary Rate Reduction available to those who need it. For seniors with very low incomes, however, these fees can leave very little disposable income for costs not covered by the fees.

The **availability** of assisted living overall appears to be sufficient given there is an estimated 10% vacancy rate. However, the availability in smaller, more remote communities may be a challenge. In general, the availability of subsidized assisted living is difficult to assess as there is no standardized method used for tracking vacancies either within or between health authorities.

Based on these issues, this report makes recommendations related to several aspects of the current regulatory framework for assisted living.

## Residential Care

Sometimes called long-term care, facility care or a nursing home, residential care provides 24-hour professional supervision and care in a protective, secure environment for people who have complex care needs and can no longer be cared for in their own homes or in assisted living settings. Seniors with Alzheimer's or other forms of dementia, those with significant physical incapacity, and those who require unscheduled and frequent higher level nursing care are all suited to live in residential care.

The data reviewed in this report suggests that residential care is the **appropriate** setting for the majority of seniors who live there, although some seniors are not in the appropriate location or their preferred facility. However, these data also suggest that some seniors in residential care, perhaps 5 to 15% of current residents, could be living in the community either with home care services or in assisted living.



## EXECUTIVE SUMMARY

The **availability** of residential care varies throughout the province. Waiting times for placement are greater in the north than in the Lower Mainland and waiting times are greatest for those who require highly specialized care such as a secure dementia unit. While it is difficult to assess accurately the sufficiency of beds overall, there is definitely a lack of availability of the bed of choice, or 'preferred bed'.

The **affordability** of residential care is assured by charging residents a percentage of their net income and by the availability of a Temporary Rate Reduction (TRR) in the case of undue financial hardship. However, awareness of the TRR and uniform application are lacking.

This report recommends changes to how residential care clients are assessed in order to ensure that all possible options for care and support in the community, either via home care or assisted living, have been exhausted before a senior is admitted to a residential care facility. It also recommends changes to admission processes to ensure that seniors' admission to residential care is carried out in a fair and appropriate way that respects seniors' needs and preferences. Finally, the report calls upon the provincial government to commit to a higher standard of accommodation in residential care facilities, including the provision of single room occupancy with ensuite baths for 95% of beds by 2025.

## Conclusion

We all want to do better for our seniors. This report highlights some of the systemic issues that seniors face as they strive to achieve housing that is appropriate, affordable, and available. It is clear that many low and middle income seniors, both renters and homeowners, need to have more financial help in meeting their basic needs. It is also clear that we need to do a better job in respecting the desire of seniors to live as independently as possible for as long as possible. Changes to the regulatory framework for Registered Assisted Living, along with more comprehensive screening for residential care admissions, are required to ensure our seniors are given all possible supports to live as independently as possible for as long as possible. Lastly, for those seniors with significant cognitive or physical disability who require the level of care provided in residential care, we must do all we can to get them to a place they want to call home that offers the privacy and dignity they deserve.

Together, we can build a strong foundation of appropriate, affordable and available housing options for the seniors of British Columbia.

## Independent Housing Recommendations

1. Revise the Shelter Aid for Elderly Renters Program (SAFER) to align with the subsidized housing model of tenants paying no more than 30% of their income for shelter costs, by:
  - a. adjusting the maximum level of subsidy entitlement from the 90% currently indicated in the SAFER regulations to 100%; and
  - b. replacing the current maximum rent levels used in the SAFER subsidy calculations with the average market rents for one-bedroom units in B.C.'s communities as reported annually by Canada Mortgage and Housing Corporation.
2. Create a Homeowner Expense Deferral Account type program, as outlined in this report, to allow senior homeowners with low or moderate income to use the equity in their home to offset the costs of housing by deferring some or all of the major ongoing and exceptional expenses associated with home ownership until their house is sold.
3. Amend the *Residential Tenancy Act* and *Strata Property Act* to protect tenants and owners who require non-structural modifications to their unit (i.e. grab bars, flooring) from either eviction, fine or denial and protect their right to access grant money from the Home Adaptions for Independence (HAFI) program.
4. Amend both the *Residential Tenancy Act* and the *Strata Property Act* to ensure that tenants/owners cannot be evicted or fined under bylaw for the occupancy of their unit by a live-in caregiver.
5. Amend the Home Adaptions for Independence (HAFI) program to: exclude the value of the home as a criterion; graduate the grant on a decreasing scale relative to income; decrease complexity for landlord applications; and allow for applications from strata corporations and co-ops.
6. Amend the *Strata Property Act* and the *Manufactured Home Act* to ensure seniors who are placed either in residential care or subsidized Registered Assisted Living are able to rent their homes while they are listed for sale.
7. The Provincial Government consult with the Active Manufactured Home Owners Association, the Manufactured Home Park Owners Alliance of British Columbia and regional manufactured home owners associations to revise the *Manufactured Home Act* so that fair and equitable compensation is provided to manufactured home owners who are required to leave their home due to sale or development of the property.
8. The Provincial Government, BC Housing and the Office of the Seniors Advocate work together to develop a strategy for affordable and appropriate seniors housing in rural and remote British Columbia.
9. The Provincial Government work with the Federal Government on the issue of seniors who are homeless as a discrete population within the homeless community.
10. The Provincial Government work with the Office of the Seniors Advocate to raise awareness of all subsidy and grant programs available to seniors.

## EXECUTIVE SUMMARY

## Assisted Living Recommendations

11. Registered Assisted Living be fundamentally redesigned and regulations changed, to allow for a greater range of seniors to be accommodated and age in place as much as possible including palliative care. This should reduce: the number of discharges from Registered Assisted Living to Residential Care; the number of admissions to residential care of higher functioning seniors; and the number of seniors admitted directly to residential care from home with no home care.
12. Amend section 26(6) of the *Community Care and Assisted Living Act* to:
  - a. allow that section 26(3) of the Act does not apply to a resident of assisted living if that person is housed in the assisted living facility with a person who is the spouse of the resident or anyone in the classes listed in section 16(1) of the *Health Care (Consent) and Care Facility (Admission) Act* and that person is able to make decisions on behalf of the resident.
  - b. provide that the meaning of "spouse" should extend to a person who has lived in a marriage-like relationship with the resident in addition to a person legally married to the resident.
13. The minimum amount of income with which a resident of subsidized assisted living is left be raised to \$500 from the current \$325 to recognize the costs that are not covered under Registered Assisted Living that are covered under Residential Care.

## Residential Care Recommendations

14. All health authorities adopt a policy that everyone assessed for admission to residential care who scores lower than three on either of the ADL Hierarchy or Cognitive Performance Scale on the InterRAI-HC or MDS 2.0 must receive an additional assessment to ensure all possible options for support in the community, either through home care or assisted living, have been exhausted.
15. All current residents in residential care whose latest InterRAI assessment indicates a desire to return to the community be re-assessed to ensure all possible options for support in the community, including additional supports for their caregiver and potential placement in assisted living are exhausted.
16. All health authorities immediately adopt a policy that any vacancies in residential care will be filled first from the preferred facility transfer list, and only after that has been exhausted will the bed be filled from the assessed and awaiting placement (AAP) list. Residents, if they choose, should be permitted to be placed on the transfer list for their preferred facility immediately upon admission to their first available bed. Residents and their family members should be regularly advised of:
  - a. How many people are ahead of them on the waiting list for a preferred bed; and
  - b. How many vacancies on average occur in the preferred facility.
17. The resident co-payment amount charged to residents who do not enjoy a single room must have a portion of their rate adjusted to reflect their lower grade accommodation.
18. The government commit that by 2025, 95% of all residential care beds in the province will be single room occupancy with ensuite bath and any newly built or renovated units meet the additional standard of shower in the ensuite washroom.

For a full copy of this report go to: [www.seniorsadvocatebc.ca](http://www.seniorsadvocatebc.ca) or contact our office directly.

Email: [info@seniorsadvocatebc.ca](mailto:info@seniorsadvocatebc.ca)

By phone:

Toll-free 1-877-952-3181

In Victoria: 250-952-3181

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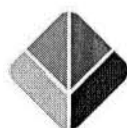
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By Mail:

Office of the Seniors Advocate  
1st Floor, 1515 Blanshard Street  
PO Box 9651 STN PROV GOVT  
Victoria BC V8W 9P4

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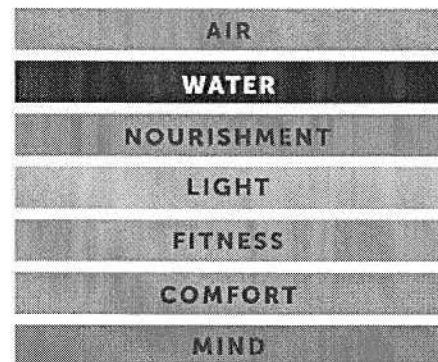
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WELL is administered by the International WELL Building Institute (IWBI), a public benefit corporation whose mission is to improve human health and wellbeing through the built environment. IWBI was launched by Delos in 2013, following a Clinton Global Initiative commitment by Delos founder Paul Scialla to improve the way people live by developing spaces that enhance occupant health and quality of life by sharing WELL globally.

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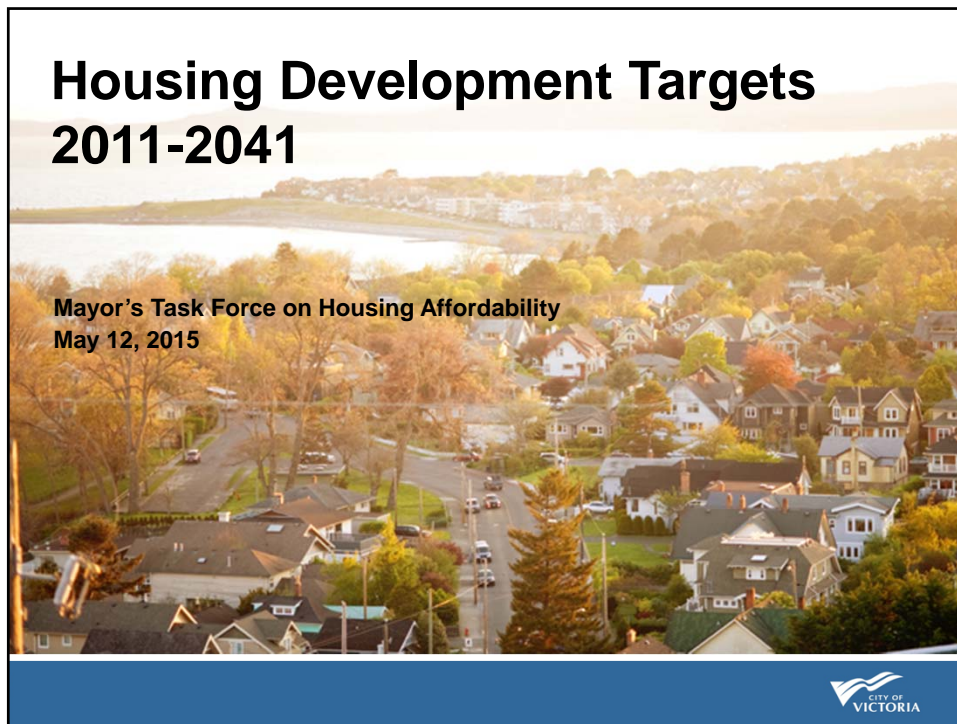
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## OCP Projections: New Housing Needed to address 2011-2041

| Housing Type    | Number        | Average per Year |
|-----------------|---------------|------------------|
| Apartment       | 12,190        | 406              |
| Ground Oriented | 2,361         | 79               |
| <b>Total</b>    | <b>14,551</b> | <b>485</b>       |

Assumptions:

- Population Growth of 20,000 over 30 years
- Decline of renter proportion from 59% to 55%

CITY OF VICTORIA





## Primary Rental Trend

| Year                        | Bachelor    | 1 Bed       | 2 Bed      | 3+ Bed    | Total       |
|-----------------------------|-------------|-------------|------------|-----------|-------------|
| 2010                        | 2,166       | 9,409       | 4,156      | 182       | 15,912      |
| 2011                        | 2,165       | 9,443       | 4,140      | 192       | 15,940      |
| 2012                        | 2,226       | 9,539       | 4,206      | 161       | 16,132      |
| 2013                        | 2,246       | 9,492       | 4,167      | 150       | 16,055      |
| 2014                        | 2,279       | 9,567       | 4,243      | 190       | 16,270      |
| <b>Total New</b>            | <b>+113</b> | <b>+158</b> | <b>+87</b> | <b>+8</b> | <b>+358</b> |
| <b>Average</b>              | <b>+23</b>  | <b>+32</b>  | <b>+17</b> | <b>+2</b> | <b>+74</b>  |
| <b>Projected Need (OCP)</b> |             |             |            |           | <b>275</b>  |
| <b>Deficit</b>              |             |             |            |           | <b>-201</b> |

Source: CMHC

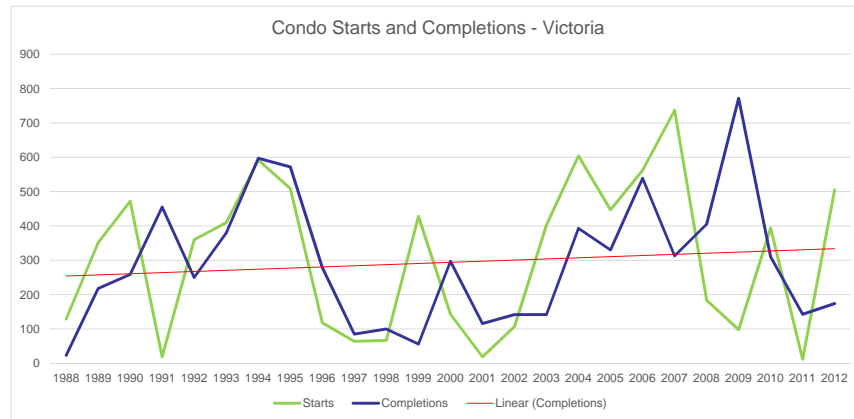


## Secondary Rental Development

- New condos add between 100 and 150 secondary rental units per year
- Deficit = between 50-100 rental units per year
- New units mostly high end of rental range
- BC Non Profit Housing Association research suggests a need for additional 45-57 units of affordable rental units per year over next 30 years



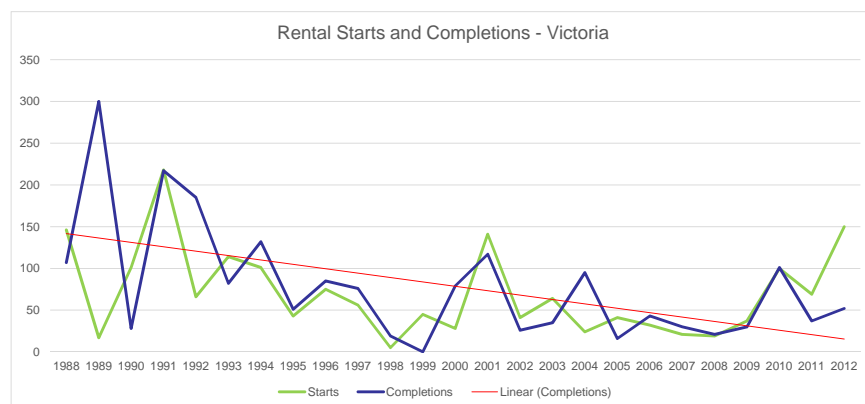
## Condo Starts and Completions



Average Starts per Year – 309  
Average Completions per Year – 294

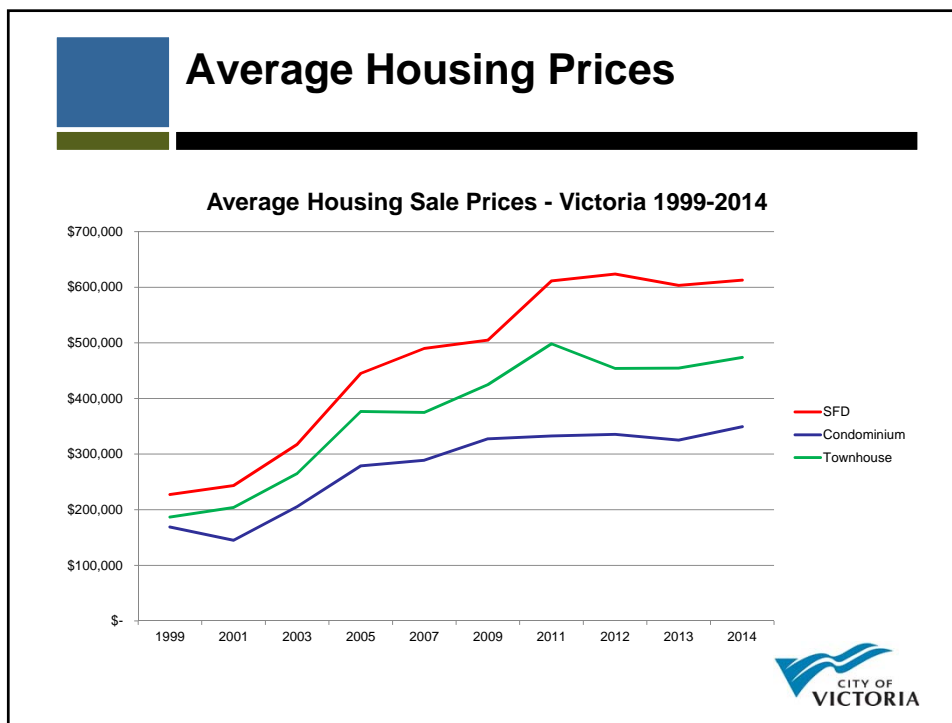
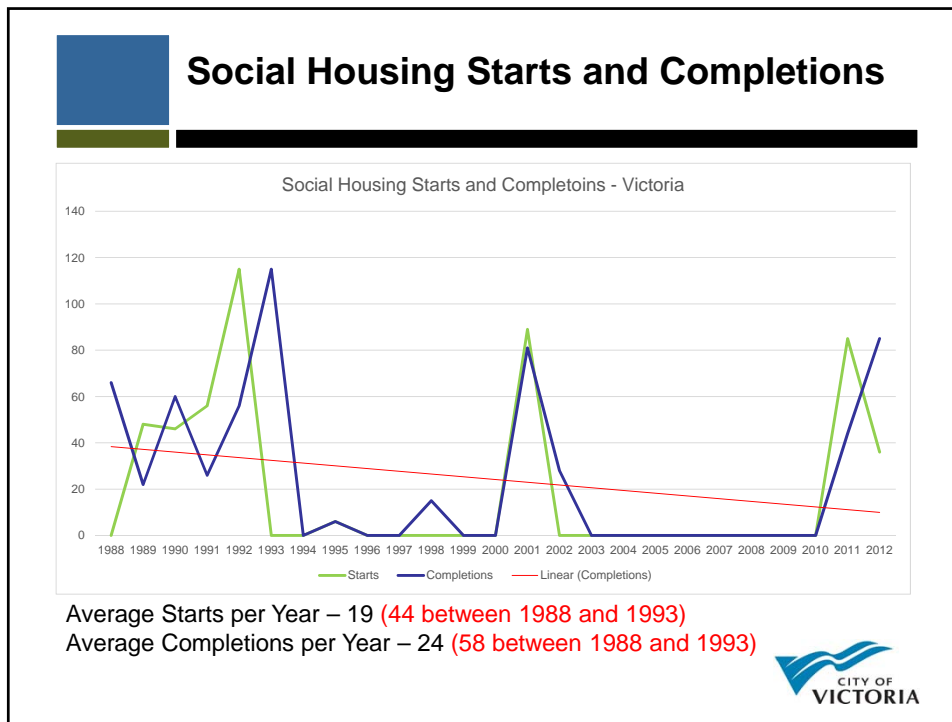


## Rental Starts and Completions



Average Starts per Year – 70  
Average Completions per Year – 79







## Renter Overspending

| Income Quarters  | Studio | 1 Bdrm | 2 Bdrm | 3 Bdrm | 4 Bdrm | All Unit Sizes |
|--|--------|--------|--------|--------|--------|----------------|
| <b>1st Income Quarter</b><br>\$0 to \$18,146<br>Average Income \$10,284      | 685    | 3,060  | 1,035  | 110    | 45     | 4,945          |
| <b>2nd Income Quarter</b><br>\$18,147 to \$35,647<br>Average Income \$26,855 | 35     | 405    | 555    | 90     | 0      | 1,085          |
| <b>3rd Income Quarter</b><br>\$35,648 to \$57,771<br>Average Income \$45,260 | 0      | 30     | 45     | 75     | 20     | 200            |
| <b>4th Income Quarter</b><br>\$57,772 +<br>Average Income \$88,945           | 0      | 0      | 0      | 0      | 0      | 0              |
| <b>All Income Quarters</b>   | 720    | 3,500  | 1,640  | 270    | 75     | 6,250          |

Source: BCNPHA Rental Housing Index



## Household Affordability Targets

Estimated rental levels are calculated by taking the average income of each income quarter and following the widely adopted standard for determining household affordability:

1.  $AGI \times 30\% = AHSC$
2.  $AHSC / 12 \text{ months} = R/M$

| Income Quarters  | All Unit Sizes | Rent/ Month |
|--|----------------|-------------|
| <b>1st Income Quarter</b><br>\$0 to \$18,146<br>Average Income \$10,284      | 4,945          | \$257       |
| <b>2nd Income Quarter</b><br>\$18,147 to \$35,647<br>Average Income \$26,855 | 1,085          | \$671       |
| <b>3rd Income Quarter</b><br>\$35,648 to \$57,771<br>Average Income \$45,260 | 200            | \$1,131     |
| <b>4th Income Quarter</b><br>\$57,772 +<br>Average Income \$88,945           | 0              | \$2,223     |
| <b>All Income Quarters</b>   | 6,250          | \$356*      |

Source: BCNPHA Rental Housing Index  
\* Weighted Arithmetic Mean



## Affordable Ownership Potential

| Housing Type          | 2014 Average Price | 80% of Market | Annual Income Required for Mortgage Approval | Down Payment Required |
|-----------------------|--------------------|---------------|--|-----------------------|
| Single Detached House | \$612,784          | \$490,227     | \$118,500                                    | \$24,854              |
| Townhouse             | \$473,938          | \$379,150     | \$93,000                                     | \$18,930              |
| Condominium           | \$349,324          | \$279,459     | \$71,000                                     | \$14,009              |

1. Based on RBC Mortgage Approval Calculator
2. 30 Year Amortization
3. 3.35% Interest Rate



## Targets for New Affordable Housing Units Needed – 2011-2041

| Quartile | Target Household Income | Housing Type          | Units Needed   |          | Rental/Price Range  |
|----------|-------------------------|-----------------------|----------------|----------|---------------------|
|          |                         |                       | Total          | Per Year |                     |
| 2        | \$18,147 - \$35,647     | Low End Market Rental | 1,319 to 1,382 | 44 to 46 | \$454-\$891         |
| 3        | \$35,648 - \$57,771     | Near Market Rental    | 243 to 255     | 8 to 9   | \$892-\$1,444       |
|          |                         | Affordable Ownership  | 1,092          | 36       | \$120,000-\$215,000 |
| Total    |                         |                       | 2,654 to 2,729 | 88 to 91 |                     |

- Targets represent 18.8% of OCP projected 485 units of new housing needed to be built to support anticipated population growth
- These targets focus only on new development, as this best reflects current municipal authority in the area of housing – regulation of new construction and additions to existing developments







**Governance & Priorities Committee**  
For the Meeting of July 16, 2015

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**To:** Governance & Priorities Committee      **Date:** July 14, 2015

**From:** Mayor Helps; Councillor Isitt; Councillor Loveday; Marika Albert, Community Social Planning Council; Brenda McBain, Together Against Poverty Society; Yuka Kurokawa, Together Against Poverty Society; Dylan Sherlock, Community Social Planning Council; Todd Litman, Victoria Transport Policy Institute; Kathy Hogan, Urban Development Institute; Franc D'Ambrosio, D'Ambrosio architecture + urbanism; Peter de Hoog, de Hoog & Kierulf Architects; Gene Miller, New Landmarks; Rob Bernhardt, Bernhardt Contracting; Leonard Cole, Urban Core Ventures; Don Elliott, Greater Coalition to End Homelessness; Kaye Melliship, Greater Victoria Housing Society; David Hutniak, Landlord BC; Bernice Kamano, Victoria citizen

**Subject:** Recommendations from the Mayor's Task Force on Housing Affordability

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**RECOMMENDATIONS**

That the Committee:

1. Receive the suite of recommendations in Appendix A in its entirety;
2. Direct staff to consider the actions contained therein to form the basis of a comprehensive Municipal Housing Strategy with an aim to supporting implementation during the timeline laid out; and
3. That staff report back to Council with a draft Municipal Housing Strategy in September 2015.

**BACKGROUND**

On April 16, 2015, Victoria City Council approved its Strategic Plan for 2015-2018. Included within that plan were a number of actions aimed at addressing the issue of housing affordability. Chief among those actions to address housing accessibility was the creation of a Task Force on Housing Affordability. Chaired by Mayor Helps, and comprised of councilors Loveday and Isitt, planning staff and a range of volunteers and stakeholders from the local community

The Task Force was mandated by Council to identify solutions that could help increase the supply of new units of low-cost housing. In effort to limit the scope of this inquiry to areas of most practical municipal impact, Task Force members agreed to identify solutions that focus primarily (though not exclusively) on the development of housing that meets the affordability needs of households that fall within Statistics Canada's middle two income quartiles (household incomes ranging from \$18,147 to \$57,772 per annum). Task Force members also agreed to examine potential solutions that could achieve greater affordability in both non-market and market housing developments. Task Force members acknowledge that



additional housing options are needed to support households within the first income quartile, but the interventions necessary are beyond the capacity of the City, on its own, to fully implement. The City will explore opportunities to partner with other levels of government as well as stakeholders in the non-profit and private sector to identify and, where possible, implement solutions.

While the responsibility for housing has fallen traditionally within the jurisdiction of the provincial and federal governments, the Task Force's work and recommendations are based upon an understanding that the City of Victoria can and should take a leadership role to support the increased availability of more affordable market housing. The city and other municipal partners can do this by both building capacity and reducing barriers to the provision of affordable housing by both non-profit and for-profit housing developers.

Working together across differences, sectors and perspectives, in two months the Housing Affordability Task Force created a suite of recommendations that it wishes to present to Council for consideration. The report attached in Appendix A was adopted by consensus at the final task force meeting after integrating input received through a town hall meeting and input from the public. (See Appendix B for public engagement summary.)

## GOALS AND TARGETS

Task Force recommendations fall into a number of key themes aimed at addressing specific targets for housing provision. Actions identified also indicate delivery dates within a three-year time frame within which the recommendations are to be implemented. Targets are summarized below.

### 1. **Increase Overall Housing Supply in City**

The link between overall housing supply and housing cost was acknowledged by the Task Force. As such, Task Force members have agreed that targets for increasing the overall housing supply in the City supported goals related more affordable housing development and should be supported through the density provisions of the Official Community Plan (OCP).

The City of Victoria OCP identifies the need for 12,190 apartments and 2,361 ground-oriented units to be added to the City's stock of housing between 2011 and 2041. This means that an average of 485 new units of housing will need to be built per-year to accommodate the projected population increase of 20,000 new residents.

Currently, 59% of Victoria households are renters and 41% are homeowners. Renting proportions are expected to decline to 55% of all households renting by 2041.

### 2. **Have a Minimum of 19% of New Housing Units Built as Affordable**

Using recent BC Non-Profit Housing Association research projections, the Task Force has determined affordable housing needs as a proportion of total housing projected to be built within the City over the next 30 years. Table 1 provides a summary of the number of units required to meet future affordability needs within the second and third income quartiles.

Combining rental and homeownership totals suggest that about 18.8% of new development be targeted to households within the scope of the Task Force (see Table 1).

TABLE 1 – AFFORDABLE HOUSING TARGETS

| Quartile | Target Household Income | Housing Type          | Units Needed  |          | Rental/Price Range    |
|----------|-------------------------|-----------------------|---------------|----------|-----------------------|
|          |                         |                       | Total         | Per Year |                       |
| 2        | \$18,147 - \$35,647     | Low End Market Rental | 1,319 - 1,382 | 44 - 46  | \$454 - \$891         |
| 3        | \$35,648 - \$57,771     | Near Market Rental    | 243 - 255     | 8 - 9    | \$892 - \$1,444       |
|          |                         | Affordable Ownership  | 1,092         | 36 - 39  | \$120,000 - \$250,000 |
| Total    |                         |                       | 2,654 - 2,729 | 88 - 94  |                       |

Because the number of new units of housing completed each year fluctuates significantly, it is recommended that success be measured as a proportion of all new units built in a given year and not be tied to a specific number of units built each year. Progress toward achieving these targets will be reviewed every 5 years.

### 3. Increase City Revenue Directed to Affordable Housing

Actions identified in the plan were developed to address a goal that supported City Council maintaining and enhancing its financial commitment to the Victoria Housing Reserve Fund. Tools aimed to supporting the City in generating revenue sufficient to support the development of an adequate number of affordable housing units to meet existing and emerging demand.

### 4. Increase the Range of Housing Types to Support Affordability and Resiliency

Task Force members acknowledged that need to support a broad range of housing types and tenures to support the variety and range of citizens within the City. Working within the goals laid out in the OCP, actions should support the provision of a wide range of housing typologies (including but not limited to single-family in-fill homes, townhomes, apartments, laneway and garden suites, etc. within a range of layouts and floor plate sizes) and tenures (including but not limited to fee simple, strata, affordable/shared equity ownership (strata or fee simple), cooperative, rental, subsidized rental and non-market rental, etc.). It was acknowledged that this range of types and tenures allows for better right-sizing of housing to user needs and supports individual's movement up or down the housing continuum while still supporting options for adequate housing at each stage.

## NEXT STEPS

It is the Task Force's recommendation that the actions laid out in Appendix A be accepted by Council and that Council direct staff to assess each with an aim to supporting implementation within the timelines laid out in the report.

Further, the Task Force recognizes and acknowledges that the City is currently examining or implementing a number of work streams related to the recommendations laid out in the Action Plan or have identified projects that align both with Action Plan recommendations as well as current Official Community Plan, Strategic Plan or Operational Plan goals. These include:

- An examination of options for a municipal real estate function that would support city goals related to revenue generation or other municipal objectives through strategic use of the city's land base.
- A targeted review of the *Zoning Regulation Bylaw* to better support the OCP's goals, including those related to affordable housing. A more comprehensive review is proposed in future years (A more comprehensive review of the bylaw has been recommended by staff for future years, though commencement is subject to future approval of funding and staff resources by Council).

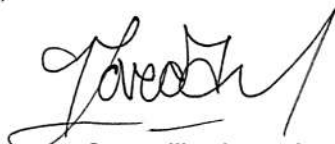
- A review of the Schedule C (Off-Street Parking) regulations to support more appropriate parking requirements for new development throughout the city.
- A future work plan to review and update Development Cost Charges.
- A review of zoning and development application processes to decrease processing times and associated costs to new development.
- A review of Community Amenity Contributions for new development which will include consideration of inclusionary zoning and other developer contributions to community facilities and affordable housing.

It is the hope of the Task Force members that the recommendations herein act as direct inputs into the City of Victoria's comprehensive Municipal Housing Strategy which is to be provided to Council in September of 2015.

Respectfully Submitted,



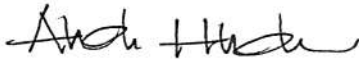
Mayor Helps



Councillor Loveday

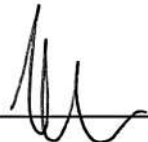


Councillor Isitt



Andrea Hudson  
Assistant Director, Community Planning  
Sustainable Planning & Community Development

Report accepted and recommended by the City Manager:

  
\_\_\_\_\_  
Date: July 15, 2015

## **Mayor's Task Force on Economic Development & Prosperity Report**

### **For the Governance & Priorities Committee Meeting of July 16, 2015**

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**Date:** July 14, 2015      **From:** Mayor Helps

**Subject:** Update from the Mayor's Task Force on Economic Development & Prosperity

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This update is to advise Committee that the Mayor's Task Force on Economic Development and Prosperity is currently developing a list of draft recommendations that will be released to the public for input on September 9, 2015. The Task Force felt that more time was necessary to create realistic and achievable goals and a comprehensive action plan for this important initiative.

Respectively submitted,

A handwritten signature in black ink, appearing to read 'L. Helps'.

Mayor Lisa Helps





## Governance and Priorities Committee Report

For the meeting of July 16, 2015

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**To:** Governance and Priorities Committee    **Date:** July 15, 2015  
**From:** Robert Woodland, Director of Legislative & Regulatory Services  
**Subject:** Status Report - Action Plan for Housing, Supports & City Services

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### Recommendation

That Council:

1. Receive the July 10, 2015 *Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks*; and
2. Approve the following *Action Plan* recommendations:
  - a. Temporary Housing Initiative 2(a) – Increase Emergency Shelter Spaces
    - i. Adjust the City's advocacy focus as follows:
      - Request the Province of British Columbia and BC Housing to provide more funding for rent supplements in the City of Victoria to secure permanent housing for people currently housed in emergency shelters or transitional/supportive housing.
  - b. Temporary Housing Initiative 2(b) – Clarifying Roles in Micro-Housing
    - i. The City's role in the development of a micro-housing village is to:
      - Advise on land use, building construction and fire safety regulations;
      - Advise on municipal servicing requirements and community standards;
      - Process any required applications for land use, building construction or site preparation approvals;
      - Consider any applications for financial support in relation to the development or implementation of the village; and
      - Consider entering into agreements to enable the operation of the village.
    - ii. Micro-Housing Victoria's Role in developing a micro-housing village is to:
      - Build a community of interest and organizational capacity to support the village project;
      - Develop site plans, housing unit plans and site servicing plans;
      - Develop operational rules and procedures for the village;
      - Identify and acquire a site for the micro-housing village;
      - Apply for land use, building construction or site servicing approvals;
      - Engage in community consultation to support the project, including required CALUC consultations respecting any land use applications;
      - Acquire the necessary funding to support the development and operation of the village; and
      - Operate the village in accordance with Micro-Housing Victoria's rules and procedures, and any agreements with the City or other parties.



- c. Temporary Housing Initiative 2(c) – A Designated Sheltering Site in a Park
  - i. The City's approach to establish a designated sheltering area in a park is to:
    - Seek a service partner who will manage the operation of the site;
    - Develop a service model and budget with the service partner;
    - Confirm the site location and seek public input on the proposed service model and location;
    - Seek final approval of the service model budget from Council.
- d. Operational Initiative 1 - Storage Project for Homeless Persons' Belongings
  - i. The City's approach to establishing a storage facility is to:
    - Continue to work cooperatively with interested service partners to establish the facility in September 2015; and
    - Initiate a proposal call if there is no substantive progress achieved by September 2015.

## Executive Summary

On June 11, 2015 Council approved the *Action Plan for Housing, Supports and City Services for Sheltering in City Parks*. Over the past month staff have been working to implement the initiatives outlined in the *Action Plan* many of which involve developing partnerships with organizations external to the City. A detailed outline of each specific *Action Plan* initiative is provided in the attached *Status Report* along with its current status shown in the right hand column.

Temporary Housing Initiatives outlined in Section 1 of the *Action Plan* are the more complex initiatives, as they involve developing arrangements with external organizations in new service areas unfamiliar to the City. Over the past month staff have made contact with potential service providers for the micro-housing initiative and the designated park sheltering site who have expressed interest in working with the City to implement these initiatives. BC Housing has advised in discussions with City staff that funding for additional emergency shelter spaces is not available as their priority is funding permanent housing opportunities for people in need.

The 2015 Operational Initiatives mostly involve City service areas, such as parks maintenance and bylaw compliance monitoring. Progress has been made on implementing a number of these service initiatives. There are also two projects where the City will partner with other organizations to deliver new services; namely, the Storage Project and Social Service Outreach. In the first case, the City is seeking a service partner to provide storage for homeless peoples belongings. While potential partners have discussed their interest with City staff no concrete service proposal has been communicated to the City. In the second case, a scope of service for the additional social service outreach has been developed with partners. Staff are seeking additional partner funding to extend the period of the pilot project and then will proceed to fill the position and implement the project.

Staff recommend the following direction in relation to four *Action Plan* initiatives:

1. Increase the Supply of Emergency Shelter Spaces in the Region – adjust advocacy focus.
2. Develop Micro-Housing Model – role clarification.
3. Regulating Overnight Sheltering in Specific Locations – confirm approach.
4. Storage Project for Homeless Persons' Belongings – confirm approach and timeline for implementation.



## Purpose

The purpose of this report is to advise on the progress toward implementing the *Action Plan* initiatives since the plan's approval on June 11, 2015, and to seek Council direction on four of the *Action Plan* initiatives.

## Background

The lack of adequate housing opportunities for homeless people in Victoria has resulted in many taking shelter in City parks. These sheltering activities are having a number of impacts on City parks and resources, and the community. The *Action Plan* approved by Council on June 11, 2015 contains a number of strategies and initiatives designed to address the housing needs of homeless people and to improve the City's service response to the impacts of sheltering activities in City parks. Details regarding the progress and current status of the *Action Plan* initiatives are outlined in the right hand column of the attached table. Further detail and discussion of these initiatives will be highlighted in a presentation at the July 16, 2015 meeting.

## Issues and Analysis

### *Housing Initiatives - Increase Shelter Capacity*

BC Housing advises through discussion with the City that operating funding is not available for additional emergency shelter beds nor is capital funding available for the construction of emergency shelters. Their position is founded on their endorsement of a Housing First strategy, which focuses their programs and funding toward permanent housing for people in need. However, BC Housing advises that rent supplements may be available to move people into permanent housing, which is expected to free spaces in emergency shelters over time. The City should adjust our Provincial housing advocacy strategy to focus on requesting more funding for rent supplements through BC Housing.

Alternatively, local emergency shelter providers would be able to open up to 40 adult mats during the summer (May to October) and 35 youth mats (September 2015, April/May 2016) if the City is prepared to provide direct funding. The City could also explore a low barrier emergency shelter option proposed by another service provider. In either case, a decision to directly fund emergency shelter operations would be a new service for the City. The expected cost for the additional adult and youth shelter mats (about \$150,000) is not included in the City's Financial Plan.

Committing City funding to increase emergency shelter capacity will limit the City's ability to fund the other two Temporary Housing Initiatives noted below. Staff believe it is premature to commit City funding to increase emergency shelter capacity.

### *Micro-Housing*

A local micro-housing group has recently incorporated as Micro-Housing Victoria Society (MHV) and is developing their organizational capacity to support the development, implementation and operation of a micro-housing village in the City of Victoria. In recent discussions with the City, MHV representatives outlined their conceptual plan for the village, which would house about 35 people on a half-acre site. MHV has been undertaking their own evaluation of potential sites, and has not yet identified a specific site for potential use as a village. City staff committed to providing advice and feedback to MHV regarding proposed village design and operations, building construction and safety issues, and neighbourhood compatibility.

The City will have different roles to play in the development of the micro-housing village community. The City's primary role will be as a regulator, in terms of land use and construction approvals, fire



safety and community standards. Another important City role is to provide municipal services to the site, such as potable water, sewer and storm drain services, solid waste collection, fire and police services.

Additional roles for the City could include:

- Site acquisition - identifying or facilitating the acquisition of potential sites for MHV.
- Project funder – providing grants for the lease of a site or to support village operations; in-kind grants for services; property tax exemption.
- Landlord – providing a City-owned site for lease.

City staff believe that the success of the micro-housing initiative will depend upon the community of interest and organizational capacity mobilized by MHV, and the energy and commitment of their prospective residents. The City should support, advise and facilitate MHV's efforts to develop the village, but not take their place in this community driven initiative. As such, staff recommend the current roles for our respective organizations that are set out in the recommendation. In light of these roles, the timeline for the implementation of the micro-housing village is difficult to predict and will depend upon MHV's progress. City staff will ensure we are responsive and timely in performing our supporting roles.

#### *Designated Sheltering Site in a Park*

With respect to the designation of a specific park area for overnight sheltering the City is currently assessing potential park sites for this service. At this point in time, the southwest corner of Topaz Park appears to have the greatest potential due to the presence of tennis courts that are currently closed, nearby washrooms, distance from residential areas and the proximity to transit as well as access to the downtown and services. A service provider has expressed interest in exploring a service contract with the City to manage a proposed shelter site. The next step for this initiative would be to formally confirm their interest, develop a proposed service model for a specific location, and consult with neighbours of the proposed site. The final step would be Council approval of the proposed budget for the operation of the designated sheltering area in the identified location. Staff will report back in September on progress toward this initiative.

The Director's team is also assessing the City's capacity to operationalize the temporary housing initiatives contained in the Action Plan, as both the designated sheltering area in a park and the micro-housing village may require an unanticipated level of City involvement. There may also be a similar need for staff resourcing that flows from the recommendations contained in the Mayor's Task Force on Housing Affordability. The Director's group may need to adjust staff resourcing to meet the timelines of these organizational priorities.

#### **Operational Initiatives**

Many of the 2015 Operational Initiatives are also underway, including a number of City services outlined in Section 3, such as the special parks clean-up service, extended washroom availability in Beacon Hill, Stadacona and Topaz Parks, and new approaches to bylaw compliance monitoring.

City staff are working with VicPD and health service partners to establish an outreach field worker position whose role will be to connect people to housing and support services. The need for this type of position was recently demonstrated when VicPD Community Resource Officers were able to find housing for a couple who had been residing in City parks. Extensive amounts of time were invested by VicPD members in resolving this issue, which is arguably not core police work.

Discussions are also underway with local service providers to establish a storage facility for people who are homeless. Prospective locations have been surveyed; however, a specific location and service delivery model have not been confirmed at this time. The service model will require care to



ensure that it is set-up and operated in a manner that successfully meets customers' needs and does not negatively impact adjacent neighbours. If Council wishes to accelerate this initiative, the City could initiate a request for proposal process to solicit potential service providers and locations. It is not known whether the \$45,000 allocated by Council for this initiative would be sufficient to support the service model independent of other funding or partnerships.

Bylaw amendments that improve the City's ability to manage overnight sheltering in City parks and to reduce the number of locations where people can take shelter are being developed. An evaluation of which parks or park areas should be excluded from overnight sheltering activities is also underway. These bylaw amendments are expected to be ready in September and proposed in conjunction with progress toward the temporary housing initiatives.

## Options and Impacts

Staff are recommending the directions noted below on four initiatives.

### 1. **Temporary Housing Initiative 2(a) – Increase the Supply of Emergency Shelter Spaces**

- Advocate for more rent supplements to people in need in Victoria to the Minister responsible for BC Housing.

The proposed direction noted above has no Financial Plan impact.

*Alternative Options (Unfunded):*

1. City directly funds service providers to open additional emergency shelter spaces:
  - ~ \$112,000 for 40 adult spaces from May to October
  - ~ \$40,000 for 35 youth spaces for September 2015 and April/May 2016
2. City explores other emergency housing options with service providers.

The Financial Plan would have to be amended to enable funding for these alternative options. Committing City funds to emergency shelter mats may limit available funding for Micro-Housing and a Designated Shelter Area, and is not recommended at this time.

### 2. **Temporary Housing Initiative 2(b) – Clarifying Roles in Micro-Housing**

- Micro-Housing Victoria's role is to develop a proposal that specifies a site, and to seek any City regulatory approvals to authorize the proposal (E.g. rezoning application)
- Micro-Housing Victoria will undertake public consultation about the project/site and seek to acquire a site
- Micro-Housing Victoria will develop operational policies and procedures for the village, and seek City approvals as required
- The City's roles are primarily those of regulator, municipal services provider and advisor
- The City will consider any grant applications or resource requests from Micro-Housing Victoria to enable their proposal

These roles are consistent with City staff's current direction on micro-housing. Changing these roles may impact the City's Operational and Financial Plans, and is not recommended at this time.

There is currently no budget amount set aside to assist with the micro-housing village project. The Financial Plan will need to be amended in future if Council wishes to provide financial assistance to MHV.

**3. Temporary Housing Initiative 2(c) – A Designated Sheltering Site in a Park**

- The City will engage a service partner to manage the site, develop a service model with the partner based upon a specific site and consult with area neighbours before seeking final budget approval of the initiative from Council

This approach will enable more meaningful public engagement as there will be more complete information available to the public about the proposed service model.

The Financial Plan will need to be amended in future to enable implementation of this initiative. Cost estimates for developing this service will be developed and communicated to Council in September.

**4. Operational Initiative 1 - Storage Project for Homeless Persons' Belongings**

- The City will continue to work cooperatively with existing service providers to develop and implement this model. If there is no further progress toward implementation by September then the City will initiate a proposal call to find a service provider.

This approach enables potential service providers to develop a service model that best meets their clients' needs in terms of service delivery and location. Initial indications are that this approach may also enable other partnerships and funding sources, which could yield a higher level of service from the City's funding.

The Financial Plan currently allocates \$45,000 for this initiative.

The implementation of this initiative might be expedited by moving directly to a proposal call. However, this may impact relationships with potential service partners, partnership opportunities and other sources of funding.

**Conclusion**

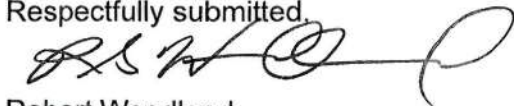
In the past month progress has been made in a number of areas. Initiatives that involve external service providers are more complex to implement, but progress has been made in seeking interest and discussing new service opportunities. Confirming the recommended direction on the four initiatives outlined above will facilitate the City's progress on these initiatives.

The Director's team is also reviewing the need for focused staff resourcing to operationalize the temporary housing initiatives contained in the Action Plan and to support the recommendations expected to flow from the Mayor's Task Force on Housing Affordability. Staff will continue to assign a high priority to the work outlined in the *Action Plan* to achieve its objectives.

**Attachments**

*Status Report – Action Plan for Housing, Supports and City Services for Sheltering in City Parks*

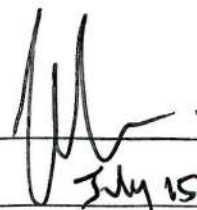
Respectfully submitted,



Robert Woodland  
Director of Legislative & Regulatory Services

**Report accepted and recommended by the City Manager:**

**Date:**

  
 July 15, 2015



Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks

2015-2016 Housing Initiatives

| Initiatives   | Recommendation  | Lead/Timeline   | Status  |
|---|---|---|---|
| 1. Temporary Housing Initiatives  |   |   |   |
| a. Increase the supply of emergency shelter spaces in the region. (260 beds year round) | Support Coalition strategy to reduce demand for shelter beds by placing homeless people directly into housing.  | Council<br>July 2015  | Communicate to the Minister and BC Housing the City's request that more funding be made available through rent supplements to house people in need.   |
|   | Write to Provincial government to raise awareness of issue and request additional funding and supports.   | Mayor Helps<br>July 2015  | Follow-up City communications (above) with a meeting with the Minister to request funding for additional rent supplements for people in need to free up capacity in emergency shelters.   |
|   | Support Cool Aid Society in seeking \$112,000 in funding to open 40 adult emergency mats between May and October 2015 or seek additional rent supplements from BC Housing.  | Director, SPCD<br><br>September 2015  | <b>BC Housing has rejected additional funding to increase emergency shelter capacity.</b> Funding for 20 rent supplements may be available to help people move to permanent housing.<br><br>Cool Aid Society and Our Place advise they are able to open additional emergency shelter spaces for adults if City funding is available. Our Place is proposing a low barrier model that may serve the needs of people currently sheltering in parks.   |
|   | Support Out of the Rain program in seeking funding of \$40,000 to open 35 youth emergency mats for September 2015 and April/May 2016.   | Director, SPCD<br><br>September 2015  | <b>As above with respect to BC Housing funding.</b><br><br>Out of the Rain advise they are able to open additional emergency shelter spaces for youth in the months of September 2015 and April/May 2016 if City funding is available.  |
| b. Develop micro-housing model  | Identify and support a local group(s) wanting to implement a micro-housing village by: <ul style="list-style-type: none"> <li>- Helping to identify a site</li> <li>- Provide a project grant</li> <li>- Support site with City services</li> </ul> | Director, SPCD<br>External partner.<br><br><br><br><br><br><br>Status report Sept. 2015 | Micro-Housing Victoria (Society) formed to lead development and organization of a village within the City of Victoria. Short-term focus is the development of organizational capacity, governance and the concept plan for the village. City staff met with MHV Society members to review the concept, approach, building code application and moving forward with further site identification. Preliminary concept developed for ~0.5 acre site to house about 35-40 people. Site identification and evaluation being undertaken by MHV, but no specific site identified at this time. <u>A City park site is not recommended for a micro-housing village.</u><br>MHV has potential partners to build micro-housing units and may request funding to build a prototype housing unit. |

## Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks

|  |  |   |   |
|--|--|---|---|
| c. Regulating Overnight Sheltering in Specific Locations | <p>Establish a specific location within a park for a temporary sheltering location:</p> <ul style="list-style-type: none"> <li>- Seek a partner to manage site</li> <li>- Develop and approve a budget</li> <li>- Support with services</li> </ul> | <p>Director, PR<br/>External partner<br/>Status report Sept. 2015</p> <p>October 2015</p> | <p>Site assessment for a potential park site underway. Our Place has expressed interest as a potential contracted site manager.</p> <p>Next steps:</p> <ol style="list-style-type: none"> <li>1. Develop a service model and budget in discussion with a potential site manager based on a preferred site.</li> <li>2. Undertake public engagement on proposed site and service model.</li> <li>3. Seek budget approval from Council.</li> <li>4. Establish service partner contract and site arrangements.</li> <li>5. Open designated sheltering area.</li> </ol> |
| d. Research alternative housing models.                  | <p>Review experiences from these models and apply insights to Victoria models.</p> <p>Evaluate implementation of micro-housing and temporary sheltering options in Victoria.</p>   | <p>Social Planner, SPCD<br/>Policy Analyst, LRS</p> <p>September 2015</p>                 | <p>Summary of best practices from tent city models from Seattle and Eugene completed.</p> <p>Summary of best practices used by successful micro-housing villages being prepared.</p> <p>Use best practices template to guide proposed micro-housing village and designated overnight sheltering initiatives.</p>  |

Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks

|  |  |  |  |
|--|--|--|--|
| 2. Advocacy for Permanent Housing & Supports           |  |  |  |
| a. Proposals for New Transitional & Supportive Housing | <p>Support the Priority Housing Project List, and fund projects that apply for Victoria Housing Reserve capital funding.</p> <p>Facilitate timely processing of applications for funded PHPL projects.</p>   | <p>Council<br/>As grant applications received</p> <p>Director, SPCD<br/>As applications received</p>                     | <p>Grants approved for two projects in 2013/2014:</p> <ul style="list-style-type: none"><li>- Wilson’s Walk - \$840,000 – project underway – 108 units</li><li>- Siem Lelum – \$390,000 – project underway – 15 units</li></ul> <p>Pending grant applications for 2015:</p> <ul style="list-style-type: none"><li>- Cottage Grove Manor – 43 units - Saanich</li><li>- Rosalie’s Village – 41 units - Saanich</li></ul> <p>Affordable housing and supportive housing projects receive priority processing through City’s planning and building construction application processes.</p> |
| b. Social Service and Health Service Supports          | <p>Support Coalition recommendations in <i>Creating Homes, Enhancing Communities</i> report.</p> <p>Continue to support Coalition with City funding (\$100,000) and staff support.</p> <p>Support Island Health and their partners to establish a safe consumption site.</p> | <p>Council<br/>June 2015</p> <p>Council<br/>April 2016</p> <p>Council<br/>Social Planner, SPCD<br/>External partners</p> | <p>Endorsed by Council July 9, 2015.</p> <p>Endorsed by Council July 9, 2015.<br/>Consider funding application as part of 2016 Grant process.</p> <p>City representatives available to attend and represent City perspective in service model development process.</p>   |



## Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks

### 2015 Operational Initiatives

| Initiative                                  | Recommendation   | Lead/Timeline  | Status  |
|---|--|--|---|
| 1. Storage Project for homeless' belongings | Establish site(s) with service partner.<br><br>Evaluate 2015 project and make recommendations for 2016 budget.   | Social Planner (SPCD)<br>Comm Dev Coordinator (CESP)<br><br>September 2015 | Discussions with potential service providers underway.<br>Additional funding sources identified.<br>Site selection and service model not confirmed at this time.<br><br>Next steps:<br>Continue discussions with potential service providers. Initiate a proposal call to stimulate service provider interest if there is no progress by September.                                 |
| 2. Additional Social Service Outreach       | Fund a six month outreach position to provide immediate support to homeless individuals, assess need level and refer to required services.<br>- \$35,000 for six month pilot | Social Planner (SPCD)<br><br>September 2015                                | Consultation with VicPD and Island Health undertaken and service model scope identified.<br>Opportunities to partner pilot project with Island Health being explored (funding and coordination).<br><br>Next steps:<br>1. Formalize terms of reference for the position.<br>2. Seek a qualified person to fill the position.  |
| 3. City Services                            | A. Approve seasonal special clean-up crew from 2015 contingencies<br>- 2 person crew, late June to October<br>- 7 days per week<br>- \$100,000 total additional cost         | Asst Director, Parks<br>July 2015  | Service model implemented.<br>Additional sharps bins installed in needed locations.   |
|   | B. Fund washroom services from 2015 contingencies to Nov 30 <sup>th</sup> .<br>- \$85,000 for washrooms<br><br>- \$65,000 for portable toilets                               | Asst Director, Parks<br>July 2015  | Extended washrooms hours with security from dusk to 2:30am open in Beacon Hill Park and Stadacona Park.<br><br>Portable toilets installed at Topaz Park to provide overnight washroom availability.<br><br>Evaluate additional locations for portable toilets. Consult with area residents prior to portable toilet installation where new service may cause neighbourhood impacts. |
|   | C. Install signs in specific parks - \$5,000 approved.   | Assistant Director, Parks (PR)<br>July 2015                                | Specific parks identified to receive additional signs to delineate environmentally sensitive areas.<br>Development of signs underway.   |
|   | D. Distribute information materials to service providers and people sheltering in parks that informs about housing and support services and the City's regulations.          | Director, CESP (VicPD & BLS)<br>July 2015                                  | Draft information materials in final review and will be printed by end of July.   |

*Status Report - Action Plan for Housing, Supports and City Services for Sheltering in City Parks*

|                        |   |  |   |
|------------------------|---|--|---|
|                        | E. Fund Bylaw Officer salary expense to maintain seven days per week monitoring.  | Director, LRS<br>June 2015   | Service model implemented.  |
|                        | F. Support small incentives to acknowledge cooperation with VicPD and City.   | Director, LRS<br>July 2015   | Coordinated service approach implemented with VicPD.  |
|                        | G. Improve compliance monitoring for travellers and visitors who are not homeless, but are taking shelter in City parks.  | Director, LRS<br>(Bylaw Officers)<br>(VicPD)<br>June 2015          | Coordinated service approach implemented with VicPD.  |
| 4. Amend Parks Bylaw   | Adopt proposed bylaw amendments to improve City management of parks:<br>a. Limit areas within parks where overnight sheltering is permitted<br>b. Limit continuous park occupation<br>c. Improve authority to close park for restoration<br>d. Identify parks where sheltering is not permitted | Director, LRS<br>City Solicitor<br>Director, P&R<br>September 2015 | Draft bylaw amendments under review.<br>Assessment of parks unsuitable for overnight sheltering underway.<br>Bylaw amendments will be proposed to Council once progress on temporary housing initiatives is made. |
| 5. Compliance Strategy | Support compliance strategy for problematic sheltering activities.  | City Solicitor<br><br>September 2015                               | Development of progressive compliance strategy underway.<br><br>Progressive compliance strategy will come forward to Council concurrent with proposed bylaw amendments.   |



# Microhousing Victoria Society



1-1241 Balmoral Rd • Victoria, BC V8T 1B2  
E-Mail: kristinalleach@gmail.com

Date: July 12, 2015

Rob Woodland  
Director of Legislative and Regulatory Services  
City of Victoria  
1 Centennial Square  
Victoria, BC V8W 1P6

Dear Rob,

Thank you for the opportunity to provide an update on the status of our group. We have made significant progress in readying our organization to work with the City of Victoria on a microhousing project. As we believe this report will demonstrate, the idea of a microhousing community in Victoria has inspired a great deal of action across a diverse constituency in a short amount of time. We thought it might be helpful to begin with a brief history of our group.

After the May 11th Town Hall meeting at City Hall where Mark Lakeman and Andrew Heben made their microhousing presentations, a group of interested citizens began to meet to help organize a project in Victoria inspired by Dignity Village in Portland and Opportunity Village in Eugene, Oregon. Our first gathering was May 19th at which we struck an open Steering Committee. We have been meeting on an almost weekly basis in the two months since then. Thus far over 38 people have attended our meetings.

Through our discussions, it became apparent we needed to incorporate as a not for profit society. We also wanted to have an open policy so that all members of the community would be welcome to participate and have a voice in the development of the project, especially people with lived experiences of homelessness. Since the more formal structure of a not for profit could put limits on the kind of participation we envisioned, we decided to create a two-part structure: we would incorporate our group under the Societies Act of British Columbia, and we would plan our project through an open consensus model of community organization.

On July 2nd, 2015 *MicroHousing Victoria* was incorporated. In turn it empowered the *Solidarity Village Steering Committee* with the planning and development of Victoria's first microhousing community. We developed an Memorandum of Understanding (MOU) between the Society and our Steering Committee that outlines membership and how these two key groups will interact with each other to provide development, direction and management to Solidarity Village. We are establishing banking services with VanCity Credit Union #42 and have obtained the services of a bookkeeper who will assist us in developing and managing financial tracking and reporting measures. Additionally, we are in negotiation with a small housing society to partner with us on project grants and provide financial oversight for Microhousing Victoria until we have established a record of sound fiscal management and are able to apply to granting agencies on our own behalf.

Several working groups or subcommittees have emerged to help steward the development of Solidarity Village. The Community Outreach subcommittee has been actively engaging members of our community who are currently homeless asking for their input on the project. We have made presentations explaining microhousing and how it might be developed in Victoria



to groups at Our Place, Rock Bay Landing, Sandy Merriman House, and The Mustard Seed. We have been asked to come back for further presentations so other people who are homeless may learn about the proposed village. In addition, we have developed a survey to help us better understand the needs and priorities of our potential residents. Their input is essential in our decision making process. We look forward to continuing this participatory process as we develop the design and governance policies for Solidarity Village with our potential residents.

The Design/Build subcommittee has been similarly active in working through ideas about the physical design of the Village and the housing units. In addition to receiving input from the Community Outreach efforts, we have been meeting with interested parties in the community and have made contact with both Stewart Wheeler from Victoria High School and Albert Van Akker from Camosun about the assistance the carpentry programs in both schools can provide to the village. Quentin Verhaegen, a member of the subcommittee, negotiated with “Victoria Harbor Ferry” to allow us to use their workshop in order to construct prototypes for the housing units. In the last two weeks we have undertaken the first iteration of model plans for the village. In response to the input thus far, two plans have been produced: one more urban in nature and the other with a more suburban character. Furthermore, at our last Steering Committee meeting on July 12th, we opened the process of envisioning site requirements and preliminary design needs for Solidarity Village to the entire Steering committee.

In addition we have just empaneled the Financial subcommittee to facilitate fundraising activities such as grant writing and soliciting donations. This group will also head up our application for charitable status, an endeavor which was unanimously approved by the Steering Committee and Society and which is slated to begin next week.

We soon expect to have our preliminary site requirements sufficiently focused to begin the process of identifying possible sites, and we look forward to working with City representatives to streamline that process as much as possible. Further, we would like to discuss the process for accessing project development funds for assistance in defining Village requirements and site needs. We are currently seeking options for a grant to build a prototype micro home to assess feasibility of our preferred four/eight-panel design.

We look forward to meeting with you in the near future as our plans for Solidarity Village progress.

Most sincerely, on behalf of the Board of Directors,

Kristina Leach,  
Microhousing Victoria Society

Attached: Info-sheet, Constitution, MOU, and Survey



## Information Sheet for MicroHousing Victoria / Solidarity Village

### Solidarity Village Mission Statement:

Solidarity Village Victoria is a grassroots community development initiative working in collaboration between housed and unhoused community members toward the creation and stewardship of low-cost, democratically-managed, peer support microhousing villages for people experiencing homelessness, those at risk of homelessness and low-income housed people seeking a more affordable and communal way of life.

### Microhousing Victoria Constitution:

PDF attached to email

### Founding Board of MicroHousing Victoria:

*Bobby Arbess*, Mitraniketan Housing Co-op, Casa Maria Emergency Housing Society, owner and operator 2nd Nature Landscaping, acting Solidarity Village Coordinator

*Graeme Bristol*, human rights architect, community development professional, founder Center for Architecture and Human Rights (Victoria/Bangkok), Solidarity Village Design and Build Working Group

*Todd Crouse*, builder, community development worker, living homeless, Rock Bay Landing, Solidarity Village Design/Build Working Group

*Peter Gould*, Lived experiences of homelessness.

*Bernice Kamano*, Aboriginal Coalition to End Homelessness, Outreach worker. Bernice was a founding member of the M'Akola group of societies.

*Kristina Leach*, MArch, MSc in Architecture and PhD in Architectural History from the University of Michigan, formerly Director of Physical Development, Women's Research and Development Center, a not-for-profit devoted to the creation of mixed income communities in Cincinnati, Ohio.

*Hilary Marks*, lived homelessness, Committee to End Homelessness, Homeless outreach and inclusion.

*Trudy Norman*, PhD(c), PMP. Interdisciplinary Doctoral Candidate (Nursing/Anthropology), University of Victoria, Center for Addictions Research of BC. Researcher. Thirty years experience working with people with lived experience of homelessness.

*Al Reford*, Social justice activist, Legacy Housing Trust Fund

### MOU between MicroHousing Victoria and Solidarity Village Steering Committee:

PDF attached to email

### Solidarity Village Draft Survey:

PDF attached to email







## **ACTION PLAN UPDATE Housing, Supports & City Services For Overnight Sheltering in Parks**

**July 16, 2015**



### **Housing Initiatives**

1. Support Increased Shelter Capacity
2. Support Development of Micro-Housing
3. Develop Overnight Shelter Location in a Park





## Increased Shelter Capacity

- BC Housing pursuing *Housing First* strategy
- BC Housing not prepared to fund additional shelter capacity at this time
- BC Housing may consider additional rent supplements



## Shelter Capacity –Recommendation

- Advocacy to Province for additional rent supplements to free up existing capacity
- Alternative Unfunded Options:
  1. Provide City funding for shelter mats:
    - ~ \$112,000 for 40 adult mats for 6 months
    - ~ \$40,000 for 35 youth mats for 3 months
  2. Explore other emergency shelter options





## Support Micro-Housing

Discussions underway with Micro-Housing Victoria (Society) regarding:

- Concept for site and types of housing units
- Construction and life safety regulations
- Process for identifying potential sites
- Formal City site approvals
- Expectations for public consultation



## Micro-Housing - Location

- Not envisioned for City parks
- Suited to bare, level land in mixed use area
- No specific site chosen yet
- Seek expressions of interest for sites?





## Micro-Housing Victoria - Roles

- Build organizational capacity for the project
- Develop site plan & operating arrangements
- Identify and acquire a site for the village
- Obtain funding to support implementation
- Construct housing units & implement plan
- Operate the micro-housing village



## Micro-Housing – City Roles

1. Perform Regulatory Roles
2. Provide City services to the site
3. Provide advice to Micro-Housing Victoria
4. Consider grant requests for the project





## Micro-Housing – Recommendation

- City is a regulator
- City provides municipal services
- City is an advisor
- City might be a funder
- City is not the village operator



## Designated Sheltering Area

- Assessment of potential site underway
- City park site is likely first location
- Service partner has expressed interest







## Sheltering Area - Recommendation

- Seek a service partner to manage site
- Develop service model with the partner
- Develop a budget and confirm a site
- Consult public on site and service model
- Present service model & budget to Council



## Housing Advocacy & Support

Two projects approved in 2013/2014 from the  
Priority Housing Project List:

- Wilson's Walk – 108 affordable units
- Siem Lelum – 15 family units

Supportive Housing Projects:

- Two projects in grant application phase – 84 units
- One project at pre-funding stage – 60 units





## Social & Health Services Support

- Support for Coalition *Creating Homes, Enhancing Communities* report given July 9<sup>th</sup>
- Motion to support 2016 Coalition funding passed
  - 2016 Grant and Budget approval required
- Safe Consumption model being explored by Island Health and AIDS VI



## 2015 Operational Initiatives

### 1. Storage Facility Project

- Vancouver model reviewed by staff
- Discussions with Our Place & Rock Bay Landing
- Service model and site location are key issues

#### Recommendation:

- Continue with service partner discussions
- Initiate proposal call if no progress by September





## 2015 Operational Initiatives

### 2. Additional Social Service Outreach

- Defining scope of service delivery
- Seeking partner funding & coordination
- Six month pilot project contract to follow
- Implement pilot project by end of September



## 2015 Operational Initiatives

### 3. Monitoring & Services

- A. Special clean-up service operating
- B. Extended washroom hours established in:
  - Beacon Hill Park main washrooms
  - Stadacona Park

Portable toilets set-up at Topaz Park (SW corner)





## 2015 Operational Initiatives

### 3. Monitoring & Services

- C. Signs for park areas being developed
  - installation in August
- D. Information handouts being developed
  - implementation by August
- E. Maintain Bylaw Officer patrols → implemented
- F. Acknowledge cooperation → implemented
- G. Improve compliance message → implemented



## 2015 Operational Initiatives

### 4. Amend Parks Regulation Bylaw

- Draft amendments under review
- Propose bylaw amendments in September
- Consult with public after 2<sup>nd</sup> Reading
- Adopt bylaw amendments in October

### 5. Progressive Compliance Strategy

- Strategy development underway
- Propose concurrent with bylaw amendments
- Concurrent implementation with 4 in October





## Conclusions

- Action Plan is a multi-faceted approach
- Temporary Housing Initiatives more complex  
= longer timeline
- Operational Initiatives are less complex  
= shorter timeline
- More funding is needed from the Province to support permanent housing options



## Conclusions

- Directors Team reviewing resource needs
- Additional resourcing may be needed to support Action Plan & Task Force initiatives





## Questions?

**Action Plan Update  
Housing Supports & City Services  
For Overnight Sheltering in City Parks  
July 16, 2015**









## Governance and Priorities Committee Report

### For the Meeting of July 16, 2015

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**To:** Governance and Priorities Committee      **Date:** June 17, 2015  
**From:** Paul Bruce, Fire Chief  
**Subject:** Property Use Agreement with Department of National Defence for USAR Training

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#### Executive Summary

In September 2013, the City of Victoria and the Minister of National Defence signed a facility use agreement that allows the City of Victoria to utilize the Urban Search and Rescue (USAR) training facilities at Canadian Forces Base Esquimalt. That agreement expires on August 31, 2015.

Council is being asked to enter into a further three-year agreement with the Minister of National Defence to allow the City of Victoria to continue to use the urban search and rescue training facilities at CFB Esquimalt. Council approval of this agreement is necessary because of the indemnity provision contained within the agreement.

#### Recommendation

That Council authorize the Mayor and the Corporate Administrator to execute the agreement, generally in accordance with *Appendix A – Agreement for Temporary Use of Federal Real Property* with the Minister of National Defence for the use of the CFB Esquimalt Urban Search and Rescue facilities by staff and volunteers of the City of Victoria.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rob Johns".

Rob Johns  
Emergency Coordinator

A handwritten signature in black ink, appearing to read "Paul Bruce".

Paul Bruce  
Fire Chief

Report accepted and recommended by the City Manager:

Date:

 A handwritten signature in black ink, appearing to read "John".
 

June 24, 2015

#### List of Attachments:

- Appendix A – Agreement for Temporary Use of Federal Real Property

## Purpose

The purpose of this report is to seek Council support for a further three-year agreement between the City of Victoria and the Minister of National Defence that allows for the use of the CFB Esquimalt Urban Search and Rescue (USAR) training facility located at Work Point. This agreement indemnifies and saves harmless the Department of National Defence from liability arising from the use of the facilities by staff and volunteers of the City of Victoria.

## Background

The City of Victoria has a one in three probability of a damaging earthquake occurring within the next fifty years. Many buildings within the City of Victoria are vulnerable to the effects of a moderate or large damaging earthquake. In order to better prepare for any required urban search and rescue the City of Victoria operates a volunteer-based urban search and rescue team.

CFB Esquimalt operates a unique urban search and rescue training facility. The City of Victoria does not have a similar facility within its properties.

## Issues & Analysis

The primary purpose of this agreement is to indemnify the Department of National Defence if a City of Victoria employee or volunteer is hurt while using the urban search and rescue facility. This agreement stipulates that the City of Victoria provides proof of insurance for Public Liability coverage, with Her Majesty the Queen in the Right of Canada (Canada) as an Additional Insured.

## Options & Impacts

The City of Victoria USAR team has used this facility for almost two years. In that time, this use has greatly assisted the team in its development. If Council should choose to not renew this agreement the City of Victoria urban search and rescue team will not have access to this training facility. Existing City of Victoria facilities do not currently provide the same opportunities for training. The USAR team will continue to conduct their training on City of Victoria property located at the Public Works yard, albeit with a reduced capability.

## Recommendation

That Council authorize the Mayor and the Corporate Administrator to execute the agreement, generally in accordance with *Appendix A – Agreement for Temporary Use of Federal Real Property* with the Minister of National Defence for the use of the CFB Esquimalt Urban Search and Rescue facilities by staff and volunteers of the City of Victoria.

RES FILE No. 7825 V46 TD 12292

**AGREEMENT FOR TEMPORARY USE OF FEDERAL REAL PROPERTY**

THIS AGREEMENT, dated the \_\_\_\_\_ day of \_\_\_\_\_ 2015

BETWEEN:

**HER MAJESTY THE QUEEN** in right of Canada, represented herein by the Minister of National Defence, (hereinafter referred to as "the Minister")

OF THE FIRST PART

AND:

**THE CORPORATION OF THE CITY OF VICTORIA**, 1 Centennial Square, Victoria British Columbia V8W 1P6 as represented by Victoria Emergency Management Agency (hereinafter referred to as the "Applicant")

OF THE SECOND PART.

WHEREAS the Minister is the owner of a Defence establishment known as Workpoint, Canadian Forces Base Esquimalt, located in the Township of Esquimalt, in the Province of British Columbia.

WHEREAS the Applicant has requested that the Minister provide access to and use of the following property:

Permission to access Workpoint site on a "non-exclusive" basis for the purpose of training the Applicant's staff and volunteers, including in particular permission to use land and the Urban Search and Rescue (USAR) training facility and props. The Workpoint site is hereinafter referred to as "the Property".

NOW THEREFORE the parties mutually covenant and agree with each other as follows:

**1.0 THE MINISTER'S COVENANTS**

- 1.1 The Minister hereby agrees to provide the Applicant with the access to and use of the Property by means of a Licence only; this Agreement does not create an exclusive use or interest in land.
- 1.2 The Minister does not assume any responsibility for, nor guarantee the quality of the Property provided or the results thereof.
- 1.3 The Minister provides the Property "AS-IS".

**2.0 TERM**

- 2.1 The Agreement shall be for a term of 3 years commencing on 1 September 2015 and ending on 31 August 2018.
- 2.2 The Applicant may use the Property on an “as needed basis” but will provide the Minister with 2 weeks written notice to request the dates the Applicant requires.

**3.0 GENERAL TERMS**

- 3.1 The Applicant acknowledges that the aforesaid permission exists only by agreement of the Minister and not by any other right or title whatsoever.
- 3.2 The Applicant accepts the property “AS FOUND”.
- 3.3 The Applicant will not assign this Agreement to third party without the written consent of the Minister.
- 3.4 The Applicant shall provide their own materials, tools, and equipment for their training purposes.

**4.0 CONDITION OF THE PROPERTY**

- 4.1 The Applicant hereby agrees to use the Property for the purpose of conducting search and rescue training and for no other purpose whatsoever.
- 4.2 The Applicant will ensure that any material brought into the Property is removed, the garbage has been picked up, and that Property is left in a condition satisfactory to the Minister, provided the Applicant will not be required to leave the Property in a condition that is better than that found by the Applicant immediately prior to the Applicant’s use of the Property.
- 4.3 The Applicant understands that all military training/activities takes precedence over the use of the Property and that other activities may take place in and around the Property while the Applicant is using the Property.
- 4.4 The Applicant understands that if Canadian Forces Base Esquimalt is required to heighten the level of security for Defence purposes, access to the Property may be restricted indefinitely.
- 4.5 The Applicant shall abide by all military regulations, orders and instructions, including those issued by the Minister or DND site representative placed in charge of the Property.
- 4.6 The Applicant shall comply with all Federal, Provincial and Municipal laws, instructions and or regulations applicable to the use of the Property by the Applicant.

- 4.7 The Applicant is responsible for the safe care and custody of the Property while being used by the Applicant, reasonable wear and tear excepted. The Applicant will replace any property, which is broken, damaged or lost by the Applicant by replacements of a similar nature and of equal value that are acceptable to the Minister, or at the option of the Minister, pay compensation in respect of such loss, breakage or damage.

## **5.0 LIABILITY**

- 5.1 The Applicant shall indemnify and save harmless Her Majesty, Her Officers, servants and employees, and members of Her Armed Forces, Her and their heirs, executors, administrators, successors and assigns, of and from all injury, damage, actions, causes of action, claims and demands of whatsoever nature which may result or be brought by reason of any act of default of the Applicant, the Applicant's agents or employees, or on account of any damage to the property or equipment of the Applicant, or in connection with any loss, damage or injury in any manner based upon, arising out of, or incidental to the enjoyment by the Applicant of the use of the Property.
- 5.2 The Applicant agrees that the Minister shall not be liable for any injury or damage to persons or property resulting from any act of God, acts of the Queen's enemies, strikes, lockouts, earthquakes, fire, explosion, gas, electricity, water, rain, snow or leaks from the street or subsurface or from any other place or by reason of the interruption of any public utility or service or for injury or damage by any cause of whatsoever nature, provided such injury or damage is not caused by the negligence of the Minister, its servant or agents.
- 5.3 Prior to execution of this agreement, the Applicant will show proof of insurance from their insurers for Public Liability coverage in the amount of \$5,000,000.00 (Five Million Dollars) showing that Her Majesty the Queen in the Right of Canada (Canada) is named as an additional ~~Named-Insured~~ under any liability insurance policies for Canada's respective rights and interests under this Agreement.

## **6.0 ENVIRONMENTAL**

- 6.1 The Applicant is required to immediately notify the Minister of any accident or circumstance on the Property giving rise to a claim either personal and/or environmental by calling the Joint Operations Centre at (250) 363-2425 (manned 24 hours per day).
- 6.2 All environmental spills on the Property must be reported to the Minister, regardless of size and shall immediately be reported by calling the Joint Operations Centre at (250) 363-2425 (manned 24 hours per day).

- 6.3 The Applicant shall abide by and comply with applicable Federal, Provincial and Municipal environmental legislation, regulations, rules or guidelines and take all steps necessary to ensure that there are no environmental concerns arising from the use of the Property advising the Minister immediately of any such concern; hazardous materials, liquids or solid waste, shall be the disposal responsibility of the Applicant; the Applicant agrees to clean up, at its expense, any part of the Property contaminated as a result of activities by the Applicant immediately upon becoming aware of the contamination; if the Applicant fails to clean up the Property within three days, the Minister may proceed with the clean up at the Applicant's expense.

**7.0 FINANCIAL**

- 7.1 Due consideration is deemed to be provided for the use of the property, therefore no charge is applied.

**8.0 SECURITY**

- 8.1 The Applicant understands that the Minister is not responsible for the security of the Applicants personnel, students, equipment or material on the Property.

**9.0 TERMINATION**

- 9.1 Either the Minister or the Applicant may at any time terminate this Agreement upon giving to the other parties 60 days written notice of intention to terminate.
- 9.2 This Agreement shall in the Ministers discretion, be terminated and withdrawn forthwith and without advance notice in the event of these public lands or facilities being required for public purposes or by reason of circumstances that, in the opinion of the Minister, constitute an unforeseen emergency or the property is required for Department of National Defence operational requirements, or it becomes apparent that the continuation of this Agreement may be contrary to the interest of the Canadian Forces.
- 9.3 This Agreement shall remain in effect until 31 August 2018 or until either withdrawn from or terminated pursuant to either paragraph 10.1 or 10.2.
- 9.4 This Agreement takes precedence over any oral discussions or exchange of letters between the parties prior to the date of its execution. No variation of the terms herein made subsequent to the date of execution of this Agreement shall be valid, unless set out in writing and signed by both parties.

**10.0 NOTICE**

10.1 Any notice given in connection with this Licence Agreement shall be delivered to the respective addresses set out below or to such other address as either of the parties may designate in writing.

- |                   |  |
|-------------------|--|
| (a) The Applicant | The Corporation of the City of Victoria<br>Victoria Emergency Management Agency<br>1 Centennial Square<br>Victoria, BC V8W 1P6<br>Attention: Office of the Emergency Coordinator |
| (b) The Minister  | Canadian Forces Base Esquimalt<br>Building SH575<br>PO Box 17000, Stn Forces<br>Victoria BC V9A 7N2<br>Attention: A/Properties Officer<br>Real Property Operations Section (ESQ) |



Signed by or on behalf of the Applicant, in the Province of British Columbia on the \_\_\_\_\_ day of \_\_\_\_\_ 2015:

**THE CORPORATION OF THE CITY OF VICTORIA** by its authorized signatories:

\_\_\_\_\_  
**Robert G. Woodland, Corporate Administrator**

\_\_\_\_\_  
**Mayor Lisa Helps**

Signed on behalf of Her Majesty the Queen in Right of Canada, in the Province of British Ontario on the \_\_\_\_\_ day of \_\_\_\_\_ 2015:

For the **MINISTER OF NATIONAL DEFENCE**

**SIGNED, SEALED AND DELIVERED**  
in the presence of:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
D.O. Quinn, Colonel  
Commander CF Real Property Operations  
Group

**Environmental and Safety Screening**

1. **Location of request:** Workpoint
2. **File number:** 7825 V46 TD 12292
3. **Request date:** 3 years commencing on 1 September 2015 and ending on 31 August 2018.
4. **Request by:** City of Victoria
5. **Request for:** Permission to use Workpoint Urban Search and Rescue facility and props for the purpose of conducting search and rescue training.
6. **List of work involved:** na
7. **Requirement of Applicant:** Ensure terms of the agreement are adhered to. That there is a spill kit on site at all times and no fuelling of motorcycles takes place on the Property.

☒ **X** Code 1 Benign

☐ Code 2 Insignificant adverse effects

☐ Code 3 Environmental Assessment required

**Discussion and recommendations:**

Environmental issues discussed.

**Environmental Screening understood and accepted by Applicant:**

\_\_\_\_\_  
Print name and sign

**Date:** \_\_\_\_\_

**Environmental Screening Approved by:**

\_\_\_\_\_  
Print name, Title and sign

**Date:** \_\_\_\_\_





**Council Member Motion**  
**For the Governance and Priorities Committee Meeting of July 16, 2015**

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**Date:** July 8, 2015

**From:** Councillor Jeremy Loveday and Councillor Ben Isitt

**Subject:** Protection of Biological Diversity of Walbran Valley

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**Background:**

The Walbran Valley harbours some of the finest ancient forests remaining on southern Vancouver Island — one of the few watersheds that have largely avoided the negative ecological impacts of industrial logging activity.

Many Victoria residents have expressed concern over eight proposed cutblocks by license-holder Teal Jones on publicly owned lands in the central Walbran Valley adjacent to Carmanah-Walbran Provincial Park.

Tourism is worth close to 20 billion dollars annually in Victoria, and part of the draw to the City is its proximity (perceived or actual) to pristine wilderness areas. New clearcutting of previously untouched forests and 1000 year old trees will have significant negative impact on this perception.

The value of old-growth forests far surpasses its value as timber -- as a recreational resource, as a cultural resource utilized by First Nations since time immemorial, and as an unparalleled carbon sink.

Logging company Teal Jones Group has plans for imminent harvest (permits could be granted July 13, 2015) in the central Walbran Valley, one of the last significant tracts of intact old-growth rainforest on Vancouver Island. Less than ten per cent of low-elevation old-growth forest remains on Vancouver Island -- at two and half hours from Victoria, the central Walbran is among the closest old-growth area's to the City.

Advocacy organizations including the Wilderness Committee are requesting that Teal Jones and the BC Ministry of Forests, Lands and Natural Resource Operations agree to avoid logging in 0.5 % of Tree Farm License 46, in order to respect and protect the extraordinary biological diversity of the Walbran Valley.

**Motion:**

Be it resolved that Council request the Mayor to write a letter to the Honourable Steve Thomson Minister of Forests, Lands, and Natural Resource Operations stating support for protecting the Old Growth Forests of Walbran Valley.

Respectfully submitted,



Councillor Jeremy Loveday



Councillor Ben Isitt



## Council Member Motion

For the Governance and Priorities Committee Meeting of July 16, 2015

**Date:** July 15, 2015

**From:** Councillor Jeremy Loveday, Councillor Lucas, and Councillor Thornton-Joe

**Subject:** Opening Government St. to Pedestrians – “LoveGov” Pilot Project

### Summary

Many vibrant and walkable cities have a number of streets that are designated pedestrian only for specific days of the year. These streets become hubs of retail and cultural activity for locals and tourists. Following the lead of other cities, Victoria residents and business owners have discussed the idea, on a trial basis, of designating a section of Government Street for pedestrians only as a pilot project. The aims of the pilot project are to draw local people to Government Street, profile the Government Street businesses through sidewalk sales and other opportunities, animate and mildly ‘curate’ the street to turn it into a truly people place, and continue to gather ideas for the future of Government Street.

The City of Victoria’s 2015-18 Strategic Plan names “Strive for Excellence in Planning and Landuse”, “Enhance and Steward Public Spaces”, “Create Prosperity through Economic Development”, “Complete a Multi-Modal and Active Transportation Network” as strategic priorities for the City of Victoria. Opening Government Street as a pilot project would be a great chance to assess this idea in terms of its impact on these three strategic objectives.

### Background

Earlier in the year, after receiving a flurry of emails about the fate and future of Government Street, Mayor Helps held “pop-up committees” in her office on Sunday mornings on the topic. She invited all of those who wrote to her about Government Street to join her for a cup of coffee and have a structured conversation. Two key themes emerged from these pop-up committees. First, there was a desire to *do* something about Government Street. Second, there was a desire to see Government Street with a “year-round economy” and a place that first and foremost was for locals. As Paul Nursey Tourism Victoria CEO regularly states, tourism is changing and becoming more experiential. The number one question at the Tourism Victoria Visitor Centre is “What do the locals do?”

Building on the themes coming out of the pop-up committees and with a desire to draw in a larger group of people, including more Government Street property and business owners, the Downtown Victoria Business Association (DVBA) hosted a Government Street Charette in late May. Over 50 people attended this half-day event and participated in workshop on the economic, social and physical aspects of Government Street. Again a key theme that emerged in each of these topic areas was a desire to see Government Street become a local people place.

In response to feedback from City staff, the DVBA and the Government Street merchants, the amended recommendation is provided for Council’s consideration.

### Motions:

1. Be it resolved that the City of Victoria work in collaboration with the Downtown Victoria Business Association, downtown residents, the Greater Victoria Placemaking Network and other interested

stakeholders to convene a "LoveGov" series of pedestrian only Sundays on Government Street including Saturday October 10, one Saturday or Sunday in November, one Saturday or Sunday in January, and culminating in a "LoveGov" wrap up event on Sunday February 14<sup>th</sup> 2016.

2. Direct staff, working in partnership with the DVBA, Government Street merchants and other stakeholders, to develop a mechanism to evaluate the success of this pilot project.

Respectfully submitted,



Councillor Jeremy Loveday



Councillor Margaret Lucas



Councillor Thornton-Joe





**Council Member Motion**  
**For the Governance and Priorities Committee Meeting of July 16, 2015**

**Date:** July 7, 2015

**From:** Councillor Jeremy Loveday, Councillor Lucas, and Councillor Thornton-Joe

**Subject:** Opening Government St. to Pedestrians – Pilot Project

**Summary**

Many vibrant and walkable cities have a number of streets that are designated pedestrian only for specific days of the year. These streets become hubs of retail and cultural activity for locals and tourists. Following the lead of other cities, Victoria residents and business owners have discussed the idea, on a trial basis, of designating a section of Government Street for pedestrians only use as a one-day pilot project in 2015. The aims of the pilot project are to draw local people to Government Street for the day, profile the Government Street businesses through sidewalk sales and other opportunities, animate and mildly 'curate' the street to turn it into a truly people place, and continue to gather ideas for the future of Government Street.

The City of Victoria's 2015-18 Strategic Plan names "Strive for Excellence in Planning and Landuse", "Enhance and Steward Public Spaces", "Create Prosperity through Economic Development", "Complete a Multi-Modal and Active Transportation Network" as strategic priorities for the City of Victoria. Opening Government Street as a pilot project would be a great chance to assess this idea in terms of its impact on these three strategic objectives.

**Background**

Earlier in the year, after receiving a flurry of emails about the fate and future of Government Street, Mayor Helps held "pop-up committees" in her office on Sunday mornings on the topic. She invited all of those who wrote to her about Government Street to join her for a cup of coffee and have a structured conversation. Two key themes emerged from these pop-up committees. First, there was a desire to *do* something about Government Street. Second, there was a desire to see Government Street with a "year-round economy" and a place that first and foremost was for locals. As Paul Nursey Tourism Victoria CEO regularly states, tourism is changing and becoming more experiential. The number one question at the Tourism Victoria Visitor Centre is "What do the locals do?"

Building on the themes coming out of the pop-up committees and with a desire to draw in a larger group of people, including more Government Street property and business owners, the Downtown Victoria Business Association (DVBA) hosted a Government Street Charette in late May. Over 50 people attended this half-day event and participated in workshop on the economic, social and physical aspects of Government Street. Again a key theme that emerged in each of these topic areas was a desire to see Government Street become a local people place.

Building on the work done at this charette, the DVBA in partnership with the City and other stakeholders will develop a 12-month action plan for Government Street. This work will be done later in the fall. However, to continue building the momentum and to *do something* this summer we recommend that the City of Victoria, the DVBA, the Greater Victoria Placemaking Network, and the Downtown Residents Association, do a one-day pilot project on Government Street where the street is open to pedestrians only and where Government Street businesses are profiled and showcased.

**Motion:**

Be it resolved that the City of Victoria work in collaboration with the Downtown Victoria Business Association, Downtown Residents Association, and the Greater Victoria Placemaking Network to open the section of Government St from Humboldt St. to Yates St. to pedestrians for a one-day pilot project on August 16<sup>th</sup> 2015 from 12pm-5pm.\*

\*We have selected this date because it is a Sunday in August where there is not a cruise ship in town. This means there will be no interference with buses and that we can more fully assess the extent to which the pilot project draws local people.

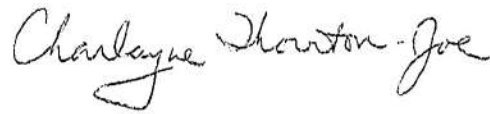
Respectfully submitted,



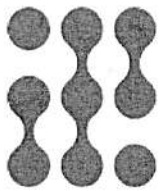
Councillor Jeremy Loveday



Councillor Margaret Lucas



Councillor Thornton-Joe



## GREATER VICTORIA PLACEMAKING NETWORK

*'citizens of Greater Victoria promoting creative & healthy public spaces, multi-use streets, urban innovation & citizen engagement'*

### City of Victoria – City Council

#### Letter of Support: Government Street motion

July 8, 2015

I am writing in support of the initiative to conduct one or more pilot projects on Government Street in August and / or September of this year.

As you know, our organization is dedicated to the improvement of streets and public places because those are the shared spaces where community is created. Government Street is an iconic connector in our community – one that has the potential to be our central downtown hub. Many people tell us that Government Street can be more vibrant and be a street that regularly draws local residents and visitors to the city centre.

We also believe in the power of community pilot projects. By testing out new ideas in public spaces, we can innovate and invigorate our city more quickly.

We are therefore excited about the possibility of two pilot days on Government Street this year. We think that businesses, residents and visitors can all benefit from the process of exploring ideas.

If Council passes a motion to create these pilot projects, we look forward to collaborating with the City, DVBA and many others in creating days for creative exploration on one of our most important streets.

Sincerely,

Lorne Daniel  
Director, Greater Victoria Placemaking Network



**DVBA Board**

July 9, 2015

Suzanne Bradbury, Chair  
*Fort Realty*

Kathy Hogan, Vice-Chair  
*UDI Victoria*

Fran Hobbis, Past-Chair  
*BC Ferries*

Dan Sawchuk, Treasurer  
*Robbins Parking*

Eveline Black  
*Capital Iron*

Nick Blasko  
*Atomique Productions*

Deirdre Campbell  
*Tartan Group*

Jason Cridge  
*Cridge Family Pharmacy*

Shane Devereaux  
*Habit Coffee*

Don Fennerty  
*Fairmont Empress*

Dave Ganong  
*Colliers International*

Grant Olson  
*Strathcona Hotel*

Margaret Lucas  
*Councillor,  
City of Victoria  
(Ex-officio)*

Kenneth Kelly, M. PL.  
*General Manager*

20 Centennial Square  
Victoria, BC  
V8W 1P7

T 250.386.2238  
F 250.386.2271

downtownvictoria.ca

Mayor Lisa Helps & Victoria City Council  
City of Victoria  
1 Centennial Square,  
Victoria, BC V8W 1P6

Dear Mayor & Councillors,

On behalf of the Downtown Victoria Business Association (DVBA), I am writing to express our support for a City-initiated, pilot project to close and animate Government Street in a manner that will provide the opportunity of seeing and experiencing it from a whole new perspective.

Government Street has been woven into our community conscience as an attractive and appealing avenue, lined with welcoming shops and trees. For many locals, when families and friends come to visit, Government Street is often one of the places that they are taken. Do locals always come to Government Street of their own accord? Not as often we would like. For that reason, we support an initiative that would allow residents to rediscover this street. We also seek to explore the question of whether a temporary pedestrian-only Government Street experience brings benefits to local businesses and place-making opportunities for residents.

If the City works with business and property owners, the Greater Victoria Placemaking Network, the Downtown Residents Association, and the DVBA, we believe a shared vision for curating and animating the street will be created. To this end, next week we will be convening a meeting of Government Street business and property owners to help explain the concept and seek their input.

Yours sincerely,

  
for Suzanne Bradbury  
Chair



**Council Member Motion**  
**For the Governance and Priorities Committee Meeting of July 16, 2015**

**To:** Council

**Date:** July 8, 2015

**From:** Councillor Jeremy Loveday, Mayor Lisa Helps and Councillor Ben Isitt

**Subject:** Socially Responsible Investments and Pension Funds

**Background:**

The City of Victoria's Investment Policy (2006) identifies the objective of Socially Responsible Investing, defined as "selecting investments in a portfolio based on social and/or environmental criteria with the objective of excluding companies that have a negative social and/or environmental impact, and selecting companies that make positive contributions to society and/or the environment."

The current provisions and structure of the Municipal Finance Authority Act, the Municipal Finance Authority, the Municipal Pension Fund and the BC Investment Management Corporation appear to prevent the City of Victoria from implementing the Socially Responsible Investment provision of the Investment Policy.

Advocacy to these organizations, the Provincial government and the Union of BC Municipalities would assist the City in giving effect to the provisions of this policy and the stated objective of the City's Strategic Plan (Objective #12) to Plan for Emergencies Including Climate Change Short and Long-Term. One of the strongest strategies for climate change mitigation is the reduction of emissions into the atmosphere arising from the consumption of fossil fuels, which includes divesting from fossil fuels and reinvesting in renewable sources of energy, employment and income.

In addition, the divestment movement aligns with the practical financial concerns outlined in Objective #4 Build the Financial Capacity of the Organization, to protect our investments from a volatile and declining fossil fuel sector. Much of the current and future fossil fuel reserves cannot be burned, and these unburnable fossil fuel reserves are stranded assets that will drive large valuation reductions of fossil fuel firms.

**Motion:**

That Council:

1. Requests that the Mayor write to the Premier of British Columbia and the Minister of Finance, requesting that the provincial government introduce amendments to the Municipal Finance Authority Act to provide local governments with the autonomy to pursue socially responsible investments and climate action in financial decision-making;
2. Request a report from each of the Municipal Pension Plan and the Municipal Finance Authority detailing the percentage and dollar amount of investments currently held in fossil fuel-related companies or investment products, and options for divesting those assets over the next five, ten and fifteen years;

3. Requests that the Mayor write to the Board of Directors of the Municipal Finance Authority and the BC Investment Management Corporation requesting that these organizations divest from fossil fuels and reinvest in renewable sources of energy, employment and income, in order to give effect to the climate action objectives of the Province of British Columbia and local governments including the City of Victoria.

As per the Strategic Plan Implementation Plan attached as Appendix A, that Council

1. Refer this item to the next Strategic Plan Quarterly Update on August 20, 2015 and at that time request a report from staff on the implications of adding this Action Item to the strategic plan:

Report on the current distribution of the City of Victoria's investment portfolio and pension funds, and consistency with objective 5 of the Investment Policy (Socially Responsible Investing), and in particular, to report on the percentage and dollar amount of investments currently held in fossil fuel-related companies, and provide advice on options for increasing Socially Responsible Investing.

Respectfully submitted,



Councillor Jeremy Loveday



Mayor Lisa Helps



Councillor Ben Isitt

Attachments.

1. City of Victoria Investment Policy
2. Township of Esquimalt Motion re: Divestment
3. Myths versus Facts in Socially Responsible Investing
4. Process for Amending Strategic Plan

## Appendix A – Process for Amending Strategic Plan

### *Part One – Emerging Issues and Opportunities*

#### Step 1

At a Governance and Priorities Committee Quarterly Update, councillors interested in amending the Strategic Plan to address an emerging issue or opportunity must bring a motion accompanied by a short report to request a short report from staff on the implications of adding a proposed Action. This report must outline which of the 13 Objectives the new proposed Action will lead to, as well as the Outcome that the new proposed Action is meant to achieve.

#### Step 2

Two GPC meetings later at the most, staff provide a brief report to Council outlining what Actions planned for a given year may need to be reconsidered and the implications of doing so.

#### Step 3

At the same meeting as outlined in Step 2, Committee votes on whether to move forward the new Action and Outcome and what and what Action or Actions may need to be removed.

### *Part Two – Emergency Issues and Extraordinary Opportunities*

#### Step 1

At a Governance and Priorities Committee, councillors interested in amending the Strategic Plan to address an emergency issue or extraordinary opportunity must bring a motion accompanied by a short report to request a short report from staff on the implications of adding a proposed Action. Emergency Issues and Extraordinary Opportunities don't need to be tied to a specific Strategic Objective, but if they do, this should be indicated clearly, as well as the Outcome that the new proposed Action is meant to achieve. Proposed new actions for Emergency Issues and Extraordinary Opportunities will require a two-thirds majority to pass.

#### Step 2

One GPC meeting later at the most, staff provide a brief report to Council outlining what Actions planned for a given year may need to be reconsidered and the implications of doing so.

#### Step 3

At the same meeting as outlined in Step 2, Committee votes on whether to move forward the new Action and Outcome and what Action or Actions may need to be removed. If Committee (and Council) supports proposed Actions and Outcomes that fall outside of the 13 Strategic Objectives, a new section will be added to the plan entitled *Emergency Issues and Extraordinary Opportunities*.





| City of Victoria<br>Investment Policy     |                                 |
|---|---------------------------------|
| <b>Prepared by:</b> Department of Finance | <b>Date of issue:</b> June 2006 |

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## **POLICY**

It is the policy of the City of Victoria to invest public funds in a prudent manner within prescribed limits which will provide the highest investment returns while meeting cash flow demands and conforming to all statutory requirements.

## **SCOPE**

The City of Victoria investment policy applies to all investment activities involving the financial assets of the City. These funds are accounted for in the City's Annual Report and include:

- i. General Operating Funds
- ii. Capital Funds
- iii. Reserve Funds
- iv. Trust Funds

## **STANDARDS**

Investments shall be made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Investment officers exercising due diligence and acting in accordance with this investment policy shall be relieved of personal responsibility for credit risk or market price changes of a certain investment, provided that appropriate action is taken to control adverse developments and that such developments are reported in a timely manner.

## **OBJECTIVES**

### **1. Adherence to Statutory Requirements**

Investment guidelines for municipal funds are provided in Section 183 of the Community Charter. This section states that "a municipality may invest money that is not immediately required in one or more of the following:

- a. Securities of the Municipal Finance Authority
- b. Pooled investment funds under section 16 of the Municipal Finance Authority Act;
- c. Securities of Canada or of a province
- d. Securities guaranteed for principal and interest by Canada or by a province;
- e. Securities of a municipality, regional district or greater board;
- f. Investments guaranteed by a chartered bank;
- g. Deposits in a savings institution, or non-equity or membership shares of a credit union
- h. Other investments specifically authorized under this or another act."

### **2. Preservation of Capital**

The prime investment objective of the investment program is to ensure the safety of principal. Therefore, investments shall be selected in a manner that seeks to ensure the preservation of capital. To attain this objective, the City will mitigate credit risk and interest rate risk as follows:

- a. **Credit Risk:** The city will minimize credit risk, the risk of loss due to the failure of the security issue or backer, by:
  - Limiting investments to securities of high credit worthiness
  - Diversifying the investment portfolio to minimize potential losses
- b. **Interest Rate Risk:** The city will minimize interest rate risk, the risk that market values or yields will fall, by:
  - Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity
  - Investing operating funds primarily in shorter-term investments

**3. Liquidity**

The investment portfolio shall remain sufficiently liquid to meet all operating and reasonably anticipated cash flow requirements. This will be accomplished by selecting maturity dates that correspond to cash flow requirements and by choosing investments where the principal amount is easily redeemable and that have an active secondary market.

**4. Rate of Return**

The rate of return of the investment portfolio shall be maximized without compromising any of the other objectives.

**5. Socially Responsible Investing**

Where possible, socially responsible investing (SRI) criteria will be applied to the selection of investments. SRI strategies and criteria are established by the Social Investment Organization (SIO), a national non-profit association for the socially responsible investment industry in Canada. SRI screening involves selecting investments in a portfolio based on social and/or environmental criteria with the objective of excluding companies that have a negative social and/or environmental impact, and selecting companies that make positive contributions to society and/or the environment. The City's investment program shall invest in SRI products in consideration of the adherence to statutory requirements.

## **GUARDIANSHIP**

**1. Ethics and Conflicts of Interest**

Employees involved in the investment process shall refrain from personal business activity that could impair their decisions or affect the performance of the investment portfolio. Any material interest or position in a financial institution or investment that could affect the performance of the investment portfolio shall be disclosed.

**2. Responsibility & Delegation of Authority**

The Accounting Manager is responsible for the control, administration and management of the City's investment program in accordance with this investment policy. The Accounting Manager has the authority to delegate authority to manage and implement the City's investment program. The designate shall act in accordance within the established procedures and internal controls of this policy. No person engaging investment transactions are exempt from the terms of this policy.

**3. Custody**

All investments shall be held in the name of the City by approved institutions. Confirmation of investments will be maintained in the appropriate investment file at City Hall, 1 Centennial Square, Victoria, BC.

## **INVESTMENT PARAMETERS**

**1. Approved Investments**

Only investments that are issued or guaranteed by a financial institution that belongs to a classification of securities detailed in Section 183 of the Community Charter will be approved. In Appendix B, column one sets out these approved classifications.

**2. Credit Ratings**

To avoid investing in securities that have higher credit risks, each investment must achieve a credit quality rating in its respective security class that is considered high grade prime credit. Columns two and three in Appendix B set out the minimum acceptable credit rating of each class as determined by the major ratings agencies.

### 3. Diversification

Each approved classification of security will be limited to ensure diversification by avoiding over-concentration in a specific classification. Column 4 sets out the maximum allowable exposure for each classification of security as a percentage of the total portfolio. The portfolio share of each class of investment will vary depending on the prevailing and forecasted interest rates. At specific times, the portfolio parameters may be exceeded as a result of timing issues. Column 5 sets out the maximum allowable exposure for each specific issuer or guarantor in a security class. Where a specific limit per issuer is not specified, the City shall diversify its investments to the best of its ability.

### 4. Competitive Selection

The purchase and sale of securities shall be transacted through a competitive process with financial institutions.

### 5. Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow needs. Unless matched to a specific cash flow need, the City shall limit its short-term investments to securities maturing within 1 year from the date of purchase.

### 6. Investing Limits

Long-term investments should not exceed 75% of prior year's total reserves. As well, investments should not be made in securities maturing more than ten years from the date of purchase.

## **PERFORMANCE STANDARDS**

The investment portfolio will be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow requirements. The investment portfolio will be managed in accordance with the parameters specified within this policy. The rate given by the City's bank for cash balances will be used as the measure of performance.

## **INVESTMENT PROCEDURES**

The following procedures have been established to ensure that the implementation of the investment program is consistent with this policy.

### 1. Authorization

The authorization process is accomplished by completing an "Investment Purchase Authorization" form (Appendix C). All transactions to purchase investments require an authorizing signature from the Accounting Manager, Assistant Director, or Director of Finance. In their absence, authorization can be obtained by any Finance departmental manager. In addition to the appropriate signature, the form requires the following documentation:

- A minimum of three quotations obtained for each short-term transaction
- A reasonable number of quotations obtained for each long-term transaction, considering the existing market conditions, prior to placement
- If the lowest priced security (highest yield) was not selected for purchase, an explanation describing the rationale shall be included.

### 2. Reporting

The investment portfolio is to be reported monthly to the Director of Finance or their delegate to provide a clear picture of the status of the current investment portfolio and recent investment activities.

The short-term investment report will include the following:

- A listing of current holdings by investment type held at the end of the reporting period by cost & market value;
- The investment term in days and rate of returns of matured investments;
- Description, date and amount of each security transaction during the month;
- Percentage of the total portfolio which each type of investment class represents;
- Institutional holdings of all investments

The long-term investment report will include the following:

- A listing of current holdings by investment type held at the end of the reporting period by cost & market value;
- A detailed listing of bonds held, including investment cost, market value, interest realized YTD and maturity date
- Description, date and amount of each security transaction during the month

## **Appendix A - Definitions**

**City:** The City of Victoria

**Banker's Acceptance:** this instrument is essentially a commercial draft drawn by a borrower for payment on a specified date and accepted, or guaranteed by the borrower's bank. These instruments are actively and openly traded in the money markets and as a result are extremely liquid.

**Commercial Paper:** an unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

**Credit Quality:** the measurement of the financial strength of a debt issuer. Credit quality ratings are provided by nationally recognized ratings agencies such as the Dominion Bond Rating Service (DBRS), Moody's Investors Service (Moody's) and Standard and Poor's (S&P).

**Diversification:** a process of investing assets among a variety of security types by sector, maturity and quality.

**Guaranteed Investment Certificates (GIC's):** A term deposit with a specific term to maturity issued by a bank. They are often negotiable and issued at face value and pay interest at maturity.

**Liquidity:** an asset that can be converted easily and quickly into cash.

**Long Term Investments:** investments with a maturity greater than one year. These include bonds, bond funds, intermediate funds, and guaranteed investment certificates (GICs) over 12 months.

**Market Risk:** the risk that the value of a security will rise or fall as a result of changes in market conditions.

**Market Value:** the current market price of a security.

**Safekeeping:** a service to customers rendered by banks for a fee whereby securities and valuables are held in the bank's vaults for protection.

**Schedule I Bank:** a domestic bank authorized under the *Bank Act* to accept deposits.

**Schedule II Bank:** a foreign bank subsidiary authorized under the *Bank Act* to accept deposits. These subsidiaries are controlled by eligible foreign institutions and may be wholly owned by non-residents.

**Short Term Investments:** investments that mature within 12 months and whose principal amount may be redeemed immediately. These include money market funds, banker's acceptances, GICs, etc. Investments with a maturity of greater than one year, but that are expected to be called by the issuer within one year may also be included in this category.

**Yield:** the rate of annual income return on an investment, expressed as a percentage.



**Appendix B – Approved Investments, Diversifications & Ratings**

| <b>Approved Classifications of Security:</b>                        | <b>Minimum Rating:</b><br>Short-term debt & Commercial paper | <b>Minimum Rating:</b><br>Long-term debt & Bonds | <b>Maximum Portfolio share (%)</b> | <b>Institutional Limit per Issuer (% of total portfolio)</b> |
|---|--|--|------------------------------------|--|
| Pooled investments or securities of the Municipal Finance Authority | None required  | None required                                    | 100%                               | N/A  |
| The Government of Canada  | None required  | None required                                    | 50%                                | N/A  |
| Provincial governments of Canada                                    | R-1 (mid) or equiv.  | AA or equiv.                                     | 50%                                | 5% per province  |
| Securities of a municipality, regional district or greater board    | R-1 (mid) or equiv.  | AA or equiv.                                     | 25%                                | 5%   |
| Schedule I Banks (Appendix D)                                       | R-1 (mid) or equiv.  | AA or equiv.                                     | 50%                                | 5%   |
| Fully-insured Canadian Credit Unions <sup>2,3</sup>                 | None required  | None required                                    | 50%                                | 5%   |

<sup>1</sup> Registered under federal or provincial legislation such as the Trust and Loan Companies Act (federal) or the Financial Institutions Act (BC).

<sup>2</sup> Registered under the Credit Unions and Caisses Populaires Act


<sup>3</sup> 100% Guaranteed by provincial deposit insurance programs such as The Credit Union Deposit Insurance Corporation <http://www.cudicbc.ca/> or The Credit Union Deposit Guarantee Corporation <http://www.cudgc.ab.ca/>. As of January 2014, deposits held in BC, AB, SK and MB credit unions are 100% guaranteed.

**Rating Agencies (DBRS, Moody's, S&P) provide ratings on institutional credit quality as follows:**

| <b>Commercial Paper &amp; Short-Term Debt<sup>1</sup>:</b> | <b>Bond &amp; Long-Term Debt:</b> | <b>Credit Quality</b> |
|--|-----------------------------------|-----------------------|
| Symbol:  | Symbol:                           |                       |
| R-1(high), P-1, A-1+                                       | AAA, Aaa, AAA                     | Prime                 |
| R-1(mid), P-1, A-1+  | AA, Aa2, AA                       | High Grade            |
| R-1(low), P-1, A-1   | A, A2, A                          | Upper Medium Grade    |
| R-2(high), P-2, A-2  | BBB, Baa2, BBB                    | Lower Medium Grade    |
|  |                                   |                       |

**<sup>1</sup> Caution must be exercised when using Moody's short-term rating (P-1) as this rating covers the top 3 rating levels (Prime, High Grade, and Upper Medium Grade). If relying upon this short-term rating, and other agency ratings are not available, then the long-term equivalent rating for that issuer should also be assessed.**

Appendix C – Investment Purchase Authorization

|  |    | <b>Investment purchase<br/>authorization Form</b> |    |  |
|---|----|---|----|--|
| QUOTES  | #1 | #2  | #3 |  |
| Brokerage House   |    |   |    |  |
| Investment Type   |    |   |    |  |
| Institution Issuer / Guarantor  |    |   |    |  |
| Current Institution Holdings  |    |   |    |  |
| Rating and Rating Agency  |    |   |    |  |
| Quantity (\$)   |    |   |    |  |
| Term in Days  |    |   |    |  |
| Annual Yield (%)  |    |   |    |  |
| <b>Date:</b> _____  |    |   |    |  |
| <b>Investment Officer Signature:</b> _____  |    |   |    |  |
| <b>Authorization Signature:</b> _____   |    |   |    |  |

## **Appendix D – Chartered Banks by Schedule**

### **Schedule I Banks:**

Refer to the Canadian Bankers Association (CBA) current listing of Schedule I Banks:

<http://www.cba.ca/en/banks-in-canada/61-banks-operating-in-canada/110-schedule-i-banks>

Or <http://www.cba.ca/en>





## CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Municipal Hall, 1229 Esquimalt Road, Esquimalt, B.C. V9A 3P1  
Telephone (250) 414-7100 Fax (250) 414-7111

### NOTICE OF MOTION

Request for Notice of Motion, Pursuant to Sections 37 and 38, Council Procedure Bylaw 2715, 2009.

**Introduced:** Regular Council – May 25, 2015

**From:** Councillor Susan Low

**Subject:** Motion to Seek Information Regarding Divestment from Fossil Fuel Investments through Municipal Pension Plan and Municipal Finance Authority

**WHEREAS:** municipal employer pension funds are invested with the Municipal Pension Plan, and financial assets are invested with the Municipal Finance Authority, which directly manage a combined \$39 billion in investment funds across British Columbia; and

**WHEREAS:** fossil fuel investments carry numerous risks, including economic risk to market value of fossil fuel companies based on stranded assets and increased worldwide transition to renewable energy sources, making these investments worthy of re-evaluation for the long-term financial sustainability of municipal pensions and holdings;

**THEREFORE BE IT RESOLVED:** THAT the Township of Esquimalt and the Union of British Columbia Municipalities request a report from each of the Municipal Pension Plan and the Municipal Finance Authority detailing the percentage and dollar amount of investments currently held in fossil fuel-related companies or investment products, and the anticipated effects from implementing a plan to divest those assets over the next five, ten, and fifteen years.

#### Background

This motion seeks to equip local government elected officials with information about our investments so we can make prudent choices about our asset allocation mix, considering the financial risk and the shifting values and concerns of our electors.

For a concise explanation of fossil fuel divestment, visit the Wikipedia article:

: [http://en.m.wikipedia.org/wiki/Fossil\\_fuel\\_divestment](http://en.m.wikipedia.org/wiki/Fossil_fuel_divestment)

The Chair of the World Bank has spoken in support of divestment:

: <http://www.worldbank.org/en/news/speech/2014/01/23/world-bank-group-president-jim-yong-kim-remarks-at-davos-press-conference>

Excerpt:

The so-called "long-term investors" must recognize their fiduciary responsibility to future pension holders who will be affected by decisions made today. Corporate leaders should not wait to act until market signals are right and national investment policies are in place. "

Respectfully submitted,

Councillor Susan Low

Home » Investment Insights » Articles » Myths versus Facts in SRI

# Myths versus Facts in Socially Responsible Investing

*The great enemy of the truth is very often not the lie – deliberate, contrived, and dishonest – but the myth – persistent, persuasive, and unrealistic.*

– John F. Kennedy

The truth is often in short supply, and this is particularly true when looking at the environmental, social and governance (ESG) performance of companies. Given that this is important information when managing a socially responsible portfolio such as the Phillips, Hager & North Community Values Funds, this quandary – uncovering the truth from among many competing interests and perspectives – is of interest to our portfolio management team. More often than not, stakeholders and special interest groups say one thing and the company says the opposite, while the truth usually resides somewhere in the middle. It is the portfolio manager's job to wade through the rhetoric and understand what the issue is, how the company is managing it, and how the issue affects the company as an investment for the portfolio. Understanding the issues is an important part of this balancing act.

One notable example of differences of opinion that can occur between special interest groups and companies was the 1995 Brent Spar dispute. The Brent Spar was a large floating oil storage and loading facility, owned and operated by Shell in the North Sea oil fields. When the Brent Spar came to the end of its operational life, Shell determined that the best way to dispose of the facility was "deepwater disposal". This process involved towing the Brent Spar to a deep part of the Atlantic Ocean and sinking it. At the time, this was a common practice and Shell sought, and was given, approval for the disposal by the U.K. government, after meeting the environmental conditions that the government imposed on the disposal. Greenpeace viewed deepwater disposal as nothing more than the dumping of toxic waste in the oceans, and they believed that practice needed to be stopped. Shell said that the Brent Spar had about 75 tonnes of residual oil left – mainly in the pipes, and a small amount of heavy metals in the electrical system. Otherwise, they stated, it was just a metal shell. However, Greenpeace disagreed, stating that 5,500 tonnes of oil residue as well as toxic waste remained hidden on the Brent Spar (including radioactive waste). What ensued was a media frenzy and a public outcry resulting in Shell agreeing to use an alternative method of disposal, and the U.K. government reviewing the practice of deepwater disposal, and eventually prohibiting the practice.

In this case, an environmental group, Greenpeace, successfully took on a corporation and the U.K. government, and stopped an environmentally unsound practice. However, in the process, Greenpeace levelled a number of serious accusations against Shell. Accusations such as those, if they have substance, may result in a company being excluded from the PH&N Community Values portfolios because they contravene our ESG investment criteria. In the case of the Brent Spar, we had the benefit of an independent



review by a reputable third party that tested these accusations. What the review found was that there were about 100 tonnes of oil residue, trace amounts of heavy metals, and no "hidden" waste. In short, the accusations made by Greenpeace bore very little resemblance to the facts. The lesson here is that as investment managers, we must look beyond the face value of company and activist claims if we are to make an informed decision as to the ESG performance of a company.

The Brent Spar example is by no means unique. Let's take a look at two other areas where a deeper understanding of the issues is warranted.

## Biofuels

Using biofuels is seen as a way to reduce carbon dioxide (CO<sub>2</sub>) emissions by reducing the amount of gasoline and diesel that is derived from fossil fuels. The burning of fossil fuels emits atmospheric CO<sub>2</sub>, considered by many scientists to be a contributor to global warming. Biofuels are the by-products of plants. The theory is that plants such as sugar cane and corn take in CO<sub>2</sub> during their growth; therefore, burning the fuels made from this plant matter should have no net effect on the amount of CO<sub>2</sub> in the atmosphere. However, theory does not always translate into practice.

In recent years, we have seen many governments around the world initiate biofuels programs. Some programs are well developed, such as in Brazil, and others, including the biofuel programs here in Canada, are just beginning to ramp up production. In Canada, proposed regulations will require that gasoline needs to have a 5% renewable resource content by the end of 2010. But does the use of biofuels really reduce greenhouse gases?

A number of factors could reduce the effectiveness of biofuels in reducing CO<sub>2</sub> emissions:

The manufacturing process for ethanol,<sup>1</sup> the most common biofuel worldwide, involves heating the feed stock mixture to induce fermentation. This heat is usually produced by burning fossil fuels. Large amounts of fertilizer are required to grow the feedstocks for biofuels. A component of fertilizer is natural gas.

A by-product of fertilizer used in agriculture is nitrous oxide (N<sub>2</sub>O). N<sub>2</sub>O is almost 300 times more potent than CO<sub>2</sub> as a greenhouse gas and it persists for longer in the atmosphere. It has been estimated that N<sub>2</sub>O released from farming some biofuel crops, such as corn, by itself negates the benefits of using biofuel as a means to reduce CO<sub>2</sub> emissions.

Land is often cleared to grow biofuel crops. The act of clearing the land will add CO<sub>2</sub> to the atmosphere, and when forests are cleared their ability to take CO<sub>2</sub> from the atmosphere is lost.

There are also other unintended consequences of biofuel crop production. These include fertilizer run-off, which can contaminate rivers and oceans, disrupt the ecosystem and ultimately add greater demands on water resources. Perhaps most importantly, however, the production of biofuels can divert land and resources from food production to energy production. In recent food and agriculture commodity price spikes, biofuel production was seen by some analysts and market theorists as one of the significant contributing factors.<sup>2</sup>

While biofuels are not as "green" as we may think at first, do they help or hinder when it comes to global

warming? On balance, biofuels may have actually contributed to global warming, but this does not mean that all biofuels are a bad idea. In a recent United Nations report, ethanol from cane sugar was found to have zero net CO<sub>2</sub> emissions, while ethanol from corn could have marginal benefits if properly planted and processed. If not, then these practices would have a negative effect. Biodiesel derived from palm oil grown on cleared tropical forest has a significant negative effect. In the case of biofuels, it is important to look past the blanket preconceptions to understand what the benefits and risks actually are.

## Oil sands

The resource-intensive extraction of bitumen from Alberta's oil sand reserves is the most talked about socially responsible investing issue in Canada. We have already discussed why we think it is appropriate to include oil sands producers in the PH&N Community Values Funds ("Socially Responsible Investing (SRI) and the Alberta Oil Sands", Fourth Quarter Report, December 31, 2008). Now, let us look at two shareholder proposals that will be on the ballot at the annual meetings of Royal Dutch Shell and BP. These proposals ask the companies to report on the risks associated with their respective investments in the Canadian oil sands. The proposals are reasonable as they are asking for enhanced reporting on each company's rationale for engagement in oil sands production projects, addressing issues that represent a real risk to the companies and their shareholders. The PH&N Community Values Funds intend to support these proposals when we come to vote our shares for Shell and BP. Both companies have reasonable disclosure practices and much of the information being requested is already publicly available; however, bringing the information together in one report will give shareholders better clarity on the risks associated with the companies' investments in the oil sands.

Below is a look at some of the assertions made by the promoters of these shareholder proposals, all common criticisms of oil sands production.

### ***Extraction of oil from the oil sands is a major contributor to global climate change.***

Oil sands development is a large emitter of CO<sub>2</sub>, but in the global context they are insignificant. The oil sands produce about 5% of total CO<sub>2</sub> emissions for Canada, and Canada produces about 2% of the total global emissions. If we shut down the oil sands tomorrow, it would reduce global emissions by about 0.1%.<sup>3</sup>

### ***A barrel of oil sands oil produces three times the amount of CO<sub>2</sub> emissions that a conventional barrel of oil does.***

It is true that the extraction and processing of oil sands oil is more carbon-intensive than conventional oil. However, if we look at the total carbon content of a barrel of oil sands oil (the so called "wells to wheels" carbon), it is, on average, only 10% higher than a conventional barrel.<sup>4</sup>

### ***Huge amounts of water are used to extract and process oil sands oil.***

Water use and water quality are a very real concern for oil sands production because large quantities of water are required to process oil sands bitumen. For every litre of oil produced, about three litres of water are required. Due to the limited availability of water, oil sands companies are now recycling much of the water they use (for example Syncrude now recycles 80% of the water it uses) so that they can stay within their current water-use licences.<sup>5</sup> As such, we have seen significant improvements in overall consumption and efficiency with regard to water use.

There is little doubt that the production of the oil sands has an impact on the environment in the communities of northern Alberta. However, as responsible investors we want to ensure that we are investing in companies that understand this impact and manage these risks. We start to do this by understanding what the risks actually are, which these new proxy proposals will help to facilitate.

## Summary

It is often the case that myths are based on some kernel of truth. Unfortunately, it is not always easy to make a distinction between truth and myth. As responsible investment managers, it is important not to take information at face value, whether it is coming from inside or outside of a company. Our obligation stands with our clients to make sure we understand the issues and make informed investment decisions based on available facts and good research.

<sup>1</sup>An alcohol-based fuel produced by fermenting plant materials. It is commonly made from sugar derived from wheat, corn, potatoes, sugar cane and beets.

<sup>2</sup>This assertion is based on the argument that a significant supply of corn and maize normally consumed as food would need to be diverted to the production of ethanol, driving prices up.

<sup>3</sup>Government of Alberta, "Facts about Greenhouse Gas Emissions and the Oil Sands", December 2009.

<sup>4</sup>Alberta Energy Research Institute, "Emissions from oil sands comparable to other crude oils", Press release, July 23, 2009.

<sup>5</sup>Water-use licenses are issued by the provincial government as a means of conserving water and ensuring that there are sustainable yields for all users, including stakeholders outside of the oil and gas industry.

## Contact Us

To speak with an Investment Funds Advisor:

Call us at 1.800.661.6141 or

email us at [info@phn.com](mailto:info@phn.com)

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**Council Member Motion**  
**For the Governance and Priorities Committee Meeting of July 16, 2015**

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**To:** Council

**Date:** July 8, 2015

**From:** Councillor Jeremy Loveday, Councillor Margaret Lucas and Councillor Ben Isitt

**Subject:** Request to Transport Canada re: Victoria Inner Harbour Airport (YWH)

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**Background:**

Victoria's Inner Harbour is a busy working harbour, a hub of regional transportation and is a jewel at the heart of our City.

Currently, the Inner Harbour Airport (YWH) is still operating under draft regulations. While there have been several indications that publication of final regulations is pending in the *Canada Gazette*, the timing of this regulatory step remains unclear, creating uncertainty for residents who reside in the vicinity of the harbour airport and for business operators involved in airport operations.

It is therefore prudent for City Council to request a presentation and meeting with Transport Canada, to receive information and provide input on the approval of permanent regulations and safety provisions relating to the Victoria Inner Harbour Airport.

**Motion:**

Be it resolved that Council requests Transport Canada send appropriate staff to a Governance and Priorities Committee meeting to make a presentation and answer questions about current and future operations and regulation of the Victoria Inner Harbour Airport (YWH).

Respectfully submitted,

Handwritten signature of Councillor Jeremy Loveday.

Councillor Jeremy Loveday

Handwritten signature of Councillor Margaret Lucas.

Councillor Margaret Lucas

Handwritten signature of Councillor Ben Isitt.

Councillor Ben Isitt





## Council Member Motion

for the Governance and Priorities Committee meeting of Thursday, July 16, 2015

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**Date:** July 10, 2015      **From:** Councillors Alto, Loveday & Thornton-Joe  
**Subject:** Councillor Overview of Current Issues

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### Background

Regular information sharing among Councillors can contribute to a more comprehensive understanding of current issues in every neighbourhood and throughout the City.

The utility of this practice has already been demonstrated by the value-added information presented in quarterly updates by the City Manager and departmental staff.

Following on that success, we recommend:

### Resolution

That each Councillor provide a brief overview of current issues (or any matter that might be of interest to Council) arising from each Councillor's liaison neighbourhood and/or City appointments, on a quarterly basis.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alto".

Councillor Alto

A handwritten signature in black ink, appearing to read "Loveday".

Councillor Loveday

A handwritten signature in black ink, appearing to read "Charlayne Thornton-Joe".

Councillor Thornton-Joe