The Messy Wicked Problem of Housing Affordability

An Action Plan for the City of Victoria

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Executive Summary

The United Nations-endorsed International Covenant on Economic, Social and Cultural Rights (1966), Article 11, lists housing as a human right. The City of Victoria is tackling this human rights issue, and is experiencing similar affordable housing challenges as other cities around the world. When it comes to the development of such housing, additional layers of complexity come into the process (Office of the High Commissioner United Nations Human Rights, n.d.). Fear of change and of the unknown plague neighborhoods and create unnecessary challenges for City staff when working to create recommendations regarding densification. Combine this with multiple parties in the development process, all requiring knowledge of policies and processes in an evolving city, and the desire to make meaningful change is faced with challenges from all corners of the process. This is the messy wicked problem of affordable housing. To address the housing crunch in the City of Victoria, a review based on available housing data was completed looking at the number of single-family dwellings, existing policies, zoning within the city and actions of major cities around the world; discussions with those involved in the local housing sector also took place.

Supplementing all the work the City of Victoria has already done to increasing affordable rental housing stock, the following recommendations are put forward for consideration:

- Recommendation 1: Expand city policies regarding housing options and densification;

- Recommendation 2: Create a public education campaign to address "not in my backyard" perspective; and

- Recommendation 3: Reduce the complexity of the permitting and development process.

These recommendations include some new ways of looking at how affordable housing can be sustainable and strengthen community; bringing developers, builders, renters and the city together to solve the problem of the lack of affordable housing in the City of Victoria. Meeting the needs of citizens is a challenge; however, as stated by Mead, "never doubt that a small group of thoughtful, committed, citizens can change the world. Indeed, it is the only thing that ever has" (2008).

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Introduction

"No housing means no community and no economy," said Selina Robinson, Minister of Municipal Affairs and Housing, at the "What Have You Done for Me Lately - A Missing Middle Housing Panel" at the Museum of Vancouver on October 11, 2018. The simplicity and truth of the statement belies the messy, wicked problem of rental housing affordability currently affecting the region. In 2016, the City of Victoria adopted a Housing Strategy that laid out a set of targets and strategies aimed at supporting and incentivizing new, attainable housing developments (City of Victoria, 2015). The research team was engaged to come up with some considerations and recommendations that the City could use to supplement this strategy. Key initiatives and study opportunities included examining the barriers and bridges to facilitating supportive housing developments, reviewing the City's inventory of existing affordable rental stock, considering re-evaluation of policies and incentives to support regeneration of affordable housing, exploring the impacts of market-based regulatory changes to facilitate increased supply and diversity, and examining the impact and regulations pertaining to short term vacation rentals.

Background Information and Review

The City of Victoria's current Strategic Plan (City of Victoria, 2015b) states that Victoria is a leading-edge capital city that embraces the future and builds on the past, where human well-being and the environment are priorities, where the community feels valued, heard and understood, and where City Hall is trusted. It identifies Victoria as being a liveable, affordable, prosperous and vibrant city where all work in partnership to create and seize opportunities, and to get things done (City of Victoria, 2015b). In this Strategic Plan, making Victoria more affordable is one of the objectives. When considering affordability in terms of housing, as

defined by the Canadian Mortgage and Housing Corporation (CMHC), housing provided by private, public and non-profit sectors that costs less than 30% of a household's before-tax income were considered (CMHC, 2018). Victoria's median individual income is $34,164 (Statistics Canada, 2018b), meaning that the average monthly rent at this level would be $854 per month.

As with past City projects between Royal Roads University and the City of Victoria, such as rejuvenating Centennial Square, youth working on climate change initiatives, and review of social procurement processes, the City of Victoria is open to new ways of addressing sustainability challenges facing their community. Affordable housing initiatives that increase density in neighbourhoods can reduce the City of Victoria's environmental impact and have a positive influence on issues such as transportation by increasing the efficiency of transit and having more walkable and cyclable areas. This demonstrates synergies with the 'Big Topics' relating to liveable cities that municipalities confront.

Housing and Demographic Statistics

In 2016, Statistics Canada determined the City of Victoria's population to be 85,792, a 7.2% increase from the 2011 results. The breakdown of dwelling characteristics (Table 1) shows the different types of housing available in the City. With the City of Victoria's population estimated to grow to 105,000 by 2041, particularly within the 65 years plus demographic, an additional 15,000 housing units are needed to meet demand, specifically 13,000 apartments and 2,700 ground floor units (City of Victoria, 2016).

Table 1

Dwelling Characteristics in the City of Victoria

Dwelling Type	Number of Units
Single-detached house	6,545
Apartment in a building that has five or more storeys	8,195
Semi-detached house	1,140
Row House	2,260
Apartment or flat in a duplex	4,490
Apartment in a building that has fewer than five storeys	23,035
Other single-attached house	85
Movable dwelling	10

From: Statistics Canada (2016).

To provide overview and insight into the current rental housing stock, there are currently approximately 24,885 purpose-built rental housing apartment units across the Victoria Census Metropolitan Area; an area which includes 13 municipalities, one electoral area, and 13 First Nations Reserves south of the Cowichan Valley Regional District (CRD, 2016). Not including strata, secondary suites, duplexes, or non-profit or government owned buildings, 703 rental buildings exist in the City of Victoria area, as identified by the City of Victoria Mapping Tool (City of Victoria, 2018c). As noted within the City of Victoria's 2017 Housing Report, 248

purpose-built rental units, and building permits for 48 secondary suites, six garden suites, and 775 net new residential dwellings were issued that year. Fifty-nine percent of current City of Victoria residents rent - an amount 25% higher than other municipalities in the capital region - while rental vacancy rates remain at 0.8% as of 2017 (City of Victoria 2017b). Efforts have been made to increase available affordable housing stock, yet the need for more is apparent, particularly with population increases and demographic changes on the way (City of Victoria, 2016). Table 2 shows the 2018 housing targets for the City. It was assumed 20% would be family units and 80% would be single units. Households with incomes of $85,000 and above may access Below Market Ownership and Ownership Housing. The total demand of 520 units per year includes 124 units below market rental, which equals 24% of the total units created (Tinney, 2018).

Table 2

2018 Housing Targets for the City of Victoria

	Very Low Income	Low Income	Low to Moderate Income	Moderate	Above Moderate
Income	<$20k/yr	$20-35k/yr	$35-55k/yr	$55-85k/yr	>$85k/yr
Rent	Less than $500 per month	$500 to $875 per month	$875 to $1,375 per month	$1,375 to $2,125 per month	More than $2,125 per month
Single	29	34	40	161	152
Family (2-bed+)	7	9	10	40	38
Total	36	43	50	201	190

	Supportive and Social Housing	Below Market Rental	Market Rental	Below Market Ownership	Ownership

From: Tinney (2018).

Housing Prices

Over the past two decades, average prices of single-family detached homes (SFD), condominiums and townhouses in Victoria have all steadily increased (Figure 1); prices of these increasing by 13%, 17% and 12% respectively (City of Victoria, 2017b).

Figure 1. Average Victoria housing sale prices - 1997-2017.

Compared to 2016, year-to-year average rents in the City of Victoria increased by 4.7% for a bachelor unit, 7.2% for a one-bedroom, and 7.7% for three-bedroom units, with overall average rents being 7.1% higher for all units in 2017 compared to the previous year (City of Victoria, 2017b). The 2018 Canadian Rental Housing Index, provides a breakdown of the proportion of renter household income spent on rent and utilities by type of unit (Table 3).

Table 3

Proportion of Renter Household Income Spend on Rent Plus Utilities

Name	Household Income Range	Quartile	Average Income	Studio	1-Bed	2-Bed	3-Bed	4-Bed	All Units
British Columbia	$0 to $23,378	Q1	$13,557	57%	71%	92%	109%	141%	80%
	$23,378 to $45,979	Q2	$34,352	30%	32%	36%	41%	47%	36%
	$45,979 to $78,065	Q3	$60,592	20%	21%	22%	26%	30%	23%
	$78,065+	Q4	$126,289	12%	13%	14%	15%	16%	14%
		All		29%	26%	23%	22%	22%	23%

From: Canadian Rental Housing Index (2018)

Housing and Development Subsidies

There are a number of rental assistance programs provided by BC Housing (2018) for low income and elderly renters; program eligibility varies depending on income, dependent children, and the amount paid on housing. Shelter aid for elderly renters is also available, and BC Housing offers home adaptations for persons with diminished physical abilities of up to $20,000 per year until the allocated funding is exhausted each fiscal year (BC Housing, 2018).

The team did not come across any current subsidies or tax benefits for private homeowners to incentivise or facilitate the development of secondary suites; however, in the past, Victoria has offered grants of up to $5,000 or 25% of project costs for this (City of Victoria, 2009). More subsidy programs and initiatives currently exist to support developers and non-profit groups with affordable housing projects, including those from BC Housing that target the non-profit housing sector or builders to create subsidized rental units at cost (BC Housing, 2018). In November 2017, the Government of Canada (GOC) launched the first ever National Housing

Strategy - a 10 year, 40-billion-dollar initiative to create up to 100,000 new affordable units and provide housing for approximately 530,000 people (GOC, 2018). Overall, it appears available benefits and subsidies are for large builders creating large rental complexes, not for single family home owners looking to increase density through secondary suites on their properties. To solve the problem of the lack of affordable housing in the City of Victoria, the team looked at current housing available in Victoria, brought together developers, builders, renters and the city and looked at how affordable housing can be sustainable and strengthen community through case studies and city policies.

Methodology

The Team spent nine days in Victoria in June where we built upon the principles of sustainability that we had learned to date while exploring various issues surrounding affordable housing. The residency was structured around experiencing hands-on learning tools such as maker-space with representatives from the City and Pinterest to examine the ecological, social and economic imperatives of the city while defining and developing the methods to be used for this research. Presentations from a number of influential individuals from different branches of the housing spectrum including United We Can, Victoria's Coalition to End Homelessness, United We Can and Victoria Placemaking, provided food for thought as the team worked through ideas for the research. Subsequent months were spent researching and narrowing down the research topic, discussing affordable housing with different authorities, completing literature reviews, and hosting two online public collaboratory sessions on October 4, 2018 with vested stakeholders on affordable rental housing.

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Collaboratory Sessions

The collaboratory sessions brought together a variety of perspectives on affordable rental housing; from both the development and non-profit sector. The team wanted to ground truth some of the theories formed from the research and existing housing numbers, and gain feedback on city processes in relation to rental housing. Ten participants joined the afternoon, and two participants in the evening session.

<center>Results and Findings</center>

Affordable Housing Case Studies

Singapore.

In Singapore, 90% of land is government-owned and 80% of homes are government-built apartments (Jha, 2018). Due to limited land, housing is constructed as bottom up designs, creating neighborhoods that include mixed use buildings proximal to high quality public transportation and shared green spaces.

These flats are located in Singapore housing estates, self-contained satellite towns with schools, supermarkets, clinics, hawker centres, and sports and recreational facilities. Bernard Spragg photography. https://www.flickr.com/photos/volvob12b/17141963879

Photograph 1. Singapore

The land surface area of the City of

Victoria is 19.47 km^{2}and the population density is approximately 4,400 people per square km (Statistics Canada, 2016). Singapore has approximately 5.6 million people in 716 km^2 which equates to a population density of 7,915 per square km (World Bank Group, 2017) which is 45% greater than the City of Victoria.

In 1967, the Land Acquisition Act empowered Singapore to acquire land at low cost for public use (Jha, 2018). In Singapore, great emphasis is placed on standardization and efficiencies in construction management. Despite being one of the densest cities in the World; Singapore regularly scores among the highest in livability ratings (Jha, 2018), which demonstrates how these standardization and efficiencies combined with the government owned properties were able to be utilized to create affordable housing.

Germany.

After the Second World War, there was a need for housing as 20% of Germany's housing stock was destroyed. Mortgages were not an option as the currency was basically worthless (Phillips, 2014). "A housing program would simultaneously put people back to work and reduce the stress of the housing crunch" (Phillips, 2014). Britain also faced a similar situation after the war, but when they developed their housing strategy, they choose to leave private developers out of the offering. This difference impacted the current state of rentals in each country, with Germany a country of renters and Britain a country of home owners. (Phillips, 2014). Developers were also provided government subsidies for rentals which was not, and still is not, common, and a large number of rental properties were created. Unlike many other countries within the European Union, the German government does not encourage home ownership as mortgage interest cannot be deducted on taxes. This, paired with policies prohibiting rent rates from being

increased by more than 15% over three years, makes renting a good option; with supportive

regulations, a good supply of units, and low increase in costs. Rental rates work out to

approximately 30% of household income in larger cities, and 20% outside of these core areas

(Feargus, 2016).

The Eden Concept.

The Eden Concept believes the most effective way to address the affordable housing

crisis is to add a large number of high-quality, low rent apartments, thereby increasing supply

(Hessling, 2016). This European-based model goes beyond building a single development and

instead is based on an economy of scale. The more units created decreases individual unit

construction costs which can then be passed along to the consumer in the form of lower rents.

This allows tenants to focus on their community and personal well-being. Hessling (2016)

believes this approach will not only support the rental market but, with an increase of affordable,

quality units, the housing market will begin to cool, making single family housing more

affordable. As mentioned by one of the collaboratory participants, the wheel does not need to be

reinvented; there are already a number of solutions out there, the key will be to find solutions,

such as the Eden Concept, that work for the City.

Collaboratory Findings

Through our facilitated discussions, similar themes arose: the need to reduce barriers and the

cumbersome nature of application and permitting processes, the need to address the 'not in my

backyard' perspective of residents and communities, and the need to increase affordable rental

density. Notable comments made and recommendations provided by participants included the following:

- increased density, making for healthier, more interactive neighbourhoods;

- development having the potential to be easily derailed by community "bullies" (naysayers) who may be misinformed;

- the need for a viral dissemination of information regarding affordable housing with the intention of sparking a change in mindset;

- community consultation being an invaluable piece of the puzzle;

- pre-zoning for affordable housing developments and increased rental stock opportunities should be considered en masse;

- the need for increased taxation of vacation rental properties;

- a development application process that can be politicalized and non-transparent;

- the City of Victoria having implemented zoning bylaw changes to make the development process easier in the downtown core neighbourhood; and

- develop an affordable housing development strategy and community plan with consistent funding committed annually to support development.

Current Initiatives and Policies

A summary of the affordable housing initiatives and policies that the City of Victoria has undertaken, and their anticipated outcomes, are included in Appendix A. As of April 2017, garden suites are permitted in single-family zones across the city (City of Victoria, 2017c) but, there are currently no grants available to support homeowners in the development of such housing. Properties already possessing secondary suites were ineligible for adding a garden suite.

Rules are under review for this. Multiple cities in Canada offer grants to create suites for seniors living on low incomes, and individuals with disabilities. For example, the County of Simcoe provides up to $25,000 for the creation of garden or secondary suites that are to remain as affordable rental units for 15 years (County of Simcoe, 2018).

In terms of short-term vacation rental properties, according to a CBC article (Wilson, 2016), it is estimated that approximately 300 housing units in Victoria have been converted to short term rental properties through rental agencies such as AirBnB. Even though this is a small number, only 0.6% of the total number of houses in Victoria, 49,212 (Statistics Canada, 2018a), the popularity of AirBnB is on the rise and could create a problem in the future. Zoning in the downtown core currently permits short term rentals in 1,700 units (City of Victoria, 2016) and the Short-Term Rental Regulation Bylaw (No. 18-036) was updated in March of 2018 (City of Victoria, 2018a). City of Victoria staff recommended increased enforcement and monitoring to ensure that business licenses are obtained for these units (Wilson, 2016).

The McKinsey Global Institute looked at four categories that could make housing more affordable - land, development, operations, maintenance and financing - and suggested unlocking land for affordable housing, improving capital productivity and energy efficiency, and reducing borrowing costs to buyers as being key for success (2014). Some successful examples from the McKinsey report include the following:

- Hong Kong had 1.4 million new homes constructed in the past 40 years; all within close proximity to transportation networks. Approximately 43% of residents and 53% of jobs are within 500 meters of a transit station.

- China, Turkey and Monterey California have all increased housing by releasing public land; an effective way to create housing while freeing up land costs for other development.

- Japan, South Korea, and Gujarat, India have successfully implemented housing initiatives through land pooling. Owners pool their land in exchange for higher density and infrastructure investment, and land is then redeveloped with a parcel coming back to the owner. The increase in land value makes it enticing for owners to contribute.

Hong Kong Wetland Park & Residential Housing. https://commons.wikimedia.org/wiki/File:Hong_Kong_Wetland_Park_%26_Residential_Ho using_(2141079680).jpg

*Photograph 2*. Hong Kong Residential Housing

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Recommendations

Recommendation 1: Expand city policies regarding housing options and densification.

In 2018, BC Housing introduced Housing Hub as the provincial land trust office. Their mission is to increase the supply of affordable housing for middle-income earners, many of whom have been priced out of the housing market (BC Housing, 2018).

"Community land trusts have the common purpose to provide affordable housing and
access to land controlled by the community. They complement mainstream affordable
housing through the creation of housing associations and can secure vital assets including
local shops, community halls, and open spaces" (Dale et al, 2014).

In British Columbia, the first land trust partnership is with the British Columbia
Conference of the United Church of Canada who have provided land for approximately 400 units
of housing at four church sites through the province. Project development funding of nearly
$12.4 million has been provided by the province to advance this redevelopment proposal. Each
development will include an affordable rental housing component, along with redevelopment of
the existing church facilities, offices and other programming spaces (BC Housing, 2018).
Developing further land trust partnerships with organizations such as school boards, military
bases, and other faith communities opens up opportunities for increasing affordable rental stock.

Another option, one perhaps a bit more radical, would be use of parkades as potential
housing developments. Currently, as depicted in Figure 2, there are five city owned parkades, six
privately owned parkades and 37 privately owned lots in the downtown core (City of Victoria,
2018c).
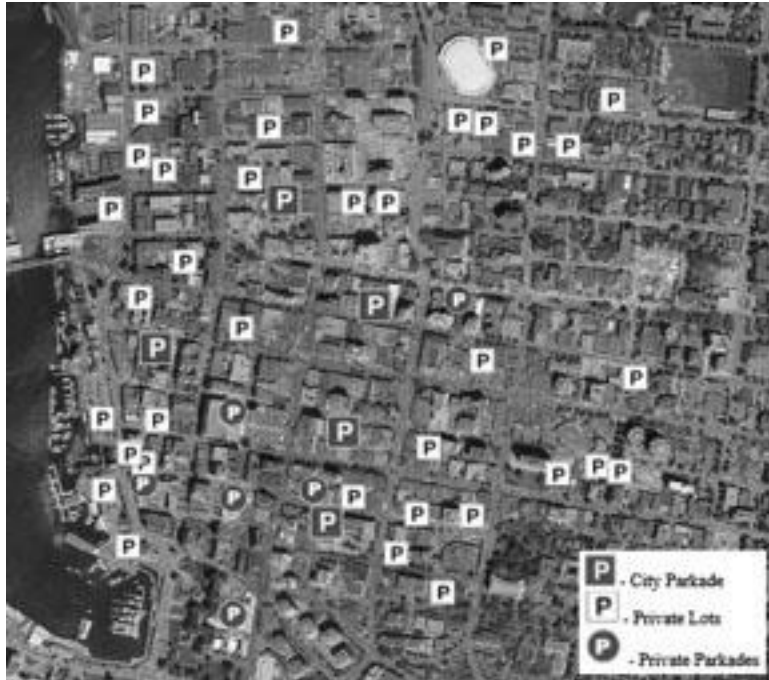
Figure 2. Parkades in downtown Victoria (City of Victoria, 2018c)

As an opportunity to increase densification and provide affordable housing, the City

could consider permitting development on top of city-owned parkades (provided they are

structurally sound), or the redeveloping of surface lots to permit structures above (without

significant compromise to the surface parking space still on ground-level). A few unique and

innovative developments have been proposed in the City of Vancouver that would see childcare

facilities built on the top floor of a couple of city-owned parkades (Robinson, 2016), and the

addition of temporary modular housing to one flat-topped parking lot (Chan, 2018). Although

unsuccessful due to poor business practice, Vancouver leased the top floor of a downtown

parkade for greenhouse space in 2012 for the cultivation of greens hydroponically (Shore,

2011).

With a significant and increasing senior population, many municipalities are looking at

co-housing with students, allowing seniors, who may have more housing space than they require

or can afford, to 'age in place'. This would free up rental properties previously occupied by

students. Students are provided housing at a reduced cost in exchange for a weekly commitment of assisting with household chores and errands. One example of this is the Symbiosis Co-Housing program at McMaster University in Hamilton, Ontario (Roussy, 2018).

As a final option, micro homes are an affordable form of housing that could be used as infill to densify neighbourhoods. Mobile Loaves & Fishes has established the Community First! Village in Austin, Texas (Katyi Christian, 2018); a 51-acre community of affordable micro housing that

Community First! Village is 51-acre master planned community that provides affordable, permanent housing.

http://www.nydailynews.com/news/national/pioneering-homeless-community-planned-texas-article-1.1528129

Photograph 3. Micro Housing.

provides permanent housing and a supportive community for to up to 250 people at a time.

Recommendation 2: A public education campaign to address "not in my backyard" perspective

The City of Victoria has done an effective job of creating, compiling and implementing public engagement strategies, yet a lack of trust still remains between stakeholders that is slowing the affordable housing development process. In the collaboratory sessions, developers were cautious of public consultations, stating that the participatory process often gets hijacked and bogged down by those resistant to development. In situations like this, it is important to have strong facilitators that can manage the polarizing naysayers that make it difficult for all to participate. "Developers are nervous about participation because they are afraid the community will have unrealistic expectations, but this is how good development happens" (Freeman, 2017);

citizen engagement and participation are critical for fostering a strong, sustainable community. To overcome this, all stakeholders must start from a place of gratitude which, as research shows, "leads to a positive spiral of helping, gratitude, trust and cooperation" (Macy & Johnstone, 2012). This strengthens communities and provides the resilience needed to face whatever messy, wicked problem is at hand.

    For real action to take place and trust to be built, engaging with people in the real world and having real conversations is invaluable. That being said, deliberately designed dialogues that are capable of bringing about personal and social change can be virtual and place-based (Dale, 2018). Public forums, discussions and other environments that foster two-way communication, either in-person or virtual, should be used.

    Part of this online strategy for engagement could be a website; something comprehensive yet concise that provides people a one-stop-shop to hone in on the topic and issue at hand. Knowledge of this platform should be deliberately shared to ensure community members are aware the resource exists; using avenues like community newsletters, social media, print advertising and/or sharing at community events as ways to spread the word. No matter how innovative a policy is, if citizens cannot access the information or do not know it exists, it is a wasted opportunity. Features such as newsletter sign up requests that pop up on a timer or with each click to a new page, or a live chat box, could provide citizens new opportunities to engage and feel better informed.

    "The fastest way to grow a reliable audience is to improve the citizen experience on your website. No matter how you compose your message, make sure you communicate the value the reader will get for clicking through. Then to maintain your existing audience

and cultivate a new one give people the information they seek, when they need it. Otherwise, they will unsubscribe" (Simpson, 2016).

Thorough public education is needed to change the "not in my backyard" perspective. A public awareness and education campaign designed to foster a new community attitude about affordable housing development could include:

- getting developers, renters and homeowners together to create skits or drawings inspired by rental housing affordability as "artistic practices...can inspire dialogue" (Dale et al, 2014);

- creating online vision boards where citizens, developers, etc. can share cool suites and interesting architectural designs sparking creativity and excitement for the development;

- creating time-lapse video clips of developments happening in the city, similar to what was done when the iconic blue Johnson Street Bridge was removed;

- providing walking tours of rental properties showcasing different types of properties from high rises to garden suites, and laneway houses to co-operatives; and

- facilitating open houses and question/answer opportunities for homeowners considering developing secondary or garden suites to walk through the processes and pieces required, making the process more manageable and ensuring applications are completed thoroughly and accurately from the get go.

Today the citizenry is highly informed through online participation. Getting them offline to not only talk, but do, is the challenge. If the City of Victoria can instill "deeper trust, deeper history [then people] will have moved beyond gestures and donations, (they will be able to] reach consensus, set goals, think strategically, and have philosophical direction" (Turkle, 2015).

Recommendation 3: Reduce the complexity of the permitting and development process.

Zoning bylaws regulate how a property can be developed. The City of Victoria has two zoning bylaws - one applying to the Downtown Core Area, and the other to all other properties within the City. Respecting the complexity of the zoning system, the City has recently made some amendments with the intention of making it easier for developers and property owners to understand. In July 2018, Council approved an update to the Downtown Core Area zoning to include four new zones; replacing the more than 70 that previously existed (City of Victoria , 2018d). Other improvements include editing ambiguous language, reducing the need for site-specific zones, introducing more permitted uses, eliminating the need of cross-referencing between zones, and updating the off-street parking regulations for vehicles and bicycles. City zoning policies can make the development process extremely challenging, and through the collaboratory session, participants felt that zoning poses a huge barrier to developers. Developers should find the recent changes and simplifications encouraging.

The City of Victoria website states the first step of the current permitting process is to submit an application. It is the developer's responsibility to review the Official Community Plan (OCP), applicable zoning regulations, engineering standards, environmental requirements, building code requirements, and all other applicable City of Victoria policies in the creation of their plan. To ensure a speedy review, developers should properly, thoroughly and comprehensively prepare the application package as incomplete or inadequate applications will require revision and longer processing. It was mentioned in the collaborator session that development identified as affordable housing is moved to the head of the approval queue; an example of how the city is trying to encourage and promote affordable housing. When applying, application fees intended to cover administrative time and thorough review of the application are

charged; including a base cost, and potentially community meeting, public hearing, public comment and resubmission fees (City of Victoria, 2017a). Applicants do have the potential of seeing the base cost and variance fees waived but, the development must be registered as affordable housing with the City and be owned by, or affiliated with, a non-profit or government agency for this to happen. If a portion of the units are allotted for affordable housing, the base and variance fees are reduced as a percentage of the total floor area of the building (City of Victoria, 2017a).

In the collaboratories, some participants stated that developers would argue the whole system needs to be fixed, and that the whole design process is very bureaucratic and restrictive. For example, homeowners can't have a garden suite when the house already has a secondary suite, and there is a $1000 application fee to apply for a garden suite (City of Victoria, 2017a). These policies pose a barrier for people wanting to facilitate densification and establishment of affordable housing in their neighbourhoods. As garden suites can't be strata-titled (City of Victoria, 2017c) the burden of financing would be on the current homeowner, this could be an area for consideration in increasing density and the possibility of home ownership.

Suggestions to overcome some of these policy-based issues would be:

- to address the disconnect between different groups (city and developers, builders and homeowners) and seek clarification as to where the process seems overly cumbersome;

- to do large scale rezoning instead of spot rezoning, as was done for the Downtown Core Area (City of Victoria, 2018d);

- to reclaim land and make it government owned, like Singapore (Jha, 2018), ensuring the land is utilized for the betterment of Victoria as a whole; and

- to offer workshops for developers with the aim of having a better understanding of the permitting process and associated fees.

The Three Imperatives

The social, environment, and economy imperatives should be thought of as both sufficient and necessary when implementing any type of change (Dale, 2001). All three of the recommendations above are trying to address housing shortages in the City of Victoria. While trying to create a solution for a complex problem, all three imperatives have to be taken into consideration (and integrated) as failure in one area will create failure in all three (Dale, 2001).

The recommendations touch on all three imperatives. For example, the social imperative is fulfilled by involving people and giving them a platform to be heard. Rezoning areas and having alternative types of buildings will also increase the social capacity of a city or neighborhood. By making it easier for people to obtain housing in established neighborhoods it will reduce the need for new suburbs, thereby saving the City money on infrastructure maintenance and replacement costs (roads, sewer, etc.). Sandra Hamilton (State Government of Victoria, 2010) suggests moving from 'doing no harm, to doing some good' by using procurement processes to generate positive social outcomes in addition to economic value. Adopting the social procurement process will enable the City to leverage tax dollars through the procurement of goods and services to build strong communities, strengthen the local economy, and achieve more value for money spent. Initiatives could include providing training and work for local disadvantaged residents, sourcing local goods and services, ensuring diversity and equality, and achieving social inclusion. All of these elements are keeping the economical imperative in check. By having housing built in established neighborhoods, the city is saving green space from being developed and taken over by roads, concrete, and people.

Keeping people close to the downtown core will also cut down on the amount of travel to and from work, saving on vehicle carbon emissions addressing the ecological imperative. Allowing individuals the option to live closer to work reduces their costs for housing and travel, thereby allowing time and finances to increase participation both at an economic and social level, in their community. For example, supporting the revitalisation of important social gathering places such as Centennial Square at City Hall also supports the creation of social relationships. Increasing density and creating affordable housing initiatives can have a positive impact on the City of Victoria's environmental, social and economic imperatives.

Conclusion

There is no easy fix to the lack of affordable rental housing in the City of Victoria; however, if the City continues to work with the community to i) expand city policies regarding housing options and densification, ii) develop a public education campaign to address "not in my backyard" attitude, and iii) reduce complexity in the permitting and development process, a solution can be found.

The team encourages the City to consider the recommendations provided, and to incorporate a systems-thinking approach with a focus on transformational change that looks at many elements, including organizational structures, systems, individual and cultural mindsets, and processes (Anderson & Ackerman Anderson, 2010). To ensure that a change of this size is implemented properly, it is important to consider the change management style used. In particular, a conscious process thinking model which considers all of the internal and external, aspects of implementing a change is considered is important (Anderson & Ackerman Anderson, 2010). The change being proposed has to take into consideration the internal elements that the city has the ability to change, such as policies and zoning bylaws that will impact the city, and

the external elements which are outside of the cities direct control. These external elements

could be public perceptions and people's motivation to build secondary suites on their own

property. All of these elements will impact the community and change the makeup of the city as

a whole. Ensuring that all connected elements of this change from content to people (dynamics)

and process are taken into consideration in an ongoing fashion will create a better outcome

(Anderson & Ackerman Anderson, 2010), and a City of Victoria with affordable rental housing.

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Appendix A

City of Victoria Affordable Housing Initiatives Timeline

Year	Action	Outcome
2015-2018	- Continue to keep subsidized housing units a focus and work with partners to create/identify new opportunities	
2015	- Increase City contribution to Victoria Housing Reserve. - Lobby other municipalities in the Capital Region to do the same. - Review Victoria Housing Reserve to consider increasing the amount per door and building family housing and creating guidelines to allow Housing Reserves monies to be used for properties outside the City. - Initiate Municipal Housing Strategy; include income mixed zoning. - Form an Affordable Housing Task Force to research, analyze and implement innovative housing policy solutions. - Look at zoning, bylaws and specifically at inclusionary zoning. - Work with developers, BC Housing, and private sector landlords. Think and act outside the box. Be willing to pilot new ideas. - Limit annually property tax increases to a maximum of rate of inflation plus 1%. - Drive more garden suites and secondary suites through an incentive program. - Consider re-instituting incentives for suites.	

Year	Action	Outcome
2016	- Continue to push for a National Housing Strategy. - Develop Municipal Housing Action Plan. - Work with CRD partners to implement a Housing First Initiative.	- Substantial increase in construction of new low-cost housing units with implementation of income-mixed zoning. - Complete Municipal Housing Strategy; include income mixed zoning.
2017	- Continue to Implement Municipal Housing Strategy. - Strengthen policy and regulations related to short-term vacation rentals.	- Appropriate solutions in place for all individuals experiencing chronic homelessness with additional or other support needs as identified by the Greater Victoria Coalition to End Homelessness Priority One Task Force.
2017/2018	- Continue to support the work of the Greater Victoria Coalition to End Homelessness	- Increased range of affordable housing not only for those in need of supports but also for working people, families and youth.
2018	- Limit property tax increase to a maximum rate of inflation plus 1%, including police. - Accelerate Victoria Housing Strategy implementation. - Implement findings from Market Rental Revitalization Study (MARRS). - Review Community Amenity Contribution Policy and adopt an Inclusionary Housing Policy. Report quarterly on new affordable housing units under development in the city.	- More affordable and supportive rental units available. - New garden and secondary suites are in process (Target TBD) - There is an Inclusionary Housing Policy in place that results in affordable housing units in new buildings approved for rezoning.
2018-2022		- Through the MARRS study, building owners understanding incentives available for affordability, seismic upgrading, and energy retrofitting and are actively engaged in undertaking such improvements.

Year	Action	Outcome
2021		- Appropriate solutions in place, including adequate housing, for all individuals experiencing chronic homelessness.

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