



AGENDA
HOUSING AFFORDABILITY TASK FORCE MEETING
MAY 26, 2015, AT 3:30 P.M.
SONGHEES NATION ROOM
CITY HALL, 1 CENTENNIAL SQUARE

APPROVAL OF AGENDA

MINUTES

1. Adoption of the Minutes from the May 19, 2016

PRESENTATIONS

2. "Bus Tour" Presentation
--G. Miller

WORKING DOCUMENT

3. Working Document
4. Schedule C
5. Inclusionary Zoning
6. Secondary Suites

TOWN HALL MEETING - JUNE 1

NEXT MEETING - JUNE 16

CORRESPONDENCE

7. Correspondence from the City of Burnaby

PARKING LOT

8. List of Parking Lot Items

TEMPERATURE CHECK

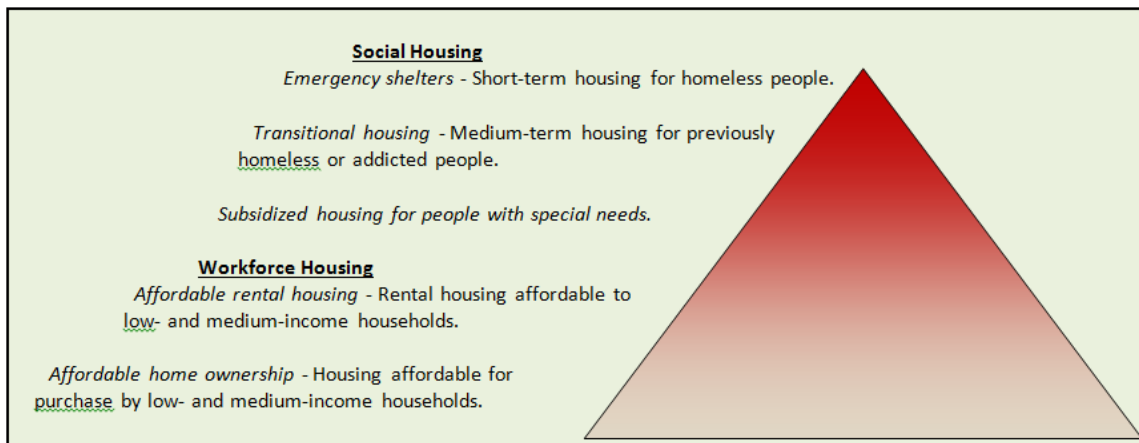
ADJOURNMENT

Working Document of Recommendations to Council Housing Affordability Task Force

Task Force Scope

The Housing Affordability Task Force recommends to Council solutions for affordable workforce housing and housing for low-income people at the lowest end of market, pictured in the bottom half of the pyramid below.

Affordable Housing Demands



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.

Goals and Targets

1. Increase Overall Housing Supply in City

- The City of Victoria will need to add an average of 350 to 400 units of housing per-year to accommodate the OCP projected population increase of 20,000 new residents between 2011 and 2041. Eighty per cent of that growth is anticipated in downtown and in areas within and around large urban villages and town centres. Current policies and objectives within the Downtown Core Area Plan (DCAP) and the OCP denser housing development in these areas.

- With respect to rental housing, a 2013 Urban Futures report commissioned by the City of Victoria estimated that approximately 7,500 rental housing units (market and non-market) will need to be added to the City's housing stock between 2011 and 2041. This means that, within the total number of housing units added each year, an average of 250 units will need to be rental. Although municipalities do not regulate housing tenure, some have developed incentives to promote the development of more purpose rental units.
- Using recent BC Non-Profit Housing Association research projections of affordable housing needs have been further determined. Table 1 provides a summary of the number of units required to meet future affordability needs at three different income levels. It is recommended that the work of the Mayor's Task Force on Affordable Housing focus on interventions that can help achieve Level 2 and 3 targets.

Table 1 – Affordable Rental Housing Targets

Level	Housing Type	Target Household Income	Units Needed		Rental Range
			By 2036	Annual	
1	Subsidized Rental	< \$18,146	5,600	271	<\$453
2	Low End Market Rental	\$18,147 - \$35,647	1,260	60	\$454-\$891
3	Near Market Rental	\$35,648 - \$57,771	230	11	\$892-\$1,444
4	Market Rental	> \$57,772	6,010	180	Market

•
1. Increase Workforce Housing (affordable to low-wage workers)

The City currently has approximately 85,000 residents or about 34,000 households (assuming 2.5 residents per household), or about 6,800 in each of the two lowest-income quintiles, which are the household types that generally pay more for housing than is considered affordable (more than 45% of budgets devoted to housing and transport). The table below shows total current consumption by the lowest income quintiles, based on Statistics Canada's Survey of Household Spending (<http://www5.statcan.gc.ca/cansim/a47>).

	<u>Lowest</u>	<u>Second</u>
Income	\$29,864	\$41,940
Maximum housing (30%)	\$8,959	\$12,582
Maximum Housing & Transport (45%)	\$13,439	\$18,873

Assuming that the city needs to increase by 50% the supply of lower-priced housing to meet latent demands, this suggests that the city needs approximately 3,400 more housing units with total housing costs (rents or mortgages, plus property taxes and insurance, maintenance and basic utilities) that rent for less than approximate \$12,000 annually, and approximately 3,400 more units with total costs between \$12,000 and \$17,000 annually assuming that lower-income households located in accessible neighborhoods can spend as little as \$1,500 annually on transportation.

2. Generate and Allocate Additional City Revenue to Affordable Housing

- Allocate \$X per year to affordable housing trust fund for the next X years.
- Generate \$X per year in additional revenue through the sale or redevelopment of existing land.

3. 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.

NEED TO MAKE THIS INTO A CONCRETE METRIC

4. *Need to ensure that every action we recommend has an associated target so Council can measure it's success. The number of goals and targets should match the number of strategies so we can measure success.*

Actions**Short-Term Wins (Should be implemented within one year of receiving the HATF report)****1. Minimize and Prorate Fees for Lower-Priced Housing**

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, and therefore significantly reduce total affordable infill housing development, but have little impact on the final price of expensive housing built in large projects. Governments can minimize such costs and provide discounts and exemptions for lower-priced infill housing, for example, exempting them from traffic studies, elevator requirements and development fees.

2. Expedite Development Approval and Permitting

Short Term Win #2: Expedite Development Approval and Permitting

Recommendations:

The general theme underlying these recommendations 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):

1. Rezoning applications for affordable housing projects could by-pass the pre-application CALUC meeting that is normally required. The City could notify the CALUC of the application so they still have an opportunity to comment during the process, but the pre-meeting would not be required. The rationale for this recommendation is due to applicants needing to expend costs to prepare detailed plans at early stages in the application process and delaying application submission dates. Thresholds could be established to determine what types or size of projects would qualify for this streamlining.

2. Council to delegate authority to staff to approve Development Permits and Heritage Alteration Permits for affordable housing projects.
3. Expedite 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, like construction type, unit sizes below a certain threshold, no vehicle parking provided, etc.

**Gene has provided images of building forms and designs that facilitate co-existence between single-family and multi-unit buildings that could help guide the discussion on scale thresholds.*

Other Actions That Lower Costs and/or Support Expediting:

1. Action #1 Minimize and Pro-rate Fees for Lower-Priced Housing:

Recommendation (new): Waive DCC charges for affordable housing (currently DCCs are not charged on residential conversions if floor area is not increased, garden suites or secondary suites – this would expand the scope).

2. Actions #5, #8, and #10 (amendments to Zoning Regulation Bylaw) also support expediting:

Recommendations (already proposed): Reduce/eliminate parking requirements for affordable housing combined with eliminating a minimum unit size requirement, simplifying secondary suite regulations and allowing garden suites outright in zoning would all contribute to faster processing of development applications (rezoning or development variance permit applications would no longer be needed).

Recommendation (new): Consider off-site parking strategies so affordable housing developments with on-site parking deficiencies could use nearby properties with under-utilized parking capacity.

3. Density Bonus

Allow higher densities and greater heights than normal in exchange for more affordable housing units. This supports compact, affordable, infill development while preventing land value increases that would result if increased density were allowed for higher priced housing units.

4. Identify Parcels Suitable For Affordable-Accessible Development

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

5. Remove minimum unit size requirements in the Zoning Regulation Bylaw.

There is a minimize size in neighbourhoods but not downtown. Micro apartments of less than 500 square ft, also micro housing tie in

6. Undertake an analysis of motels

There are 850 – 1000 units that could be quickly converted to housing.

7. Unbundle Parking

Parking unbundling means that parking spaces are rented separately from building spaces, so 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 parking space they want to use, so renters are not forced to pay for parking they do

not need. 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.

8. **Reduced and More Accurate Parking Requirements**

Reduce minimum parking requirements and adjust them in response to demographic, geographic and management factors, such as those described in Table 4. This can significantly reduce the costs of infill housing development, and many of these strategies encourage households to reduce their vehicle ownership and use, which reduces traffic problems.

9. Amend the conversion bylaw

Proposed Amendment 1

Proposal

Change the "**Schedule A – DEFINITIONS**" to include modern day housing options in existing zones and encourage the development of rental housing on single-family lots. There is an opportunity to create this using the existing conversion bylaw but with very non-desirable units. These changes create the opportunity to retain existing house stock as well neighborhood character.

Current Zoning affected would be all residential zoning.

Below are the current definitions for three opportunities to build non-desirable rental housing; "**Boarding House**" (need to provide food) "**Housekeeping Apartment Building**" (need not to have a bathroom) and a "**Roomer**" (can't have cooking facilities). All of these make it restrictive and limit the opportunities to develop, as well they have a negative stigma. I propose we adapt or create a new definition for "**Rental Unit**" and "**Rental Apartment Building**" and allow this in the conversion bylaw.

Current Schedule A – DEFINITIONS

"**Boarder**" means a person who lives in a boarding house or with a family and who pays for board and lodging.

"**Boarding House**" means a dwelling in which rooms are rented and meals are provided to more than four but not more than fifteen persons other than members of the family of the occupier, but does not include a dwelling in which meals are prepared within rented rooms or a community care facility within the meaning of the *Community Care and Assisted Living Act*.

"**Housekeeping Apartment Building**" means a building composed of two or more housekeeping units.

"**Housekeeping Unit**" means a room or rooms used or intended to be used for normal living purposes including cooking, eating and sleeping but without separate bathroom or toilet facilities.

"**Roomer**" means a person who resides in any portion of a building who pays for accommodation without board or the use of on-site cooking facilities.

"Rooming House" means a building in which rooms are rented to more than 4 but not more than 15 roomers, and does not include a community care facility within the meaning of the *Community Care Facilities Licensing Act*.

"House Conversion" means the change of use of a building constructed as a single family dwelling or duplex, to create a duplex, multiple dwelling, boarding house, rooming house, housekeeping apartment building, rest home – class "B" or a kindergarten.

It appears, after some review that the most obvious change could be **"Housekeeping Apartment Building"**.

New Proposed Schedule A – DEFINITIONS

"Rental Apartment Building" means a building composed of two or more Rental units.

"Rental Unit" means a room or rooms used or intended to be used for normal living purposes including cooking, eating and sleeping with separate bathroom or toilet facilities.

Conclusion

Not only will this expand the opportunity to provide rental opportunities in already zoned residential property, I also believe this will provide an opportunity to add these new definitions to commercial zonings such as motels and upper floors of buildings in the downtown core. The rewording of the Definitions will offer new flexibility on financing as most lending institutions guidelines do not allow favorable lending on **Boarding, Rooming or Housekeeping apartments**. The changes will empower the Small to Medium private sector developer's to build rental housing now.

Proposed Amendment 2

Proposal

Conversion bylaw amendments will allow additional opportunity for more properties to qualify for conversions. The 18m wide and 670 square meter sites are limited. The background of the conversion bylaw in my interpretation was to create affordable housing and retain older housing stock. Today, in order to accomidate the lack of availability of lot sizes in the dated bylaw the changes will give people the opportunity to create housing and retain older housing stock.

Currently any properties that meet the size requirement under the current zoning on the market for sale start at 1.4m.

Current SCHEDULE G - HOUSE CONVERSION REGULATIONS

"If the building was constructed as a single family dwelling prior to 1931 and has an existing lot area of 670m² and a width of not less than 18m, except when located in the R1-A Zone which requires an existing lot area of 740m² and a width of not less than 24m."

Proposed amendments SCHEDULE G - HOUSE CONVERSION REGULATIONS

"If the building was constructed as a single family dwelling prior to 1931 and has an existing lot area of 500m² and a width of not less than 15m, except when located in the R1-A Zone which requires an existing lot area of 670m² and a width of not less than 18m."

Change #1

Lot Size 500m² = 5382 square feet

Lot Width 15m = 50 feet wide

Change #2

R1-A Rockland zoning

Lot Size 670m² = 7212 square feet

Lot Width 16m = 60 feet wide

Below are five addresses that are currently on the market below 550K that would fit this proposed amended criteria:

1427 Edgeware Rd
2019 Chambers St
2760 Roseberry Ave
934 Queens Ave

Conclusion

Amendment 1 will offer the opportunity to convert 5 homes that are on the market today compared to 0 under the current lot size and width restriction.

Amendment 2

This change currently doesn't offer a lot of opportunities but seems reasonable.

These amendments coupled with other minor amendment to the zoning bylaw could instigate new housing trends.

Proposed Amendment 3

Proposal

To amend the Motel conversion bylaws to better affect all potential motel conversions. Current zones to be amended and or consolidated to make one zone.

PART 3.89 – R 68 ZONE, ROCK BAY MOTEL CONVERSION DISTRICT

“PART 3.92 – R-70 ZONE, GORGE ROAD MOTEL CONVERSION DISTRICT

Background

These have been site-specific rezones and only apply to the sites that were rezoned.

Conclusion

There should be a general conversion bylaw to offer this opportunity to all motels without rezoning. It will be important to have design guidelines, as well as, advisory design approval to make sure these buildings are developed to a standard that works for the City and surrounding properties on the long term.

10. Amend the Zoning Regulation Bylaw so rezoning is not required for garden suites.

Medium-Term Wins (Should be implemented within two years of receiving HATF report)

1. Affordable Housing Mandates (Inclusionary Zoning)

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. 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.

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

The following municipalities have adopted an inclusionary policy or program:

- 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.

Potential Recommendations

- That City staff be directed to explore the potential for the inclusion of affordable housing development as a part of the Downtown Core Area Plan Density Program and return to Council with recommendations.

- That the current explorations into a density bonus program for areas outside the downtown include an examination of the potential to include the development of affordable housing as an amenity to be considered for increased density within the program. That staff provide recommendations in future reports to Council.
2. **Provide Free or Inexpensive Land for Affordable Housing**
Consider donating or selling at a discount appropriate parcels to affordable housing development, particularly for social housing to accommodate people with special needs. Selling of public property should be a last resort. The City should be a 'land- partner' for housing development by long-term lease or perhaps by trading land area in one location for that in another that is more suitable for an intended public amenity like a park.
 3. **Time-Limited Rezoning**
Allow higher densities on specific parcels with specific time limits, such as 18 months. If the project is not completed within the time limit the density limit returns to its original level. This should encourage faster development and discourage land speculation.
 4. **Create incentives**
(Economic Revitalization Tax Exemption) to convert underused or un-used units on second and third storeys of buildings with the potential to create hundreds of housing units, especially downtown.
 5. **Create a real estate arm**
City to buy derelict and other properties, upzons them (City assumes the risk) and sell them to developers with affordable housing (10%) as part of the condition of sale.

Long-Term Wins (Should be implemented within three years of receiving HAFT report)

1. **Maintain existing rental housing stock.**

Recommendations for Maintaining Existing Rental Housing Stock

Preamble: The challenges for maintaining existing rental housing stock are twofold. Small margins and inflationary costs place pressures on landlords that disincentive long-term investment. Low-income tenants often face poor housing conditions with little to no recourse and lack security of tenure when renovations occur ("reno-victions"). 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.

Recommendation #1: Designate a "City Housing Officer" or similar role.

- The Housing Officer would be a single point of contact/lead city staffperson for landlords and tenants on issues of housing quality within the city's jurisdiction.
- The City should make all efforts to promote the role/services of the Officer so that the public is aware of this service.

Recommendation #2: Direct staff to investigate appropriate incentives for landlords that maintain affordable rental housing.

- A Revitalization Tax Credit that would incentivize landlords by allowing partial write-off of major capital investments that extend the life of affordable units and improve quality of life for tenants. Tax credits should be tied to Affordable Housing Agreements; allow

- current renters to continue their tenancy during/post-renovations; and should not be used to subsidize the cost of meeting basic standards of repair.
- Where possible and appropriate, application of preferential service and charges for licensing/fees/etc for non-market and market affordable housing providers

Recommendation #3: Direct staff to revise the city's Maintenance Bylaw and dedicate resources towards bylaw enforcement that protects quality of life and resident safety through mechanisms within the City's jurisdiction - i.e. bylaws, code and other mechanisms.

- Add conditions of tenant/resident quality of life (mold, pests, etc) to the City's Property Maintenance Bylaw.
- Coordinated by the City Housing Officer, bylaw enforcement resources would be re-prioritized towards addressing quality of life and safety issues.

Recommendation #4: Direct staff to develop policies and procedures for establishing Affordable Housing Agreements that:

- Provides a consistent, transparent process
- Guarantees/protects long-term affordability and security of tenure
- Support other housing affordability measures such as inclusionary zoning, revitalization tax credits, etc.

2. Investigate Affordable Housing Maintenance and Rehabilitation Programs

Investigate the number of affordable housing and rental units that require maintenance and rehabilitation; *identify policies and programs that are effective at reducing this problem, and evaluate the benefits and costs of such strategies (this is what the task force is supposed to do!)*. These may include improved building code enforcement, property owner education, targeted grants and loans, partnerships with other government and non-profit organizations, and revitalization tax exemptions.

- 3. Investigate ways to help lower-income households purchase homes,** including targeted low down-payment and interest loans, inclusionary zoning, partnerships with businesses to help their employees purchase homes, and promotion of "location-efficient mortgages" which recognize that households can afford to borrow more than lenders generally allow to purchase houses in an accessible, multi-modal neighborhood, such as in Victoria, due to their transportation cost savings.

Recommendations for Increasing Affordable Homeownership

Preamble: 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, there are specific policies the city can enact to make affordable homeownership more attainable.

Recommendation #1: Direct staff to investigate the feasibility of developing a shared-equity affordable homeownership program that would help subsidize down payments for lower-income working families in exchange for long-term shared equity and/or resale price restrictions.

- Invite leadership from Attainable Homes Calgary and/or Toronto Options for Homes to visit Victoria and present on the successes of their programs.
- Convene key potential partners (developers, financial institutions, non-profit housing providers, the CRD and other local governments) to discuss launching a Victoria or Regional vehicle.

Recommendation #2: Direct staff to revise the zoning and conversion bylaws to accommodate a wider range of affordable homeownership models, in particular: fee-simple row housing, co-housing and, where appropriate, strata conversion and subdivision of oversized lots for infill housing.

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- 4. Upzone certain geographic areas to meet the needs of rental unit demand**
Be mindful of 'distributed density' (*needs more clarity*)

Appendix A – Useful Resources

Year 3 Action Item 1 – Maintain Existing Rental Housing Stock

Useful Resources (place in appendix):

Examples of enhanced Maintenance Bylaws

- District of Saanich's Property Maintenance Bylaw
<http://www.saanich.ca/living/pdf/minimumproperty4050.pdf>
- City of Vancouver's Standards of Maintenance Bylaw
(<http://former.vancouver.ca/bylaws/5462c.PDF>).

Metro Vancouver: "Measures to Promote the Preservation and Renewal of Existing Rental Housing and Development of New Rental Housing."

<http://www.metrovancouver.org/services/regional-planning/PlanningPublications/MeasurestoPromotethePreservationandRenewalofExistingRentalandDevofNewRental.pdf>

SCHEDULE C

Parking amendments

In the anticipation that the schedule C is going to be completely overhauled in the next 2 years I recommend these action items to be implemented now as an interim solution to help promote more housing solutions.

I have reviewed multiple professionally engineered parking studies that have been recently conducted across the city of Victoria and find that most do not recommend more than a .8 to 1 parking requirement for any Multi Family Development.

In these recommendations I have focused on Housing and not looked at commercial or institutional recommendations, as I believe it's not in the scope of this task force.

Reduction proposed on average is about 30% with the exceptions of a 50% for Housekeeping apartment, reducing it to .5 spaces per unit as I believe this will be the new spot in Schedule C for "Rental Apartments". It should be noted that I have also recommended taking out some wording that seems to be restrictive and limiting.

Recommended edits below of Page 4 and 5 of the City's current Schedule C parking requirements, I have highlighted the ones I feel will make the most impact.

Schedule C

- 13 Repealed
- 14 If the uses of a building fall into two or more of the classes mentioned in Section 15 the number of parking spaces that are required shall be the sum of the requirements in respect of each class and in respect of Building s whose use or uses are not expressly mentioned therein, such use or uses shall, for the purpose of the said Section be deemed to correspond to the use or uses mentioned in the Section which most closely resembles the actual use or uses of the building.
- 15 The minimum number of off-street parking spaces required for each building shall be calculated to the nearest whole number.
- 16 The minimum number of off-street parking spaces that shall be provided and maintained in respect of each building shall be as follows:

Building Class	Number of Parking Spaces
A Residential	
1 <u>Single family dwellings</u>	1 space per <u>dwelling unit</u> ✓
2 <u>Two family dwellings</u>	1 space per <u>dwelling unit</u> ✓
3 <u>Buildings</u> converted to <u>housekeeping units</u>	1 space for the first unit plus 0.5 space for every unit over 4
4 <u>Buildings</u> converted to rooming houses or <u>boarding houses</u>	1 space for the first unit plus 0.5 space for every unit over 4
5 New <u>rooming houses</u> or <u>boarding houses</u>	0.5 space per sleeping unit ✓
* 6 New <u>buildings</u> containing <u>housekeeping units</u> or <u>Rental Apartment</u>	1.5 1 space per <u>housekeeping unit</u>
7 <u>Buildings</u> converted to <u>multiple dwellings</u> in zones other than a multiple dwelling zone; both for rental and strata <u>buildings</u>	1.5 0.8 space per <u>dwelling unit</u> for any <u>building</u> containing more than 3 <u>dwelling units</u> 1.0 space per <u>dwelling unit</u> for any <u>building</u> containing 3 <u>dwelling units</u>
8 <u>Buildings</u> containing residential use in the CA-3, CA-4 and CA-5	1.5 0.7 space per <u>dwelling unit</u>
9 <u>Buildings</u> containing residential use in the C1-CR Zone	1.0 1 space per <u>dwelling unit</u>

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Schedule C

Building Class	Number of Parking Spaces
10 <u>Buildings</u> containing senior citizens' residences located in the area bounded by Cook Street on the east, Pembroke Street on the north, the Inner Harbour on the west, and the extension of Belleville Street to Fairfield Road on the south.	0.35 space per senior citizens' unit
11 Multiple Dwellings	
(a) located in a R3-1 Zone	.8 1.1 space per <u>dwelling unit</u>
(b) located in a R3-2 Zone	.8 1.3 space per <u>dwelling unit</u>
* (c) located in zones other than R3-1 and R3-2	.8 1.3 space per <u>dwelling unit</u>
12 Those Multiple Dwellings Subject to Strata Title Ownership	
(a) located in a R3-1 Zone	.8 1.2 space per <u>dwelling unit</u>
(b) located in a R3-2 Zone	\ 1.4 space per <u>dwelling unit</u>
* (c) located in zones other than R3-1 and R3-2	\ 1.4 space per <u>dwelling unit</u>
* 13 Rental attached dwelling	.8 1.4 space per <u>dwelling unit</u>
* 14 Condominium attached dwelling	\ 1.5 space per <u>dwelling unit</u>
B Institutional	
1 Community Care Facilities	1 space per 5 beds
2 Hospitals (other than extended care hospitals)	1 space per 4 beds; plus 1 space per 3 employees not counting doctors, plus 1 space per doctor.
2A Extended Care Hospitals	
(a) containing less than 100 beds	1 space per 3 beds
(b) containing 100 beds and more	1 space per 2.5 beds
3. <u>Buildings</u> for private club use, fraternal lodges, athletic instruction, social halls and similar uses	1 space per 9.5 m ² of floor area used or intended to be used for assembly purposes
4 Auditoriums and similar places of assembly	1 space per 6 m ² of floor area used or intended to be used for assembly purposes
5. Churches	1 space per 10 seats and per 5m of bench in the principal assembly room; or 1 space per 9.5m ² of floor area used or intended to be used for public assembly purposes whichever is the greater.
6 <u>Buildings</u> used as schools	
(a) Kindergarten and elementary schools	1 space per employee plus 2
(b) Junior secondary schools	1 space per employee plus 2
(c) Senior secondary schools and colleges	1 space per employee plus 2, plus 1 space per 25 students







Victoria Schedule C Parking Mandate Adjustments




13 May 2015
Todd Litman

Introduction

Many studies indicate that conventional minimum parking requirements significantly increase the cost of developing lower priced housing (Hurd 2014; Manville 2010; Portland 2012). For example, a recent City of Portland study shows that requiring 0.5 to 0.75 off-street spaces per unit increases the costs to occupants by 19-63% compared with no off-street parking, as indicated below.

Parking Requirement Impacts on Housing Affordability (Portland 2012)

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 (550 sq ft apartment)*	Monthly Rent Increase as a percentage above No Parking Development Prototype
A		50	0	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.					
B		45	9	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.					
C		30	19	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.					
D		42	22	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.					
E		46	23	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.					
F		44	33	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.					

 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

Other research indicates that lower-priced, infill housing often has parking demands (the number of parking spaces that residents want) far lower than conventional codes require (Arrington and Sloop 2010; Metro Vancouver 2012; Millard-Ball 2015; Schneider, Handy and Shafizadeh 2014). Residents of compact, multimodal neighborhoods typically own half as many vehicles as in sprawled, automobile-dependent areas, and vehicle ownership rates are also much lower than average for lower-income households, and in buildings with parking management strategies such as shared parking, unbundled or priced parking, and carsharing services in or near residential buildings (Litman 2006). Since driveways often eliminate one on-street parking space, off-street parking only provides a net gain if each driveway serves at least two off-street spaces.

As a result, conventional parking requirements are economically inefficient and unfair: they force households to pay for parking spaces that they do not need or want; force lower-income households to subsidize parking facilities used by their more affluent neighbors; and often reduce public on-street parking spaces while providing little net increase in total parking supply.

Reducing parking requirements does not eliminate off-street parking supply, it simply allows developers to decide how much parking to supply based on market demands, and creates incentives to more efficiently manage parking supply, for example, by sharing parking facilities and creating carsharing services that substitute for private vehicle ownership. The City of Victoria has good experience with reduced parking requirements; a decade ago parking requirements were eliminated in the downtown

and Harris Green areas, after which thousands of new housing units have been developed, many relatively affordable units with unbundled parking (parking rented separately from building space).

The City of Victoria currently requires between 0.5 off-street parking spaces per unit for boarding houses and housekeeping units, up to 1.5 spaces per dwelling unit for condominiums. Most new rental apartments or condominiums, including those located near urban villages serving lower-income households, would be required to have 1.0 to 1.4 parking spaces per unit, which is far more than typically required, as indicated by the low vehicle occupancy rates found in many apartment and condominium parking lots.

Below are proposed amendments to Victoria City Zoning Code Schedule C to make these requirements better reflect actual demands.

Proposed Amendment 1

Eliminate minimum off-street parking requirements for lower-priced housing, defined as housing priced 30% below the median for its category (single-family, townhouses, apartments) located near downtown and urban villages.

Proposed Amendment 2

Adjust current Schedule C off-street parking requirements based on the following table.

Parking Requirement Adjustment Factors

Factor	Description	Minimum Off-street Requirement Adjustments
Facility sharing	Residents share parking lots rather than being assigned individual spaces	Reduce requirements 20%
Priced or unbundled parking	Parking sold or rented separately from building space	Reduce requirements 20%
Density	Number of residents or housing units per acre/hectare	Reduce requirements 1% for each resident per acre (e.g. 15% at 15 residents per acre and 30% at 30 res. per acre)
Land use mix	Range of land uses located within convenient walking distance	Reduce requirements 10% in walkable, mixed-use neighborhoods
Transit accessibility	Nearby transit service frequency and quality	Reduce requirements 10% within 0.4 kilometers of frequent bus service.
Carsharing	Whether a carsharing service is available nearby	Reduce residential requirements 20% if carsharing vehicles are located in or near a residential building
Demographics	Age and physical ability	Reduce requirements 20% for housing for young (under 25) elderly (over 65) or disabled people
Income	Average income of residents or commuters	Reduce requirements 20% if most occupants will be lowest income quintile households

This table summarizes various factors that can allow parking supply and zoning requirements to be reduced.

If multiple factors apply, adjustments are multiplicative, since each additional factor applies to a smaller base. For example, if shared parking reduces requirements by 20%, 15 residents per acre reduces requirements 15%, and lower-income residents reduce requirements 10%, the total is calculated as 1-[(1-20%) * (1-15%) * (1-10%)] = 39% reduction, not 1-(20% + 15% + 10%) = 45% reduction.

To be effective and politically acceptable this may require additional parking management and enforcement. The city can work with neighborhood associations, local businesses and developers to create parking management programs in specific areas that allow and support more sharing of off-street parking, and more effective regulation of municipal on- and off-street parking.

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Victoria (2005), "Schedule C: Off-street Parking," Zoning Code, City of Victoria (www.victoria.ca); at <http://bit.ly/1AXwsDj>.

Inclusionary Zoning Options

Mayor's Task Force on Housing Affordability
May 19, 2015



Outline

- Inclusionary Zoning – Description
- Local examples
- Victoria Context:
 - Downtown Core Area Plan Density Program
 - Density Outside the Downtown Area
- Potential Recommendation





Inclusionary Zoning – What is it?

- 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 of Inclusionary Zoning

- Create more affordable housing
- Use market mechanisms
- Sustain mixed income communities
- Distribute affordable housing fairly among communities





Inclusionary Zoning – Features and Options

- Rates: Fixed or Flexible
- Development Scale/Size
- Market Conditions that Support Policy
- Options:
 - Off-site Development
 - Banking
 - Contributions to Affordable Housing Funds



Cities Using Inclusionary Approaches

City	Langford	Richmond	Vancouver	Burnaby
Rate	1 in 15 units	5%	Up to 20%	None
Type	Fixed	Fixed	Flexible	Flexible
Options	Contribution to Affordable Housing Fund	None	100% rental or 20% below market	None
Development Focus	Single Detached Communities	Multi-unit over 80 units	Up to six storey on arterial or 3.5 within 100m of arterial	No specific focus



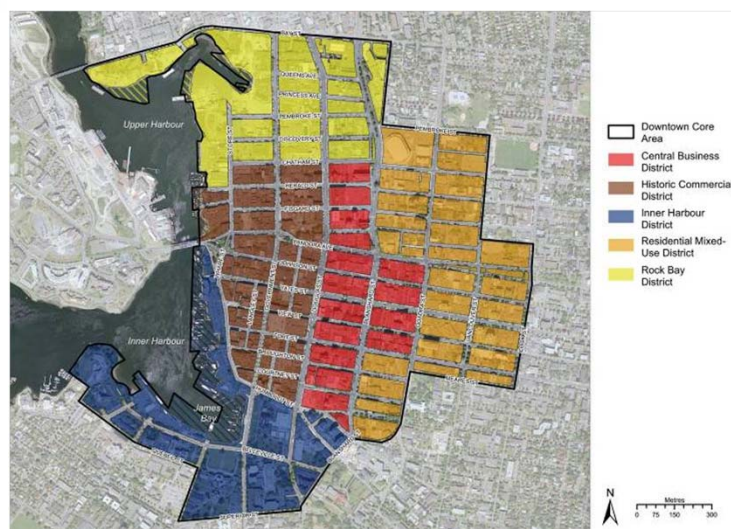
City of Victoria Context: Downtown Core Area Plan



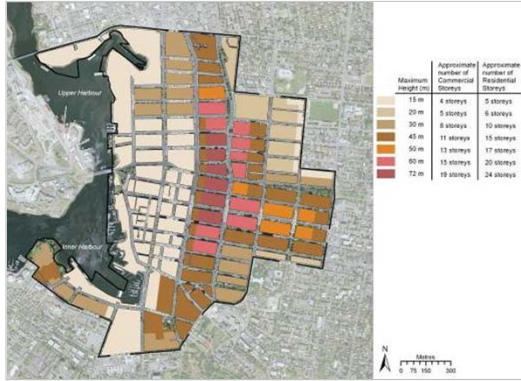
- Approved September , 2011
- Master plan for broader Downtown Core Area
- Comprehensive policy guidance for growth and development



Plan Districts



Building Height



- Increased Building Heights in Strategic Locations
- Urban Amphitheatre Concept
- Protects integrity and scale of historic old town area
- Recognizes sensitivity around Inner Harbour
- Scales down to surrounding residential neighbourhoods



Density Bonus System



- Balances density with enhanced livability through contribution to public amenities
- Base density and maximum density
- Monetary contribution for provision and conservation of key public amenities
- (Discounted) monetary contribution based on land lift analysis



Amenity Funds

Downtown Core Area Public Realm Improvement Fund

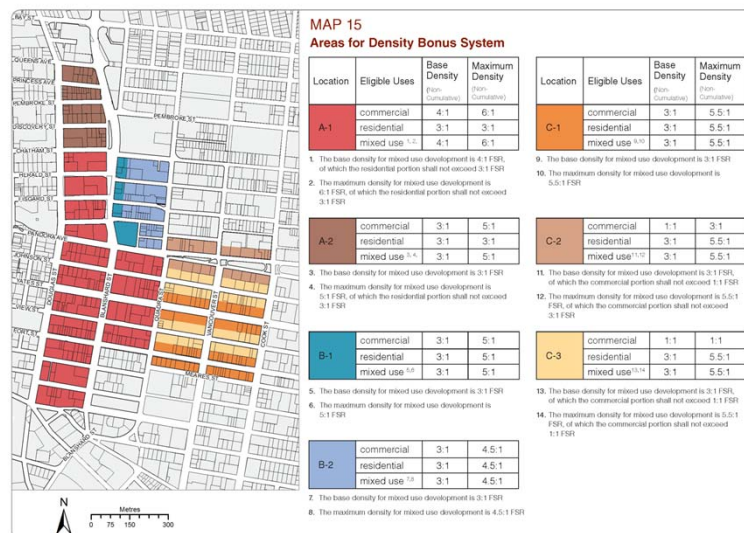
- 75% of monetary contributions
- Offsets cost of key public realm improvements
- Parks, plazas, Harbour Pathway, streetscape improvements

Downtown Heritage Buildings Seismic Upgrade Fund

- 25% of monetary contributions
- Offsets portion of seismic upgrading cost for downtown heritage buildings
- Supplements existing heritage tax incentive and grant programs
- Requires physical rehabilitation and Municipal Heritage Designation



Density Bonus System





Potential Program for Outside Downtown

- Council directed exploration of options
- Focused on key growth areas above 1.2 FSR
- Economic analysis completed
- Recommendation report being prepared





Potential Task Force Recommendation

- That City staff be directed to explore and report to Council with recommendations regarding the potential opportunities and implications of using inclusionary zoning as a way to support the development of more affordable housing.



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 have 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 lies 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.



CITY OF BURNABY
OFFICE OF THE MAYOR
DEREK R. CORRIGAN
MAYOR

2015 May 05

FILE: 2410-20

UBCM Member Municipalities
Via Email Distribution

Dear UBCM Member Municipalities:

Subject: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM
(Item 6 (G), Reports, Council 2015 May 04)

Burnaby City Council, at the Open Council meeting held on 2015 May 04, received the above noted report and adopted the following recommendations contained therein:

1. "THAT Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Transfer Program, as outlined in this report.
2. THAT Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. THAT a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee.
4. THAT a copy of this report be sent to UBCM member municipalities for information."

In accordance with Recommendation No.4, a copy of the report is *enclosed* for your information.

Yours truly,

Derek R. Corrigan
MAYOR



Meeting 2015 May 04

COUNCIL REPORT

PLANNING AND DEVELOPMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

SUBJECT: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

RECOMMENDATIONS:

1. THAT Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Transfer Program, as outlined in this report.
2. THAT Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. THAT a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee.
4. THAT a copy of this report be sent to UBCM member municipalities for information.

REPORT

The Planning and Development Committee, at its meeting held on 2015 April 28, received and adopted the attached report providing a preliminary review of the BC Housing Non-Profit Asset Transfer Program.

Respectfully submitted,

Councillor C. Jordan
Chair

Councillor D. Johnston
Vice Chair

Councillor S. Dhaliwal
Member

Copied to:	City Manager Deputy City Managers Director Planning & Building Director Finance
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Meeting 2015 April 28

COMMITTEE REPORT

TO: CHAIR AND MEMBERS
PLANNING AND DEVELOPMENT COMMITTEE

DATE: 2015 April 16

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 16000 20

SUBJECT: BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

PURPOSE: To provide a preliminary review of the BC Housing Non-Profit Asset Transfer Program.

RECOMMENDATIONS:

1. **THAT** Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Asset Transfer Program, as outlined in this report.
2. **THAT** Council request the Premier and Minister to provide for a long term plan to maintain public ownership of lands and buildings for non-market housing purposes to meet current and future community needs in the Province.
3. **THAT** a copy of this report be sent to Burnaby MLAs, the Metro Vancouver Board, and the City's Social Planning Committee
4. **THAT** a copy of this report be sent to UBCM member municipalities for information.

REPORT**1.0 BACKGROUND**

At its meeting on 2015 February 2, under 'New Business', Council requested staff to provide information on BC Housing's program to sell lands to non-profit societies operating social housing projects. This program is called the 'Non-Profit Asset Transfer Program', which proposes to sell Provincially-owned lands to non-profit societies on which social housing is built.

This report provides a preliminary review of the Non-Profit Asset Transfer Program and the response received from the BC Non-Profit Housing Association. More specifically, this report identifies the implications of the program for social housing properties in Burnaby; and discusses staff's concerns regarding the potential long-term impacts of the Province's divestment of public assets on the future provision of social housing in BC.

To: Planning and Development Committee
 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
 2015 April 16..... Page 2

The information included in this report was obtained from a variety of sources including staff consultation with representatives from BC Housing and BC Non-Profit Housing Association; BC Housing's website; newspaper articles; and Burnaby housing inventories.

2.0 BC HOUSING NON-PROFIT ASSET TRANSFER PROGRAM

In 2014 October, the Provincial government, as part of its housing strategy 'Housing Matters BC', introduced the Non-Profit Asset Transfer Program. The intent of the program is to offer non-profit housing providers the opportunity to buy the public land on which they operate social housing from the Provincial Rental Housing Corporation (PRHC). Over the next three years, up to 350 publicly-owned properties across BC may be involved in the program. It is anticipated that up to 115 of these properties will be transferred in 2015. The program is being implemented in two ways:

1. Sale of PRHC owned lands to non-profit societies who currently own and operate social housing buildings on these sites; and
2. Sale of public housing developments (properties directly managed by BC Housing) to non-profit societies through an open bid process (currently involving Stamps Place and Nicholson Tower in Vancouver).

BC Housing advises that proceeds from the sales will be reinvested into the creation of new non-market housing units, renovation of existing buildings, and other initiatives and partnerships that will expand affordable housing options.

Summary Staff Comment: After decades of senior government cutbacks in funding for social housing, the sale of publicly-owned land assets that have been set aside for this purpose would appear to be a continuation of the Provincial government's approach for divestment in social housing. While the Province has not announced the specifics of its intended allocation of the proceeds from these public land sales, in the absence of any new non-market housing programs, the proceeds would appear to be being allocated, over the short term, to fund current operating and building repair, upgrade and replacement cost and will result in the immediate and longer term loss of public ownership of non-market housing sites.

2.1 Program Implementation

The Province's PRHC has about 350 publicly-owned properties across BC leased to non-profit societies. These properties all contain social housing buildings that are owned and operated by non-profit societies with operating funding provided under Federal and Provincial programs. The Province, through PRHC, is offering to sell the non-profit societies the land under these buildings. Eligible non-profits have the option of participating in the program or not. BC Housing advises that if a non-profit declines participation in the program, the existing lease agreement remains in place and no other purchasers would be considered for that property.

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 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
 2015 April 16..... Page 3

For those non-profits that choose to participate, BC Housing will terminate the current lease and transfer ownership of the public land to the non-profit society at a market value, as determined by a property appraisal. The non-profit society will pay for the land and obtain a mortgage from a private lender to cover the purchase costs, if necessary. BC Housing advises that, in most cases, these would be second, 35 year term, mortgages on the property, as most non-profits will already have an existing mortgage in place for buildings on the land. BC Housing will assist the non-profit with securing CMHC-insured mortgages against the land. The non-profit will be responsible for the mortgage payments, which would replace any current land lease payments the non-profit may be making to PRHC. BC Housing advises that it will subsidize the non-profit's mortgage payments to the extent where the new mortgage payments are roughly equal to the land lease payments made previously. BC Housing adds that financial circumstances will vary by non-profit organization and each land purchase, which will be accounted for through this subsidy approach.

BC Housing advises that its current operating agreements with participating non-profits will remain in place after the transfer of the property. Operating agreements outline the number of required affordable housing units and the level of subsidy for the units. Those operating agreements that expire prior to the amortization of the new mortgage resulting from the transfer will be replaced by a new agreement with BC Housing that will apply until the end of the mortgage term. BC Housing advises that they do not anticipate any impacts to tenants or changes to the number of subsidized units as a result of the transfer of ownership under these new agreements.

At the time property is transferred to a non-profit society, a Section 219 covenant will be registered against the land to ensure the land remains available for affordable housing, only for the length of the operating agreement and/or mortgage. BC Housing states that prior to approving a property for transfer, it will ensure the non-profit society is in good standing under the *Society Act* and has a stated purpose to provide affordable housing. The non-profit society would be able to distribute assets upon dissolution or wind-up to another organization with a charitable purpose. BC Housing advises that once an operating agreement, covenant and mortgage expire, the non-profit society's constitution and bylaws will provide the only assurance that the property continues to provide for affordable housing.

Summary Staff Comment: *Once a non-profit society's mortgage is paid off and its operating agreement expires, it appears that mechanisms are not being put into place to ensure the land remains available for non-market housing in perpetuity. A non-profit society could choose, or may be forced, to sell the property on the open market for economic or other reasons. Proceeds from the sale could be directed to other housing units/sites, or to an alternate charitable purpose in another community, resulting in a loss of non-market units in the host community, and/or the long term loss of the non-market housing site in perpetuity.*

For the short term, the proposal's terms for the mortgage and housing agreements seem to maintain the provision of non-market housing by drawing on the revenue generated from the sale of the publicly owned land asset. Staff have sought clarification from BC Housing as to how the proceeds from land sales will be used, but have yet to receive a clear response. As such, staff

To: Planning and Development Committee
 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
 2015 April 16..... Page 4

expect that the proceeds may in part or whole, be being used to fund ongoing operating agreements, and/or potential future allocations to housing programs. At this stage, however, accountability for the distribution of land sales revenues has not been provided by the Provincial government.

In the long term, the program would seem to transfer social housing responsibility to the charitable sector, with no assurances of continued public support in terms of social housing sites and/or operating support, and would result in the incremental loss of publicly owned lands for non-market housing over the longer term.

2.2 BC Non-Profit Housing Association response

The BC Non-Profit Housing Association (BCNPHA) represents most non-profit housing providers in BC. It has advocated for the transfer of Provincially-owned land to non-profit housing providers. It has indicated that land ownership would create more opportunities for housing providers to borrow money against their properties to fund capital upgrades or to expand the number of subsidized units.

From BCNPHA's perspective, the Non-Profit Asset Transfer Program is beneficial to the non-profit housing sector for several reasons:

- a) Land ownership would provide potential access to equity for investment in capital upgrades, redevelopment opportunities, and development of new stock in other locations, that otherwise should come from a Provincial housing program.
- b) Non-profits would potentially be able to leverage the ownership of assets into investments in affordable housing in an environment of expiring operating agreements¹ and a lack of new housing programs from senior levels of government.
- c) Land ownership would potentially support reinvestment in buildings because it would reduce the uncertainty associated with long-term leases that are approaching expiration.
- d) The Province's stated proposal to reinvest the proceeds of the transfers back into affordable housing is welcome in the short term, given the absence of any new Provincial funds for housing programs.
- e) Tenants would potentially benefit from the re-investment in improved general maintenance of the buildings, as supported by the conversion of the capital land asset into operating support.

¹ In B.C., approximately 30,000 units of social housing are managed under operating agreements with the Provincial and Federal governments. The operating agreements outline the subsidies that will be provided by both senior levels of government, and the obligations of the housing provider for obtaining the subsidy. The subsidies support housing providers to offer units on a rent geared to income basis. The majority of these long-term operating agreements are now beginning to reach their date of expiry and will continue to do so over the next ten to twenty years. At the time when the social housing developments were first built, it was viewed that once the original mortgage was paid off, there would be no ongoing need for continued government support. However, research by the Canadian Housing and Renewal Association indicates that many housing providers house tenants with very low incomes and do not generate sufficient income to pay for these ongoing expenses.

To: Planning and Development Committee
 From: Director Planning and Building
 Re: BC Housing's Non-Profit Asset Transfer Program
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Summary Staff Comment: The BCNPHA has advocated for the transfer of publicly-owned lands to its sector, largely as a response to decades of decreased funding commitments from senior governments. The sale of public assets would likely not be required if senior governments maintained funding for social housing at levels that would address public need, and building repair, maintenance and replacement requirements. The non-profit sector appears willing to accept the Province's responsibility for providing non-market housing, in an effort to assist those who cannot find appropriate housing within the private housing market. Again, from a long term perspective, the program would set a public policy direction for social housing to be the responsibility of the charitable sector, with specific levels of subsidy support regulated and/or restricted based on Provincial funding limits. Over the term of its implementation, the currently owned public land would be transferred to the charitable sector, representing a further divestment of publicly owned land assets that could otherwise provide for non-market housing in perpetuity.

3.0 BURNABY CONTEXT

Burnaby has over 5,500 non-market units located in 116 developments across the city that provide affordable housing for families, seniors, singles, and persons with disabilities and mental health challenges. These units are situated in non-profit, group home, co-operative, and public housing (directly managed by BC Housing) developments. In Burnaby, these developments are located on lands owned by the non-profit societies, co-operatives or PRHC. Of the properties located on land owned by PRHC, 25 properties are operated by non-profit societies and co-ops and the remaining seven properties are directly managed by BC Housing. In instances where the land is leased, the operator owns the improvements on the land (the buildings) and PRHC retains fee simple ownership of the land.

3.1 Eligible Burnaby Properties

BC Housing advises that of the 32 PRHC-owned properties in Burnaby, 15 that are leased to non-profit societies are eligible for the Non-Profit Asset Transfer Program. Of these 15 properties, six are already under contract to purchase that will take place early in the 2015/16 fiscal year. The remaining nine properties will be transferred over the next three years, should the affected non-profits choose to take part in the program. BC Housing states that the properties identified for the Non-Profit Asset Transfer Program were selected on a number of criteria including the good standing of the society, the condition and capital needs of the site, and the needs of the resident population. B.C. Housing did not provide the measures it used to evaluate these criteria to select the sites. A map of the 15 Burnaby properties is attached as *Appendix A*.

The six properties that are currently under contract to purchase are:

	Development Name	Burnaby Address	No. of Units	Operator	City party to Sec. 219 covenant?
1.	Catherine Anne Court	7273 17 th Ave.	45	Red Door Housing Society	Yes

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	Development Name	Burnaby Address	No. of Units	Operator	City party to Sec. 219 covenant?
2.	Chaffey Lane	4389 Grange St.	37	Affordable Housing Societies	No
3.	Chelsea Terrace	5895 Kincaid St.	209	New Chelsea Society	No
4.	Chelsea View	5291 Oakmount Cres.	20	New Chelsea Society	Yes
5.	Heritage Heights	3765 Albert St.	21	Affordable Housing Societies	Yes
6.	Sunset Court	5850 Sunset St.	48	Affordable Housing Societies	Yes
TOTAL			380		

The remaining nine properties have been notified that they are eligible for transfer of ownership over the next few years are:

	Development Name	Burnaby Address	No. of Units	Operator	City Party to Sec. 219 Covenant?
1.	Altesse House/Lions Thurston Place	3762 Thurston St.	43	Burnaby Loughheed Lions Housing Society	No
2.	Britton House	7478 Britton St.	4	PosAbilities	No
3.	Concordia Court	7155 MacPherson Ave.	100	Affordable Housing Societies	No
4.	George Derby Centre	7550 Cumberland St.	300 beds	George Derby Care Society	No
5.	Lake Park Village	8580 Cumberland Pl.	43	More Than a Roof Mennonite Housing Society	Yes
6.	Liberty Place	7899 17 th Ave.	20	Strive Living Society	Yes
7.	Lions Kingsway Terrace	7393 16 th Ave.	32	Burnaby Loughheed Lions Housing Society	Yes
8.	Ridgeview Heights	450 Clare Ave.	40	PosAbilities	No
9.	Stride Place	7575 Kingsway	45	Burnaby Association for Community Inclusion	No
TOTAL			327		

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Summary Staff Comment: *There are 15 out of 25 properties in Burnaby considered to be eligible for the program, leaving 10 properties to pursue renewal of their lease agreements and operating agreements nearing expiration. The short term future of properties ineligible for the program remains in question due to a lack of clarity by government as to future programs to support their continued provision of non-market housing. A clear commitment from the Province regarding how it will continue to support these operators is needed in the context of their expiring operating agreements.*

In terms of the City's efforts to commit these lands to public/non-profit housing, seven properties have City Section 219 covenants in place that maintain the housing use in perpetuity, as shown in the Table above. The covenants were established by the City at the time of commitment of the properties to non-market housing under rezoning. This same level of commitment could be put in place by the Provincial government on the titles of the eight remaining properties to maintain these public land assets, as well as for PRHC sites across the province. This would ensure the future use for these sites for non-market housing in perpetuity; however, currently this is not part of the Provincial program.

3.2 Public Housing Sites

BC Housing advises that there are currently no plans to transfer properties in Burnaby that it manages directly. However, it noted that two such properties in Vancouver, Stamps Place and Nicholson Tower, are currently being assessed for transfer. It is possible that other directly-managed sites in the Lower Mainland and elsewhere in B.C. may be transferred to the non-profit sector over the next several years.

Comment: *BC Housing's directly managed sites in Burnaby are not currently being considered for transfer. It remains, however, a concern and a possibility that they could be considered in the future. Residents of Stamps Place and Nicholson Tower in Vancouver have voiced significant concerns about the sale of these properties to a potential non-profit operator, the mandate of which may be unknown to existing tenants, due in part to a lack of consultation with residents. There is concern that the same lack of consultation and transparency would be applied to the sale of public housing sites in Burnaby and elsewhere in the Province should they come up for sale.*

3.3 204 Alpha Avenue and 205 Beta Avenue Properties

The properties at 204 Alpha Avenue and 205 Beta Avenue were purchased by BC Housing in 2007. These properties are comprised of two townhouse buildings constructed in 1959 with a total of 38 two-bedroom units. The properties are located on the southern border of Confederation Park.

BC Housing, through the PRHC, purchased the properties under the Provincial Homelessness Initiative. In 2008, the New Chelsea Society was selected to operate the housing, though PRHC retains ownership of both the land and buildings. Some of the units are provided to tenants on a rent geared to income basis while the remainder are provided at the low end of market rates.

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Currently, section 219 covenants are not registered on the titles of these properties to secure them for non-market housing into the future. BC Housing advises that these properties are not being considered for the Non-Profit Asset Transfer Program.

Comment: *In a letter dated 2007 October 10, Council requested BC Housing to provide written confirmation that the above properties will continue to be maintained as housing for low income families in perpetuity, however a response was not received.*

4.0 POTENTIAL LONG TERM IMPACTS

BC Housing states that the Non-Profit Asset Transfer Program provides a positive response to a long-standing request from non-profit housing operators to own the land on which their buildings are located. While the benefits of the program to non-profit societies have been publicized, there has been little discussion about how the divestment of public land assets is advantageous to the public and the security of public non-market housing into the future. Members of the Provincial Opposition and the media have suggested that the program is an effort by the Provincial government to balance its budget by eliminating property maintenance costs and collecting land sales revenue. Yet, the Province has remained largely silent regarding the questions and concerns raised about the program and the protection of public assets in the long term, and/or the accounting for sale revenue within the Provincial budgeting process.

The following further articulates concerns with the program.

4.1 Proceeds from Land Sales and Protection of Public Assets

Issue: *The sale of publicly-owned lands currently dedicated for affordable housing could result in the loss of lands for non-market housing in the future.*

BC Housing has advised that the proceeds from the land sales will be reinvested into the creation of new social housing units, the renovations of existing older social housing properties and other initiatives and partnerships that expand affordable housing options. However, they have not explicitly outlined how proceeds from the sale of publicly-owned assets will be utilized, and have not addressed the concern that in the longer term will there be a loss of public assets or sites remaining for non-market housing.

If the proceeds from the land sales are used to subsidize the principal and interest payments for the non-profits' mortgages, and to provide operating subsidies for the shorter term of the new operating agreements that will be put in place, it appears that this will consume the funds obtained from the sale of a capital asset for operating and shorter term funding of housing. Provincial Opposition members have asked for clarity about the Non-Profit Asset Transfer Program, assurances that the existing number and level of subsidies will remain in the future, and details of how the proceeds from the sale of publicly-owned property will be reinvested in affordable housing for the long term benefit of the Province. To date, these questions have remained unanswered.

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In summary, once these lands are privately owned by non-profit societies, there is concern that the lands will no longer be secured for affordable housing in perpetuity. BC Housing advises that its operating agreements with participating non-profits will remain in place after the transfer of the property, and as part of these agreements, Section 219 covenants will be registered on the titles of the properties, only for the term of the operating agreements, restricting the use of the lands to non-market housing. However, the covenants are to be released at the expiration of the operating agreements, which could result in the lands being used for other charitable, non-housing purposes, or the housing site sold, with a direct impact in the number and security of social housing units in the Province. In the long term, the rising costs of land will make re-purchase of these currently held public lands less feasible for future generations.

BC Housing further advises that the societies' stated purposes under their constitutions will provide the only assurance that projects will continue to meet affordable housing needs into the future. These provisions require distribution of assets to other charitable entities upon dissolution or wind-up of a society. As noted, however, such provisions do not prevent a society from selling a property to a charitable entity outside the housing sector. Nor does it prevent the land from being sold and the proceeds from that sale being put towards a society's other housing operations or used to purchase land in other communities. In all cases, dedicated public lands for non-market housing in Burnaby and other BC municipalities could be permanently lost through this program.

4.2 Long-term Viability of Subsidized Units

Issue: With the Non-Profit Asset Transfer Program concerns about the long-term viability of subsidized units remain.

As mentioned above, BC Housing advises that current levels and the number of subsidies on transferred properties will be maintained through the establishment of new operating agreements; however, it is unclear what will happen once those agreements expire. Without continued operational funding from the Province, operators may be forced to find a balance between rental income and operational costs. In the longer term, with the removal of any requirements related to the number and level of rental subsidies in a development, a non-profit society would need to consider raising rents to levels above the affordability level of clients to maintain financial balance once the agreement expires, as funding levels are lower, or costs increase.

Concerns have also been expressed regarding the capacity of some non-profits to leverage newly gained land ownership to finance renovations or redevelopment. Depending on their financial expertise, some non-profits could encounter financial difficulties, which could result in fewer or reduced levels of subsidies for units. Given that the demand for affordable housing remains high and the region's population is growing, the Province needs to responsibly protect existing subsidized units and commit to providing more units and sites to meet growing demand with funding programs that meet social housing needs in BC.

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4.3 Expiring Operating Agreements

Issue: For non-profit societies that are not eligible for the Non-Profit Asset Transfer Program, expiring operating agreements remain a concern.

The expiry of existing operating agreements between non-profit housing providers and the Federal and Provincial governments has raised concerns over the last few years about the security of subsidies for low income tenants. At the time when many of BC's social housing developments were first built, it was viewed that once the original mortgage was paid off, there would be no ongoing need for continued government support. However, research by the Canadian Housing and Renewal Association indicates that many housing providers house tenants with very low incomes and do not generate sufficient income to pay for these ongoing expenses, such as maintenance costs and rent subsidies, without continued funding from senior government. Potential impacts could include higher average rents, a reduced number of deeply subsidized units, and/or a net loss of more affordable units (i.e. the transfer of units to market rents). As such, the expiration of operating agreements will have significant impacts on many housing providers and tenants in developments that are deemed not eligible for new funding.

4.4 Loss of Public Accountability

Issue: The transfer of publicly-owned assets to non-profit societies weakens public accountability for the operation and maintenance of social housing.

With the transfer of public assets to non-profit societies, concerns have been expressed over the loss of public accountability for the operation and maintenance of social housing developments. Currently, the public can appeal to BC Housing and elected officials when concerns arise regarding the condition, maintenance and operation of social housing properties tied to BC Housing through its operating agreements and land leases. With the transfer of land ownership to non-profit societies, this direct level of accountability will be reduced.

4.5 Loss of Government commitment

Issue: With the Non-Profit Asset Transfer Program, the Province appears to be further divesting itself from its responsibility to provide housing for low income households and other vulnerable populations.

The BCNPHA advises that it has advocated for the transfer of publicly held lands to non-profit societies in response to the absence of any new senior government funding for social housing. This is a situational response to senior governments' diminishing commitment to the provision of non-market housing. The City is concerned that the Province is continuing this trend by selling publicly-owned housing assets and further removing itself from its responsibilities for the provision of non-market housing. As the City has long advocated, senior levels of government have the constitutional responsibility and are the only agencies with the fiscal capability to ensure an adequate and secure supply of non-market housing.

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5.0 CONCLUSION AND RECOMMENDATIONS

BC Housing's Non-Profit Asset Transfer Program has serious implications for the future of public land assets in Burnaby and province-wide. As with any public asset, the intent is that they provide long term benefits for the Province and its citizens. Due to the potential long-term implications of the program, numerous concerns have been raised, as outlined in this report. To ensure publicly owned land assets are protected now and in the future, it is critical that the Provincial government recommit to its responsibility as a direct provider of non-market housing.

It is therefore recommended that Council write to the Premier and the Deputy Premier and Minister Responsible for Housing, the Honourable Rich Coleman to express concern with the disposal of public land and building assets under the Non-Profit Asset Transfer Program, and request the Minister to provide for a long term plan to maintain public ownership of lands for non-market housing purposes to meet current and future community needs in the Province.

It is further recommended that a copy of this report be sent to Burnaby's MLAs, UBCM member municipalities, the Metro Vancouver Board and the City's Social Planning Committee.



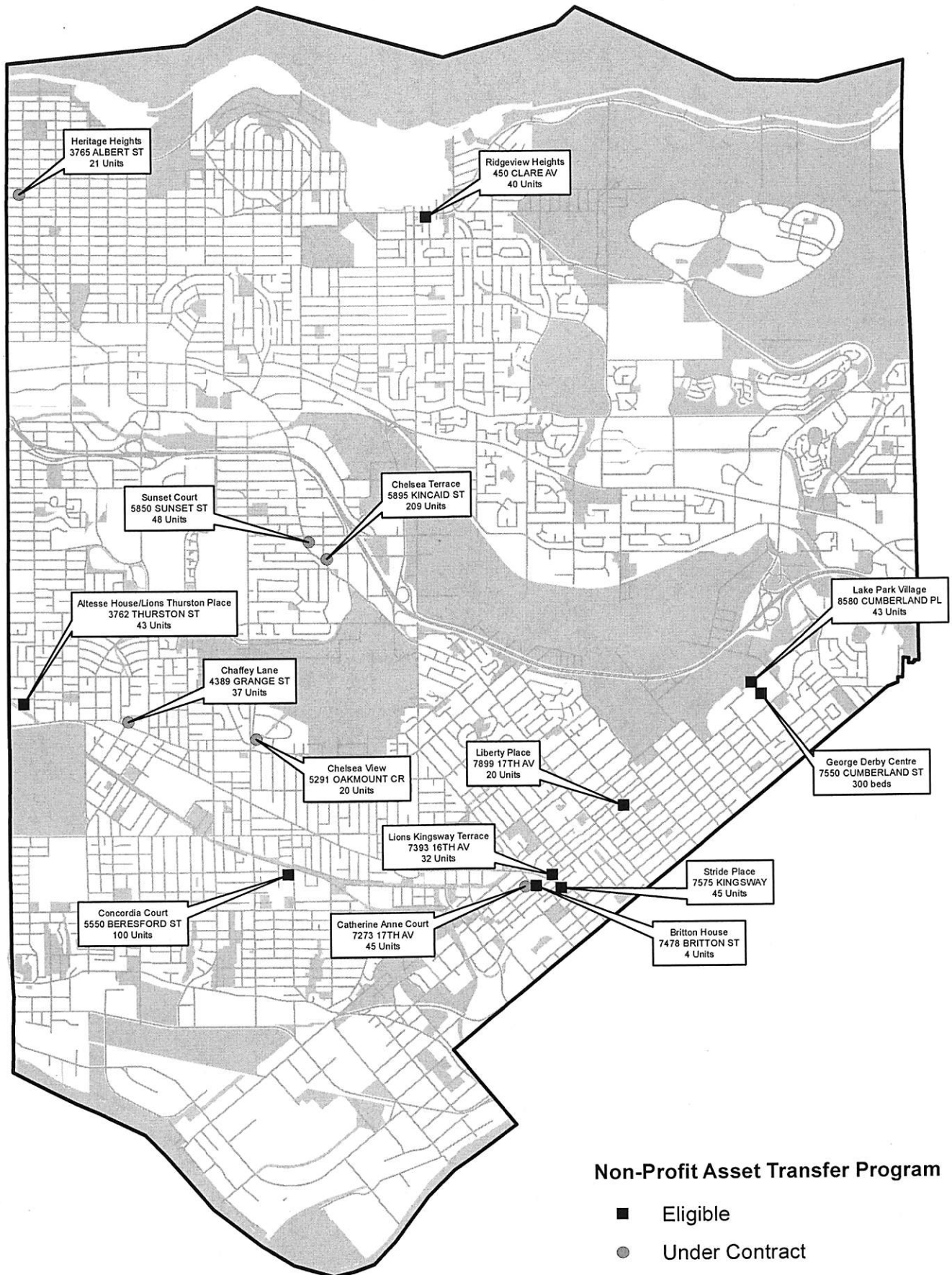
Lou Pelletier, Director
PLANNING AND BUILDING

CS/MM/sa

Attachment

cc: City Manager
Deputy City Managers
Director Finance
City Clerk

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PARKING LOT

Ideas from the Housing Affordability Task Force to hold in a “Parking Lot” for future discussion

- Land Value Tax (province)
- Rent subsidies and affordable housing (province)
- What can be done to limit the number of vacant units in rental units and condos. (province)
- Derelict buildings (province)
- Tax Incremental Financing as a means of investing in housing (province)