

TERRITORIAL ACKNOWLEDGEMENT

The City of Victoria acknowledges that we are located on the homelands of the Songhees and Esquimalt People. As a City, we now have a responsibility for the stewardship of this land, and we commit to working collaboratively as partners with all Indigenous peoples who call this land home today.

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Safe, affordable, and appropriate housing at its core means housing that accommodates our needs at a cost we can afford.

What that means exactly will differ for everyone. For some, it's a home that will accommodate a growing family and is in walking distance to community amenities like schools and parks. For others, it's an affordable apartment with functioning heat and hot water, and the knowledge that they won't lose their home if the landlord decides to make needed upgrades to the building. It may be a home that's accessible for those with a range of abilities, or a home that allows us to age and access the supports we need to live well in our own community. And, for our most vulnerable residents, it may be a place to call home for good.

No matter what our specific needs, housing is a human right, and every Victorian deserves a safe and affordable place to live.

The Victoria Housing Strategy 2016-2025 is our guiding document to getting there. Phase One of the Strategy (2016-2018) identified core actions for improving housing affordability in Victoria, and represented the City's first formalized response to its housing crisis. Phase Two (2019-2022) acts on learnings from the implementation of Phase One by outlining refinements to existing policies to maximize their effectiveness and adding a range of new and bolder approaches to achieve our goal of housing affordability and choice for all.

PURPOSE

The purpose of this strategy is to define the City's role in the provision of affordable housing; to assess and forecast Victoria's affordable housing needs now and in the future, and to establish targets and tools to meet those needs. The strategy aims to be action-oriented, with each phase focusing on concrete measures implemented over a three-year period, with annual monitoring and updates to guide continual improvement.

GOALS

Phase One of the Victoria Housing Strategy's stated goal was to increase the supply and diversity of non-market and market housing across the housing spectrum and throughout Victoria that meets the current and future needs of low and moderate income households.

Phase Two: 2019-2022 expands upon this overarching goal by establishing five key themes, which provide strategic direction to this document:

- Prioritize renters and renter households
- Increase the supply of housing for low to moderate income households in Victoria
- Increase housing choice for all Victorians
- Optimize existing policies and processes
- Try new and bold approaches

PRINCIPIES.

The Victoria Housing Strategy's guiding principles are derived from City objectives outlined in the City's guiding documents, including the Official Community Plan.

- 1. Access and Inclusivity: Housing is a basic human need. Residents of Victoria are able to access safe, accessible, stable and affordable housing across the city and within neighbourhoods.
- 2. **Choice:** Housing options meet diverse needs that vary across ages, abilities, beliefs, ethnicity, indigenous background, health status, sexual orientation, gender, income level or household structure.
- 3. **Well-being:** Housing is important to achieving and maintaining individual, family and community, and a healthy housing continuum provides a benefit to all residents. Where housing is not available, the consequences are felt across the health, social services, education and justice systems.
- 4. **Sustainability:** There are vital linkages between how current and future residents live and work, and their impact on and use of the planet's resources.
- 5. **Innovation:** The housing sector is committed to innovation and creativity that exemplify leading practices in project design and architecture, community integration, and environmental sustainability.
- 6. Capacity Building: Empower residents and community organisations in supporting and implementing housing actions, through shared advocacy, mutual support and ongoing dissemination of information.
- 7. **Partnerships:** Positive housing outcomes are created through working collaboratively with the non-profit sector, the private sector, local organisations, communities and all levels of government
- 8. Accountability: Remain adaptive and responsive to emergent issues and needs. Housing actions are based on current and meaningful evidence, best practices and are tracked through measurable outcomes to ensure they are achieving their intended purposes.

WHAT'S NEW?



CHANGES TO THE HOUSING LANDSCAPE

There have been several significant changes to the housing landscape since the first iteration of the Victoria Housing Strategy was adopted by Council in 2016, which have impacted the City's approach to housing affordability. More information on each of these is included in Section Two: How We Got Here.

New Census Data

The 2016 Housing Strategy and its housing targets were informed on 2011 Census Data. Since the adoption of the first strategy, new census data has been released, revealing new information about housing need and growth in the region.

National Housing Strategy

In October 2015, a new federal government was elected, and in 2017 announced Canada's first ever National Housing Strategy, outlining a 10 year \$55BN plan to improve housing for all Canadians.

New Provincial Government

In October 2017, a new provincial government was elected, and in Budget 2018 announced more than \$6BN in affordable housing over 10 years.

New Municipal Government

In October 2018, a new City Council was elected, leading to a new Strategic Plan, outlining 25 actions for housing affordability

Market Changes

Construction costs have increased, interest rates have gone up, and new senior government policies and regulations have led to a shifting housing market.

CHANGES TO THE STRATEGY

This update includes several new inputs derived from new data, new information, and a comprehensive engagement process. More information on each of these are outlined in Section 3: Updating the Strategy.

▶ New Victoria Strategic Plan 2019-2022

With the election of a new Council in October 2018, Mayor and Council developed a new Strategic Plan, the City's overarching guiding document. Affordable Housing is a key Strategic Objective, and Council has identified 25 actions to achieve that objective, all of which are included in this update to the Victoria Housing Strategy.

New Housing Targets

Phase Two of the Victoria Housing Strategy incorporates updated data to inform its housing targets and income ranges, including an updated census and market reporting. Phase Two also expands upon targets identified in the first phase of the Housing Strategy by including in its targets the gap in current housing need as well as projections for future growth.

New Actions

A cornerstone of this update is its suite of new actions the City is outlining for consideration and exploration. In the first phase of the Strategy, actions were categorized under three broad strategic directions: Supply, Diversity, and Awareness. In this update, the categories have been expanded into five thematic areas:

- ✓ Focus on Renters
- ✓ Increase Supply
- ✓ Increase Diversity
- ✓ Process and Policy Improvements
- ✓ Innovative Ideas

▶ A Bolder Approach

In the first phase of the Victoria Housing Strategy, actions focused on items more traditionally within a City's purview, leaving housing actions for the city's most vulnerable residents mainly to senior levels of government. In Phase Two, the City is stepping into new territory, exploring actions and ideas focusing on citizens of all income levels, including actions geared to alleviating homelessness. Even in instances where the City does not have the authority or dollars to support certain programs or ideas, guidance, position statements, and advocacy to senior levels of government are some examples of actions that can still be taken to contribute to ending housing inequality.

More Engagement

The hallmarks of this updated strategy involve trying newer, bolder ideas, and improving processes already in place. For this, we needed to hear from residents and stakeholders: What's already working? What's not? Where do we go from here? Three engagement activities were held in the lead up to this update:

- The Victoria Housing Summit (March 2019)
- Public Open Houses (April 2019)
- Housing Surveys (April-May 2019)



With its natural beauty, harbour location, and the mildest climate in Canada, Victoria has always been a desirable place to call home. For several years now, it has also become increasingly a difficult place to call home, with the cost of housing far outpacing local incomes. In fact, when comparing home values to incomes, Victoria ranks as one of the least affordable places to live in Canada.

The wage and housing affordability gap has grown so large that not only do low income Victorians struggle with finding affordable housing, even moderate income earners are facing challenges.

Despite some recent improvements in vacancy rates due to an influx of new purpose-built rental market housing in the City, supply is still not meeting demand. A healthy vacancy rate is said to be 3%-7%; but while rates have been improving over recent years – 0.5% in 2016, 0.8% in 2017, and 1.1% in 2018, they still fall well short of the optimal range.

More housing supply is needed to ease the crunch, and this is where a City can make a big impact. But it needs to be the right kind of supply.

At this moment in Victoria, we don't need more housing that is out of reach of the average income earner. Seeing the development of this kind of housing more often than housing people can afford is frustrating for some Victorians, and devastating for others in desperate situations, who are forced to move into substandard or overpriced housing because there's just nothing else available. Victorians need affordable, accessible, attainable housing that people in all ages and stages can afford.

We need more bachelor units downtown for our booming tech sector workers, and we also need more two and three bedroom units close to schools and parks for families earning moderate or lower incomes.

We need more accessible housing for seniors and people with different abilities to help make our community inclusive.

We need ways to bridge the wide gap between rental and ownership so more people can have the security of owning their own homes.

And we need to take care of the supply we already have by making sure it's safe and secure, and that tenants are protected from hazardous living situations or precarious housing.

Demand is also a part of the equation.

While supply is critical to easing the housing shortage, governments are learning that the old mantra of supply and demand doesn't always apply to housing. Housing today is not just a place to live but also a marketable commodity, and this can have devastating consequences for residents who live and work in Victoria, who can get priced out of the homes they need due to an endless supply of demand by people who have more money to offer. Demand issues like speculation and land hoarding are often seen as "big city problems", but Victoria is not immune to these pressures, especially when these problems create a 'spillover' effect from larger municipalities on the Lower Mainland.

To curb this kind of demand, for the first time ever in our province the provincial government has introduced measures to cool the overheated demand on residential accommodation, including introducing a speculation tax, increasing and expanding the foreign buyer's tax to the Capital Regional District, and tightening up legislation and transparency on property ownership. As a city, while Victoria's role in tackling the demand side of the equation is limited compared to our role in the supply, what we can do in the short time is a better job of monitoring, tracking, and identifying out-of-proportion demand so we can better understand the scope of the problem and make informed decisions about where our efforts would best be focused.

THE VICTORIA HOUSING STRATEGY 2016-2025

The first iteration of the Victoria Housing Strategy was adopted by Victoria City Council in June 2016 and was built upon the recommendations of the Mayor's Housing Affordability Task Force, which was mandated to find solutions to increase the supply of new units of low-cost housing. The Housing Strategy focused on three strategic directions: to increase supply, encourage diversity, and build awareness and partnerships.

The Victoria Housing Strategy was developed at a critical time in Victoria's housing history. Housing prices were climbing towards an all-time high, and rents escalating to match. Low interest rates coupled with strong and steady demand led to a significant increase in residential development in the region, but that same demand also led to housing being priced at rates that far exceeded most local incomes, which had been stagnant for several years. Senior levels of government had stepped back from funding new affordable housing compared to previous years, and loopholes and inefficiencies in the Residential Tenancy Act meant more and more tenants were facing severe housing insecurity.

The Victoria Housing Strategy sought to increase the supply of low-income housing, encourage a diversity of housing options, and create awareness about housing issues and options. The Strategy outlined a suite of options to achieve these goals that consisted largely of changes and improvements to existing regulations, policies and programs to remove impediments to development. These included making zoning changes to encourage affordable housing projects; streamlining the development application process; consider new policies and incentives to encourage supply and diversity, explore tools to identify and protect existing rental stock.

By 2018, the bulk of the Victoria Housing Strategy action items were completed, along with other key housing actions outside the strategy, including the creation of Short Term Rental regulations geared to improve access to long-term rental housing. Some items were more complex, and are now carried over from the strategy for continued refinement.

However, there is more work to do. Securing affordable and appropriate housing is still one of the biggest challenges facing a substantial number of Victorians. And for Victorians who are fortunate to already have housing security, finding ways to make room for others in a way that is sensitive to the needs of existing residents is also of paramount importance.

The actions in the first iteration of the Victoria Housing Strategy were an important first step. Several major barriers in the way of improving the housing crisis were knocked down, and new ideas were explored. But it is time now for bolder action. It is time to update and expand policies and regulations that aren't meeting our needs; to add support where it's been missing, and to try new and innovative ideas that haven't been done before in our City.

WHAT WE'VE ACHIEVED

THE VICTOR	THE VICTORIA HOUSING STRATEGY 2016-2025: 2016-2018 ACTIONS				
	Action	Supporting Action	Status		
	Zoning	Reduce parking requirements/ innovations	Completed		
	Changes	Minimum unit sizes	Completed		
		Garden suites	Completed		
- Fd		Secondary suites	Completed		
<u>d</u>		Zoning updates for new housing forms	Ongoing		
S		following local area planning (LAP)			
ase	New	Housing Reserve Fund update	Completed		
ncre	policies/ initiatives:	Motel conversion policy update as part of LAP	Completed (Burnside)		
n 1:1	supply	City property as opportunities for affordable housing	Completed		
) ! ;	Streamline	Prioritize non-market applications	Ongoing		
Strategic Direction 1: Increase Supply	development application	Expand prioritization to private sector	Carry forward to Phase 2		
egic Sign	processes	Additional delegated authority	Ongoing		
Examine opportunities		Fiscal strategy: DCCs, fees, tax exemptions	Completed (Revisit in Phase 2)		
	to create further	Secondary suite grants – accessible suites	Carry forward to Phase 2		
	incentives	Align VHRF contributions to housing targets	Completed		
::	New policies/ initiatives: diversity	Density Bonus Policy Inclusionary Housing and Community Amenity Policy (to replace Density Bonus Policy)	Completed 2016; Completed 2019		
ı z		Set housing targets for negotiations	Completed		
Strategic Direction 2: Encourage Diversity		Adaptable housing guidelines	Carry forward to Phase 2		
ē l	Protect	Rental inventory	Completed		
i g	existing	Rental retention study	Completed		
reg our	rental stock	Property Maintenance Bylaw	In progress		
Strat	(MARRS)	Legislative authority to improve tenant stability	Completed		
89	Build	Update housing webpage	Completed		
Strategic Direction 3: Build Awareness	awareness and support for affordable housing	Workshops (Affordable Home Ownership, preserving existing rental, faith based housing)	Completed		
Strategic Direction Build Awa		Development summit to support affordable housing	Completed		
ν D w		Support Regional Housing First Strategy	Ongoing		

The implementation of the first phase of the Victoria Housing Strategy began in July 2016 when the plan was adopted, and ended with the adoption of this update (July 2019). In that time, work commenced on all actions, and most were completed before the end of Phase One (2016-2019). In some cases, actions are not discrete projects and so may be ongoing. Other actions have been carried forward for a review, or further refinement in Phase Two.

SPOTLIGHT: INCLUSIONARY HOUSING

In Canada, *Inclusionary Housing* is a type of municipal policy or land use regulation where developers are asked to provide a portion of their new market housing projects at affordable rates in exchange for additional density above established limits. These onsite affordable units are known as *inclusionary housing units*.



Bonus Density: Developers can achieve higher density in exchange for Community Amenity Contributions (CACs), which can include cash or on-site amenities such as affordable housing, heritage preservation or others.

Base Density: A base density where development is permitted as of right.

The City of Victoria has a selection of mechanisms to address housing need across the continuum, and inclusionary housing policies are one tool. The Victoria Housing Strategy 2016-2025 identified the creation of an inclusionary housing and density bonus policy as a priority action item for 2016 and on October 27, 2016, Council approved the *City of Victoria Density Bonus Policy*, which utilized a fixed-rate community amenity contribution system for residential strata developments seeking bonus density. Previous to this policy, the City of Victoria negotiated all contributions from new developments. The 2016 policy provided more guidance and clarity regarding municipal expectations to developers, staff, Council and the community at large.

In July 2017, Council directed staff to replace the *Density Bonus Policy* with a policy that sought to prioritize the delivery of on-site affordable housing units in new developments. In June 2019, Council adopted a new *Inclusionary Housing and Community Amenity Policy*. The new policy was informed by economic analysis, a jurisdictional review and policy analysis as well as extensive consultation with rental housing advocates, non-market housing providers and funders, developers, community association land use committees and community members at large. The policy encourages the supply new affordable housing through the provision of inclusionary housing units in large strata developments, and cash contributions to the Victoria Housing Reserve Fund from small and moderately sized projects. To preserve and enhance the liveability of neighbourhoods, a portion of cash contributions are also targeted for local amenity reserve funds for community use.

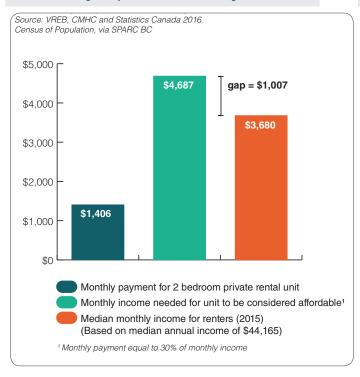
While only one tool in the housing toolbox, Inclusionary Housing policies are an important way to add affordability to our City's housing stock. Due to the normal cycle of development (projects can take up to 7 years to go from concept to ready for occupancy), it take time to see the results of these types of policies. However, the City will closely monitor the Inclusionary Housing and Community Amenity policy, updating it annually to reflect current market conditions, and determining if changes need to be made to optimize its effectiveness.

The Victoria Housing Context

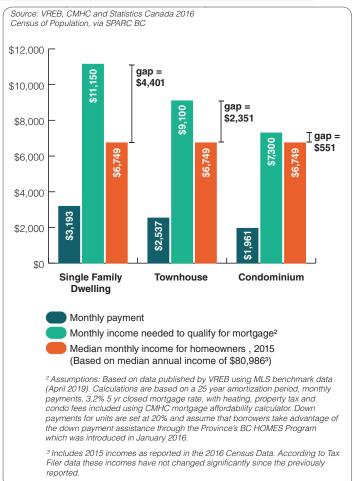


In the City of Victoria, the cost of housing has increased steadily over the past decade. Even since the first phase of the Victoria Housing Strategy was adopted in 2016, the benchmark cost of a single family dwelling in the City (not including Vic West) has gone from \$685,200 (May 2016) to \$835,000 (May 2019), while the cost to rent a 1-bedroom apartment has risen from an average of \$928 per month to \$988 (2018). The price for both homeownership and rental housing continue to rise at a faster rate than local incomes, making affordable housing out of reach for many residents (Graphs below).

Affordability Gap for Renters, City of Victoria



Affordability Gap for Owners, City of Victoria

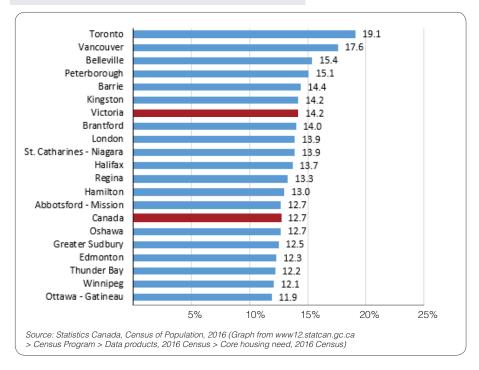


The City of Victoria has proportionally more low income households compared to the Capital Region as a whole. This follows large scale trends for regional cores such as Victoria. Several factors may contribute to this, including a large proportion of single person households, a large number of senior households on fixed incomes, and a healthy stock of affordable market and non-market rental buildings where households with lower incomes live.

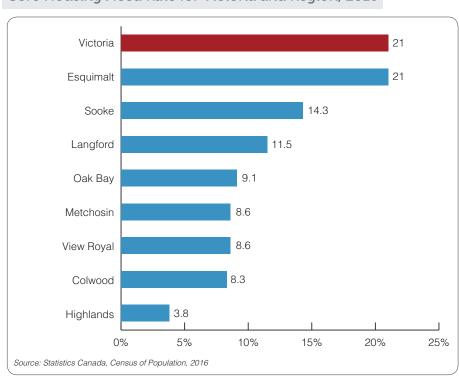
Of all metropolitan areas in Canada, Victoria has the seventh highest rate of households in Core Housing Need.

More than one fifth (21%) of Victoria's households (9,065) are in Core Housing Need. Of those households in Core Housing need, 86% are renters. Approximately 46% of renters in Victoria spend over 30% of their income on rent and utilities, and 22% spend more than 50%.

Core Housing Need Rate for Canada and Census Metropolitan Areas, 2016

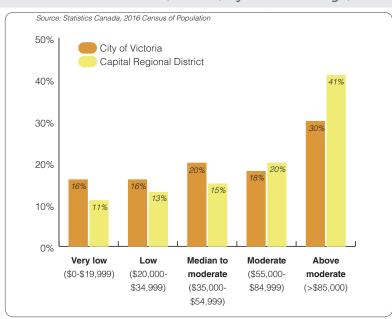


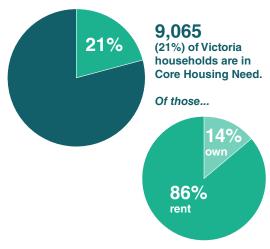
Core Housing Need Rate for Victoria and Region, 2016



Distribution of Income (Annual) by Income Range, 2015

Core Housing Need in the City

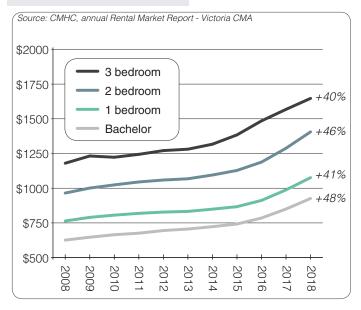




Source: Statistics Canada, 2016 Census of Population (custom data)

Renters have experienced dramatic increases in rents over the past decade, and most significantly over the past three years. While challenging for renters of all incomes, these steep increases are felt most acutely by low income residents, particularly those on fixed incomes and single person households, such as seniors, low income families, single parents and low wage workers. These residents can easily become overextended on rent, subject to substandard housing conditions, or unable to find alternative housing in the City if they are displaced from their homes.

Average Market Rents by Unit Type (Victoria CMA)



"My adult children could not afford housing in Victoria so moved east, leaving me, at an advanced age, to rely on community and friends for support. This will ultimately cost the health care and other social support systems."



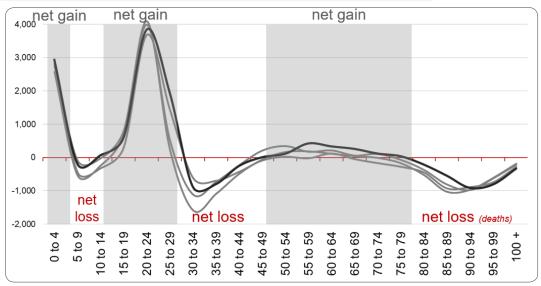
Victoria's Households Experience Affordability Challenges in Diverse Ways

Families

Families of all compositions, including couples, single parents, and multifamily households with and without children in Victoria, face acute housing affordability and availability challenges. Families account for approximately 11% percent of renter households in Core Housing Need, and 32% of those families are lone parent households with children under 18 years of age.

Much of the demand for ground-oriented housing comes from residents entering their thirties, the prime family formation years. As purchasing a single detached home becomes increasingly out of reach for many, and there are few appropriately size options, families continue to move outside the City of Victoria to find housing options that are more affordable and can accommodate their growing household size. Over the past three decades, this trend can be seen by net losses in residents in their family formation years (30 to 50 years old and children aged 5 to 15 years old). In fact, some schools in the City are seeing declining localized student populations despite overall gains to the school district as a whole. Overall, the City has a smaller proportion of households with 3 or more persons, making up only 16% of the City's population, while the Canadian average is 37%.

1996 to 2016 Change in Population by Cohort, City of Victoria



Source: Statistics Canada

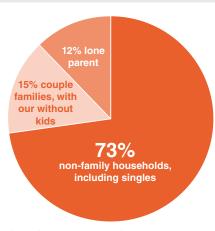
This long-term trend shows the need for the City to take action to create more housing choice for families, including seeking an increased supply of 2 and 3 bedrooms in purpose built rental apartments, as well as townhouses, houseplexes and condominiums.

In Victoria, the statistics show us that some older homeowners stay in their family-sized homes until they have to downsize, which also constrains the availability of current housing supply, though, many seniors rent or live in condominiums. There is a need for the City to support more housing options for seniors to age in place, including downsizing to another more practical housing unit within their neighbourhood.

Single person households

Single person households are significantly overrepresented in Victoria (48%), compared to the national average (28%). These households include low wage workers and seniors on fixed incomes, and it is these households that make up a significant portion of those in core housing need. Single person incomes are more vulnerable to changes in rent prices because only one person carries the full housing cost.

Victoria Renters in Core Housing Need, by Household Type



Source: Statistics Canada, 2016 Census of Population (custom data)

Older households

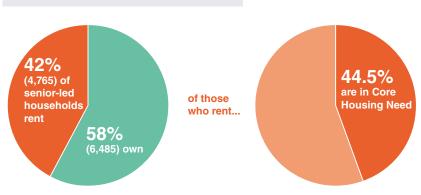
Older households (+65) on fixed incomes can face particularly acute housing vulnerabilities. Of all renters in core housing need, approximately 30% are senior-led households. The median income for seniors who rent is \$31,000 per year, an income where the maximum rent considered affordable is \$775 per month, which is \$270 less than average CMHC rents for a bachelor unit in the Victoria Census Metropolitan Area. Low income seniors are also at risk of homelessness: 19.4% of homeless individuals identified in the 2018 Greater Victoria Point-in-Time Count were aged 55 or older.

Indigenous households

Indigenous Peoples are more often renters: 77% compared to 61% of the entire population; and are more often in core housing need: 36% compared to 21% of all Victoria residents. Indigenous people are much more likely to be homeless. In the 2018 Greater Victoria Point-in-Time Count, 33% of respondents identified as indigenous, whereas the region's total indigenous population is only 4.7%. Experiences of housing affordability and access are interelated with other social. cultural and economic issues, and impact different communities in unique ways. These findings emphasize the importance for the City to engage with urban indigenous communities and consider their unique experiences of housing in Victoria.

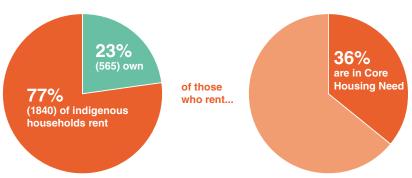


Senior-led Households in Victoria



Source: Statistics Canada, 2016 Census of Population (custom data)

Indigenous Households in Victoria



Source: Statistics Canada, 2016 Census of Population (custom data)

Newcomers

Immigrants and refugees disproportionately experience overcrowded and unaffordable housing conditions when settling in Canada. Newcomers' access to appropriate and affordable housing increases the longer they live in Canada, and these rates are improved if they have family already in Canada or savings made prior to immigration. Newcomers continue to face multiple barriers when accessing housing, including limited language skills or income levels, as well as discrimination based on ethnicity, race, or culture.

People with disabilities

Across the province, peoples living with disabilities face disproportionate challenges accessing affordable and unsuitable housing to meet their needs. Specifically, people with disabilities disproportionately spend over 50% of their income on housing costs, are vulnerable to homelessness, and are often living in sub-standard or ill-equipped rental apartments. This is in large part due to the persistent and growing gap between the amount provided for shelter assistance under BC's disability benefits system, and actual housing costs.

Experiences of Homelessness

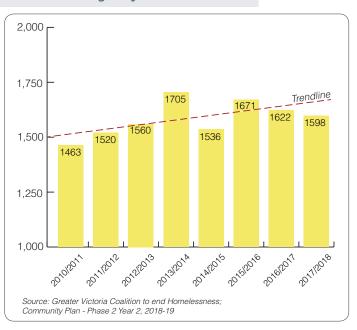
Homelessness has been a persistant issue in the Capital Region, with the absolute numbers staying in emergency shelters steadily increasing over the past decade.

There have been two Greater Victoria Point in Time Counts (PiT), the most recent was carried out in 2018. This count is an important data source. Although it is considered an undercount, it is meant to capture the approximate the number of people in the Capital Region experiencing homelessness, as well as identify social service and housing gaps.

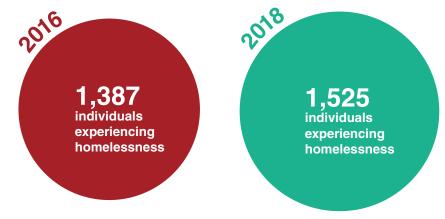
The 2018 PiT had more participants, which may result from either or both increasing rates of homelessness and improved methodologies including more volunteers, larger areas canvassed and improved strategies for reaching out. The PiT found that less people sleeping outdoors, and people were better supported and able to access housing and services.

Its important for the City to continue to collaborate with partners including senior levels of government, health ministries and local organisations to support people and families, who are in the most need of accessing housing.

Unique Individuals Using Greater Victoria Emergency Shelters

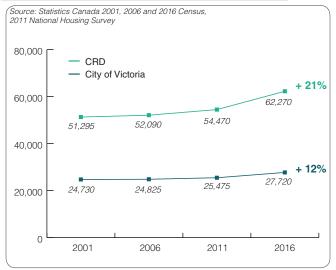


Point-in-Time Count, Greater Victoria



Source: Everyone Counts, 2018 Greater Victoria Point-in-Time Count

Number of Renter Households, Victoria and CRD



Renters

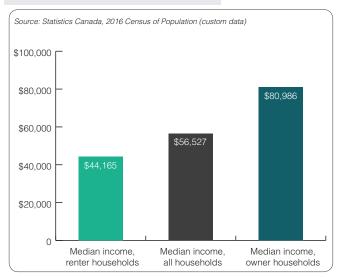
Focusing on Renters and their needs is important because renters make up 61% of the City's population. This proportion continues to increase in both the City and the region as home ownership becomes increasingly out of reach for even higher income earners.

Renters typically have lower incomes than homeowners. According to the 2016 Census, the median household income for renters in the City of Victoria was \$44,165, while the median for homeowners is nearly double at \$80,986. Additionally, over half of the renters in the City of Victoria are single person households (table below).

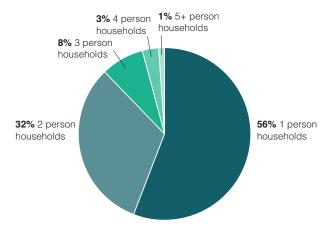
The top three housing challenges identified by renters through the City of Victoria's Housing Survey were:

- > Cost of rent 82.4%
- > Cost of homeownership 40.8%
- > I can't find the right type of housing 19.1%

City of Victoria Median Household Income, by Tenure



Renters by Household Size, City of Victoria 2016



Source: Statistics Canada, 2016 Census of Population.

Workforce Housing

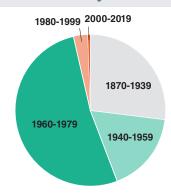
Rising costs and decreasing availability of housing increase pressures on the local economy. Overall, Victoria's economy is bolstered by a diversity of employment opportunities across the spectrum of low to moderate wages in both seasonal and permanent positions, and has seen modest employment growth (2% between 2011 and 2016). The employment sectors that represent the moderate to high paying employment in the City overall, include the health care sector (14%), the public administration sector (11%), and other professional, scientific and technical services (10%). There are also a significant amount of workers in the retail sector (12%) as well as accommodation and food and beverage services (12%) that offer more seasonal and low to moderate paying employment.

The City of Victoria frequently hears concerns from local employers that recruiting qualified workers is challenging due to high housing costs. Labour shortages impact economic viability across multiple employment sectors, and particularly impact small local businesses such as those in the retail sector who find it challenging to attract and retain employees. The shortage of qualified workers particularly impacts the construction industry by increasing overall costs and potential delays, which in turn increases the prices of new housing supply.

Research shows that the majority of the City's residents (65%) work in Victoria. In order to retain our workforce and achieve our sustainability and mobility goals, it is important to consider actions that facilitate more workforce housing and create new opportunities for workers to live and work in Victoria.



Existing Rental Market Stock by Period of Construction, City of Victoria



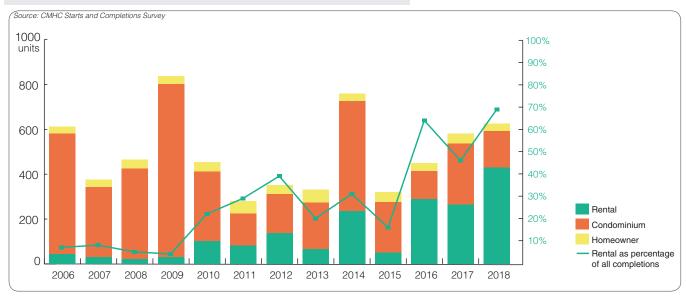
Victoria's Existing Housing Stock

A significant proportion of market rental stock is purpose-built rental housing, which provides greater security of tenure than secondary rental units because it is built to support long-term tenancies, with the units designed to remain in the rental market for the life of the building. The majority of the City's purpose-built rental stock was built in the 1960s and 1970s.

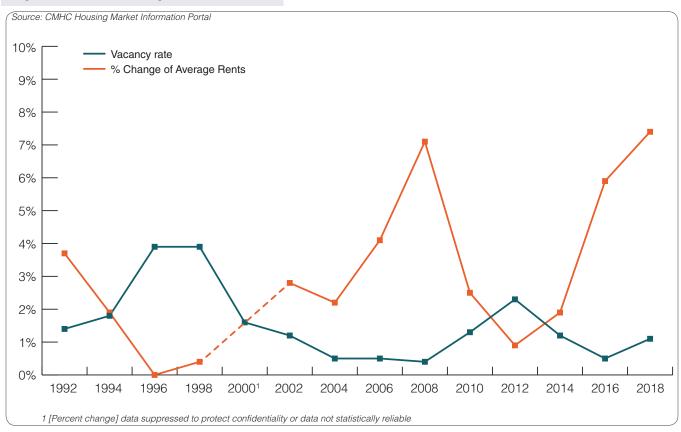
The consistent development of new purpose-built market rental housing is vital to supporting a healthy economy. More rental housing means more people can move along the housing continuum, and that the City has a stock of secured rental housing that is diverse in age and cost for existing and future residents. Purpose-built rental housing stock is also critical to create workforce housing options for low to moderate-income households who do not qualify for non-market housing but who also do not earn enough to enter into homeownership.

The City of Victoria has been successful in incentivizing the development of much-needed new purpose-built rental housing stock in recent years (Table below). In 2018, the proportion of rental starts surpassed strata starts. This is a significant achievement since rental housing development has been stagnant since the 1980's and this ratio is unparalleled with most other municipalities in the province and across the country. However, due to the age of our existing stock and increasing demand for rental housing, more rental housing development is needed to meet the needs of existing and future populations.

Housing Completions by Intended Market, City of Victoria



Vacancy Rates vs. Percent Rent Change, City of Victoria Primary Rental Market

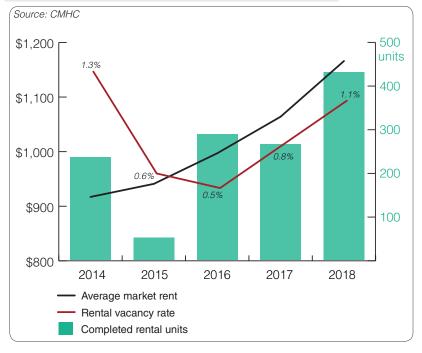


Due in part to the limited development of new rental housing stock over the past three decades, the City of Victoria's vacancy rate has steadily decreased (see graph above).

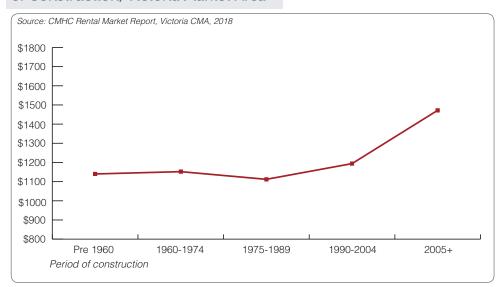
The City of Victoria has seen a slight shift in this long term trend due to the recent growth of new purpose built rental housing stock. As new stock is added to the market, the vacancy rate increases.

"I want an environment as stable as possible for our child and am worried that when it comes time to move we will always be worried that it could also be sold and we would have to be on the move continuously." - Amy

Purpose Built Rental: Units Completed, Average Rent, and Vacancy Rate, City of Victoria



Average Market Rent in 2018, by Period of Construction, Victoria Market Area



Although new market rental housing stock is initially priced at current market value; that is, rates that are affordable only to moderate income earners, these units become more affordable over time, as illustrated by Victoria's stock of existing purpose-built rental built in the 1960's and 1970's, which are now an important source of affordable market rental housing in the City.

Homeownership

Homeownership is becoming more challenging for residents to achieve. There is a need for the City to create more first-time homebuyer opportunities for moderate-income earners who can support a mortgage, but face barriers to entering homeownership. The cost of homeownership is higher than it has ever been, and new mortgage underwriting criteria (referred to as the stress test), while minimizing overall debt loads and cooling the housing market, has also made accessing mortgage financing challenging for those looking to move from renting to home ownership.

New affordable homeownership programs have been introduced by both provincial and federal governments to assist first-time homebuyers to get into the market. The City of Victoria is uniquely positioned to offer complementary programs to support residents in accessing entry-level homeownership options, such as encouraging the development of affordable homeownership units by the private market, and by facilitating forms of ownerships that may be more accessible than traditional single family dwellings including condominiums and infill housing such as townhouses, duplexes and houseplexes.



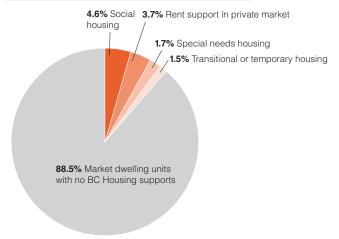
Affordable Housing

As of March 2019 about 5000 households are supported by some form of Provincial assistance, including subsidized housing and rent supplements in the private market. This supply of provincially supported housing accounts for roughly 11% of the City's total housing stock, and over half of the entire provincially supported housing stock in the region.

There are also 13 housing co-operatives in the City of Victoria, which account for 470 homes, representing almost half of the 34 housing co-operatives in the Capital Region.

Additionally, the City owns four sites that have been leased to non-profit housing operators and currently house affordable rental homes, emergency shelter and transitional beds, which total approximately 300 units. Generally, each of these sites is provided with a long-term lease (50+ years), with nominal annual lease rates. More recently, the City has contributed land to support the creation of approximately 370 new rental homes in three buildings.

Provincially Supported Housing in Victoria, 2019



Source: BC Housing, March 2019, and Statistics Canada, 2016 Census of Population

Due to the retrenchment of funding from senior governments, the construction of new affordable and non-market housing has remained relatively stagnant across the province since the 1990's. Therefore, there remains a strong need for more affordable and non-market housing that serves very low to low income households in the City of Victoria. Additionally, the revitalization of existing affordable housing stock (repair, maintenance, and capital replacement) is needed in order to meet the needs of existing and future residents.

Missing Middle Housing

Missing Middle Housing is defined as ground-oriented housing such as townhouses, houseplexes, duplexes, row houses, lock-off suites, and other housing forms that fit well within neighbourhoods to help increase housing choice, affordability and the achievement of citywide liveability and sustainability goals.

While the City has not set formal targets for Missing Middle housing, the designation of Traditional Residential in the OCP accommodates several of these housing forms. Population and housing projections and a zoning capacity assessment that inform the OCP suggest that the City would need to create specific policies in order to encourage the development of more diverse ground-oriented housing forms.

The City has a number of policies and regulations which support OCP directions for ground oriented housing, however many need additional refinement to ensure that Missing Middle housing growth keeps pace with the projected demand. The predominant types of ground-oriented housing being created are secondary suites and single detached houses (accounting for 35% and 25% of gross new ground-oriented units, respectively), therefore City actions should be undertaken to facilitate more diverse ground oriented housing options for existing and future residents.



Garden Suites

A garden suite is a legal, detached, ground-oriented rental suite located in the backyard of a property with a single-family home as its primary use. From 2004 to 2017, the City required a rezoning to build a garden suite. During this time there was an average of two applications per year, totalling 27 applications over 13 years. Of these, 19 garden suites were approved and 18 have been constructed, while one is under construction.

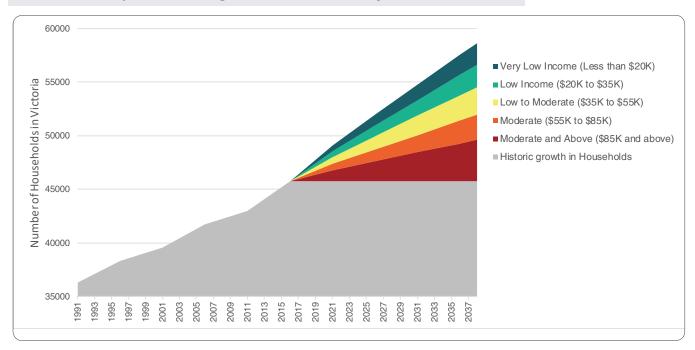
From April 2017 to April 2019 (2 years) after the approval process for garden suites changed from a rezoning to a Delegated Development Permit, there have been 58 applications received, which represents a more than doubling of the number of applications received in the previous 13 years combined. Of the 58 applications received, 39 delegated development permits have been issued and 13 units have been constructed.

Victoria's Housing Demand Estimates and Growth Projection:

For this update to the Victoria Housing Strategy, the City of Victoria prepared a housing demand estimate that considers the number of units, tenure, household size, and level of affordability required to meet the needs of existing and future residents.

The City of Victoria is expected to add roughly 12,900 households by 2038 (relative to the 2016 Census). This projection suggests that Victoria will experience a somewhat greater housing demand than what was anticipated for Victoria by the recent Capital Regional District's Regional Growth Strategy.

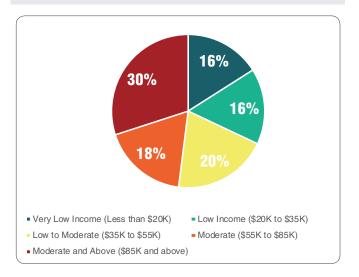
Historic and Projected Housing Demand in Victoria by Household Income



This growth will require that new homes be created at a range of incomes and sizes. Approximately 50 percent of the new homes could cater to moderate income households and above, while 50 percent should serve low income households and below.

The actions contained in this Strategy will help to facilitate new housing supply and diversity, while protecting existing housing stock in order to meet the needs of existing and future residents.

Future Housing Demand by Household Income



SENIOR GOVERNMENT HOUSING POLICIES

Since the adoption of the Victoria Housing Strategy 2016-2025 in 2016, the federal and provincial government have both introduced housing strategies and unprecedented levels of funding for affordable housing. The federal government's *National Housing Strategy – A Place to Call Home* (November 2017), and the BC government's *Homes for BC: A 30 Point Plan for Housing Affordability in BC* (February 2018) will both have a positive impact on housing in Victoria by addressing both housing supply and demand.

CAPITAL REGIONAL DISTRICT

The Capital Regional District (CRD), while not "senior" to the City of Victoria in terms of political hierarchy, provides regional oversight and coordination of policies and services. In 2018, the CRD released its Regional Housing Affordability Strategy, which fulfils two key housing-related priorities from its overarching Regional Growth Strategy: the development of policies and strategies designed to promote and support a range of housing types and tenures to meet the needs of individuals of all ages, incomes and abilities; and initiatives to improve housing affordability including the provision of a mix of housing types (market and non-market).

The Regional Housing Affordability Strategy outlines five key goals and supportive strategies to be considered by the CRD and local government, among other partners. The goals and suggested considerations for local government are listed in the table below. The City of Victoria has fulfilled or is in the process of fulfilling all of the suggested strategies outlined in the Regional Housing Affordability Strategy.

	CRD Strategies	Municipal Strategies to Consider
Build the right supply of housing across the spectrum	Includes housing affordability approaches and policies in a Regional Growth Strategy and monitors regional outcomes. • Supports municipalities and electoral areas in initiatives that identify housing development targets that support increased density within the region's urban containment boundary, monitors results and assesses challenges. • Establishes regional housing development targets and supports municipalities and electoral areas in establishing local targets, monitoring results, assessing development challenges and identifying potential solutions. • Enables new affordable rental housing units through partnering with other levels of government. Examples: the Regional Housing Trust Fund. • Actively pursues grants and capital contributions from other levels of government through the CRHC for affordable rental housing projects. • Works in partnership with other levels of government to bank land for use in affordable rental housing projects. •	Adopts growth strategies, plans and policies that encourage denser developments and the creation of more housing units that are affordable within the regional urban containment boundary. • Adopts affordable housing policies consistent with regional affordable housing definitions and targets. • Creates a regulatory framework that enables affordable housing. Example: Density bonus policies that are linked to affordability targets. • Offers incentives to build affordable rental housing. • Offers grants and targeted reductions to support the development of affordable housing. • Streamlines processes for faster housing development. • Creates best practices to support efficient community consultation processes.

Goal	CRD Strategies	Municipal Strategies to Consider
	models to increase affordable housing	
	opportunities such as social financing,	
	cross-subsidy and mixed tenure models.	
Sustain a shared regional response to existing and emerging	Adopts a cross-government or whole- government approach to the development and operation of affordable housing. • Supports municipalities and electoral areas toward uniform interpretation and	Adopts a cross-government or whole- government approach to the development and operation of affordable housing. Participates on CRD Housing Action Team to inform ongoing strategic actions that support more affordable
housing demand	application of provincial and federal legislation related to housing development. • Works with municipalities and electoral areas to identify opportunities for higher density development. • Researches and educates on: 1) regional land use capacity; 2) best and emerging policies and practices; and 3) alternative housing models. • Operates affordable rental housing programs through CRHC. • Strengthens and builds community capacity in affordable housing. • Engages with First Nations and other Indigenous groups and organizations to explore ways to partner in affordable housing development and/or operations. • Explores mixed tenure and inclusionary housing models. • Supports municipalities in the administration of housing agreements and affordable housing policies	housing.
Protect and maintain existing non- market and market rental housing stock	Takes action to preserve and protect CRHC housing stock and subsidy programs. • Supports community coordination activities for tenant relocation and eviction prevention. • Ensures relocation of existing tenants where redevelopment of CRHC properties is optimal.	Assesses risks and uses local bylaws and regulatory tools to preserve existing rental assets. Explores, develops, improves and implements tenant relocation and protection policies. Develops and implements policies and bylaws that regulate housing units according to their actual use.
Develop and operationalize a regionally coordinated housing and homelessness response	Delivers programs and services that address housing affordability and homelessness such as the Regional Housing First Program, the Regional Housing Trust Fund and the Homelessness Partnering Strategy. • Supports the UBCM call for a comprehensive homelessness strategy. • Leads community planning and research to help support a regionally coordinated homelessness response system. • Supports and participates in an integrated housing and homelessness system. • Enables equitable participation of Indigenous groups in regional housing programs and the delivery of the HPS program	Participates as part of a coordinated homelessness response system. • Supports the UBCM call for a comprehensive homelessness strategy. • Engages in community planning to help support a regionally coordinated homelessness response system.
Create community	Prepares and updates housing demand forecasts, monitors housing development	Implements policies and processes that facilitate timely and efficient

Goal	CRD Strategies	Municipal Strategies to Consider
understanding and support for affordable housing developments	trends and reports results on an annual basis. • Develops and shares education tools that help foster an understanding of the cost of developing housing across the spectrum. • Develops educational tools to inform communities on the need for affordable housing and the disproportionate challenges faced by Indigenous people seeking housing in the region.	neighbourhood engagement in development reviews. • Champions the need for affordable and market housing developments. • Ensures the public consultation process talks about land use not the land user.

PROVINCE OF BRITISH COLUMBIA

The province of BC has created measures to curb speculative demand in BC's housing market, and will create 114,000 affordable market rental, non-profit, and supported social housing and owner-purchase housing through partnerships. To date, five projects and 588 units of affordable housing have been funded in Greater Victoria.

The province has pledged to spend more than \$7 billion over 10 years on affordable housing initiatives, and has outlined how this will be directed through it's guiding document <u>Homes for BC: A 30 Point Plan for Housing Affordability in BC</u>. Highlights of this plan, and other provincial investments in housing affordability in BC are outlined below. In some instances, the City of Victoria will be a direct recipient of new supply opportunities, while in other instances, Victoria will receive indirect benefit through the funding of new supply in neighbouring communities that will lessen the pressure on the City directly. Other programs and policies are or will be implemented province wide, affecting the City of Victoria directly.

HIGHLIGHTS OF PROVINCIAL INITIATIVES

The HousingHub was launched to increase the supply of affordable housing for middle-income earners through low-cost financing, access to land, and no or low-capital equity. Hallmark programs include a Rental Supply program and Affordable Home Ownership program available to residential developers in the City of Victoria.

\$208 million over four years through the Affordable Rental Housing Program, to develop 1,700 new affordable rental homes province-wide

Improvements to residential tenancy legislation including limiting the allowable annual rent increase in BC to inflation (a reduction of 2% in 2019); closing the 'fixed-term tenancy' loophole to prevent tenancies ending after a fixed term and changing laws to protect tenants from renovictions and demovictions

\$1.2 billion over 10 years through the Building BC: Supportive Housing Fund to build 2,500 new supportive housing units for people who are experiencing or at risk of homelessness

\$6.8 million in new funding to the Residential Tenancy Branch to reduce wait times for tenancy disputes and to establish a new compliance unit for repeat or serious offences

\$291-million through the Rapid Response to Homelessness program for 2,000 modular homes for people who are experiencing homelessness, plus over \$170 million over three years to provide 24/7 staffing and support. One project has been confirmed for Victoria.

Granting a new authority to municipalities to apply rental tenure to residential properties to restrict tenure to rental in existing or future developments (Residential Rental Tenure Zoning)

\$734 million over 10 years through the Building BC: Women's Transition Housing Fund for 1,500 spaces of transition and second-stage housing for women and children experiencing violence

Legislation introduced to limit flipping of pre-sale condominiums and changing strata legislation to mitigate impacts of short term rental use

\$550 million over 10 years through the Building BC: Indigenous Housing Fund for 1,750 new units of social housing for Indigenous peoples, both on- and off-reserve, which will have a positive impact on housing pressure for urban indigenous peoples in the City of Victoria

Changing building code regulations to allow taller wood frame buildings (for more affordable and expeditious construction of multi-family residential developments)

\$450 million available through the BC Student Housing Loan Program, including 620 net new units of student housing at the University of Victoria. This will have a positive impact on housing availability in the City of Victoria as housing in Victoria is freed up by students living on campus

A speculation and vacancy tax was introduced to reduce the number of homes being held as investment properties, add rental housing options, and increase revenue for affordable housing development

\$1.1 billion over 10 years through the Capital Renewal Fund to retrofit and upgrade 50,000 non-profit and provincially-owned public housing units throughout the province to improve the quality and energy efficiency of social housing units

The foreign buyer's tax was increased to 20% and now applies in Greater Victoria

\$116 million over three years to expand eligibility and increase benefit amounts in two rental supplement programs, the family Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters

Legislative changes were made to provide transparency in property ownership

Source: https://news.gov.bc.ca/factsheets/bc-government-addressing-housing-affordability-challenges

Source: https://www.budget.gc.ca/2019/docs/themes/housing-logement-en.html
https://www.placetocallhome.ca/pdfs/Canada-National-Housing-Strategy.pdf

GOVERNMENT OF CANADA

The federal government announced the *National Housing Strategy: A Place to Call Home* in 2017, and advanced an implementation plan for the Strategy in Budget 2019. The goal of the national strategy is ambitious, and envisions that over 10 years, the Strategy will cut chronic homelessness in half, remove 530,000 families from core housing need, invest in the construction of up to 125,000 new affordable homes, and repair and renew 300,000 homes across Canada.

A Place to Call Home plans to increase the supply the of housing for renters and first-time home buyers, as well as to strengthen rules and compliance for those who break the rules and make housing less affordable for the people who need it. Highlights of the federal strategy introduced to date, as well as other federal initiatives are outlined below. The City of Victoria will have opportunities to access funds, financing initiatives, and participate in collaborative partnerships through this strategy.

HIGHLIGHTS OF FEDERAL INITIATIVES

A PLACE TO CALL HOME (ANNOUNCED AS PART OF BUDGET 2019)

Introduces the First-Time Home Buyer Incentive, allowing eligible first-time home buyers who have the minimum down payment for an insured mortgage to apply to finance a portion of their home purchase through a shared equity mortgage with CMHC. It is expected that 100,000 first-time home buyers would benefit from the incentive over the next three years.

\$10 billion in financing over nine years through the expanded Rental Construction Financing Initiative to help build 42,500 new housing units across Canada (focus on low rental supply)

Creating four new dedicated real estate audit teams at the Canada Revenue Agency to monitor transaction in the real estate sector (BC is a focus area)

OTHER FEDERAL INITIATIVES

\$15.9 billion in the National Co-Investment Fund, which is expected to help build 60,000 new units and repair or renew 240,000 existing units of affordable and community housing. The City of Victoria has been a recipient of this fund

\$200 million in federal lands will be transferred to housing providers to encourage the development of sustainable, accessible, mixed-income, mixed-use developments and communities

\$7.7+ billion over 10 years to Seven Provinces and territories that have signed bilateral housing agreements under the new multilateral Housing Partnership Framework. The agreement aims to support the stock of community housing and address regional priorities

HIGHLIGHTS OF FEDERAL INITIATIVES

\$4.3 billion in the Canada Community Housing Initiative, which support provinces and territories as they protect and build a sustainable community-based housing sector (cost-match funding)

\$500 million in the Federal Community Housing initiative to stabilize new operating agreements as old social housing operating agreements expire and subsidize rent for tenants in need

Launching in 2020, a \$4 billion Canada Housing Benefit will deliver an average of \$2,500 per year to support directly to families and individuals in housing need, including those on social housing wait-list or those housed in private market but struggling to make ends meet

\$20.5 billion in federal support to provinces and territories and close to \$9 billion expected in provincial and territorial cost-matching

\$2.2 billion over 10 years to expand federal homelessness program, complimentary to the National Housing Co-Investment Fund and Canada Housing Benefit, to reaffirm and redesign the federal response to homelessness

Collaboration with First Nations to co-develop a new policy framework for housing and infrastructure reform that will support First Nations care and people living both on and off reserve

\$241 million over 10 years to enhance housing research, data and demonstrations

Improve homeownership options for Canadians through mortgage loan insurance

Anticipating the adoption of a Gender-Based Analysis Plus (GBA+) approach to integrate throughout program cycle of the National Housing Strategy, focusing on the intersectionality of women and barriers to housing. At least 25% of National Housing Strategy investments will support projects that specifically target the unique needs of women and girls.

GOVERNMENTAL POLICY ALIGNMENT

The Victoria Housing Strategy: Phase Two, seeks to capitalize on new commitments to affordable housing from senior levels of government, and to reduce duplication of efforts. At the same time, residents in Victoria have requested the City look at actions that traditionally fall under the purview of senior levels of government; and indeed, the first phase of the strategy contained actions proposed due to a perceived lack of action on the part of senior governments (see sidebar: the City of Victoria's Tenant Assistance Policy).

The proposed actions contained in this strategy are included because these are the things residents told us were important. Some items may not be entirely within our purview; however the City can add support or in some cases, play an advocacy role to improve provincial or federal legislation, or enact change. For example, we heard changes to the way land is taxed could incent landowners to improve rental accommodation or build new housing. Taxation is beyond the control of the City, but we can research and advocate for change if warranted.

Some actions in this Strategy meanwhile have arisen as a result of senior government policy. For example, in 2018, the Province of British Columbia granted British Columbian municipalities and regional districts with the ability to incorporate tenure into zoning. This means cities like Victoria can now regulate the tenure of a property so it can only be rental, where previously this was not possible to do without a housing agreement registered on title.

Finally, while City staff and elected officials meet regularly with other levels of government, including participation in the Regional Housing Advisory Committee, this Strategy proposes an inter-governmental working group of housing policy staff to better connect the municipality with senior government staff to see if we can meet early and often on shared objectives.

The City Of Victoria's Tenant Assistance Policy: A Response To Legislative Gaps

The City's Tenant Assistance Policy (TAP) was created in 2018 as a result of an action in the first phase of the Victoria Housing Strategy to examine the City's legislative authority for a municipal role in maintaining rental tenant stability. The TAP was designed to augment what was viewed as insufficient protections for tenants under the Residential Tenancy Act in instances where occupied buildings are redeveloped and tenants are displaced as a result. Several municipalities across BC with tight rental markets have implemented similar policies. Since the creation of the Tenant Assistance Policy, several changes have been made to the Residential Tenancy Act on the part of the provincial government, demonstrating that municipal action (spurred by citizen concerns) can have an impact in inciting broader legislative change.

CITY OF VICTORIA POLICY LINKAGES

The Housing Strategy aligns, or outlines a plan to align, with several City strategies and guiding documents. The Strategy, while bold and innovative in its approach to solving housing affordability, endeavours to create affordability in a way that aligns with other City priorities.

In some instances, the Victoria Housing Strategy is guided by City documents. For example, a key strategic objective in the 2019-2022 Strategic Plan is Housing Affordability; and the Strategic Plan has supplied Phase Two of the Victoria Housing Strategy with 25 action items. The City's Official Community Plan meanwhile is the overarching guiding document for the City of Victoria, and the Housing Strategy fulfils its broad directives around housing and homelessness.

In still other instances, how the Victoria Housing Strategy can align with other City plans will be part of the work undertaken by staff during the implementation of Phase Two.

Below is a high-level overview of several key City documents and how the Victoria Housing Strategy Phase Two: 2019-2022 aligns or plans to align with each.

STRATEGIC PLAN

The 2019-2022 City of Victoria Strategic Plan both informs and guides Phase Two of the Victoria Housing Strategy. The Strategic Plan's goal statement, developed through public input at the Engagement Summit, is as follows:

By 2022, Victoria will be a bold, thriving, inclusive, and happy city that people love. We will be known globally for our climate leadership practices, multi-modal transportation options, innovative approaches to affordable housing, and for meaningful reconciliation with the Songhees and Esquimalt Nations on whose homelands our city was built.

The Plan envisions that Victoria will be known for its innovative approaches to affordable housing. The Victoria Housing Strategy has noted this directive in the organization of its actions, creating a thematic category called "New Ideas" to fulfill this objective.

More specifically, the Strategic Plan also includes 25 concrete actions the City will consider over this council term. In order to ensure alignment, enable prioritization, and allocate resources effectively, all strategic plan action items have been included in Part Four: Actions. Items that fall under both strategies are clearly identified in this document.

Finally, the Strategic Plan outlines measurable outcomes to monitor the success of affordability actions; these have been included in Phase Two.

OFFICIAL COMMUNITY PLAN

The purpose of the Official Community Plan (OCP) is to provide a framework of objectives and policies to guide decisions on planning and land management within the geographic boundaries of a local government. The OCP has the highest legal status at the City and as such the Victoria Housing Strategy follows the guidance of the OCP in its scope and implementation.

Specifically, the City's Official Community Plan outlines two clear goals in Section 13: Housing and Homelessness that have formed the basis of the core principles of Phase Two, as well as the creation of the Victoria Housing Strategy 2016-2025 itself. The two goals are: "All residents have access to appropriate, secure, affordable housing"; and "A wide range of housing types, tenures and prices gives residents choices".

Section 13 also identifies five broad objectives addressed by the OCP that inform the Victoria Housing Strategy – noted below.

BROAD OBJECTIVES

The housing and homelessness policies of this plan collectively address five broad objectives:

- 13 (a) That housing development that responds to future demand is facilitated through land use policies and practices.
- 13 (b) That housing affordability is enabled for housing types across the housing spectrum, particularly for people in core housing need.
- 13 (c) That the existing supply of rental housing is expanded through regeneration.
- 13 (d) That a wide range of housing choice is available within neighbourhoods to support a diverse, inclusive and multigenerational community.
- 13 (e) That partnerships enable stable housing with appropriate support services.

CITY OF VICTORIA OFFICIAL COMMUNITY PLAN SECTION 13: HOUSING AND HOMELESSNESS

Finally, the overview of Section 13 highlights Victoria's core housing values, and act as a guiding framework for Phase Two of the Victoria Housing Strategy:

"Housing is a basic human need. 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. The principle of social integration, both across the city and within neighbourhoods, underlies Victoria's approach."

(City of Victoria OCP – Housing and Homelessness)

CLIMATE LEADERSHIP PLAN

The City of Victoria's Climate Leadership Plan (CLP) was developed to reduce energy consumption and greenhouse gas emissions (GHGs), transition to renewable energy and prepare Victoria for Climate impacts. The CLP is a 'living document' that will evolve with scientific understanding and improved climate response strategies; however, in its first iteration it is organized into five areas of focus where Victoria can reduce the impacts of climate change. Areas where the CLP overlaps with the Victoria Housing Strategy include "Low Carbon High Performance Buildings", and to a lesser degree "Low Carbon Mobility", and "Low Carbon Waste Management", though other areas both existing and in future versions of the CLP may also have a direct or tangential relationship to housing affordability. While there are actions within the strategy that complement or support the CLP, the Victoria Housing Strategy envisions contiguous alignment with the CLP on an ongoing basis, such that climate leadership will be considered in every action in this strategy.

GO VICTORIA

When complete, the City's mobility strategy, "Go Victoria," will define the vision for transportation for the City over the coming decades by establishing a new framework for moving people, goods, and services, and identifying strategies and indicators for assessing the performance of transportation in Victoria.

From considering transportation impacts to housing affordability, to the spatial relationship between transit and housing, transportation and housing affordability are deeply intertwined. Because Go Victoria is still in its formation stages, the Victoria Housing Strategy: Phase Two, pledges to examine transportation and housing together both as a distinct action, and through ongoing consideration of policy alignment with the completed Go Victoria document.



The Victoria Housing Strategy Phase Two: 2019-2025 seeks to build upon the successes of the first phase of the strategy. It will continue to be the City's roadmap to housing affordability and diversity, but includes bolder actions and new additional strategic directions.

The Victoria Housing Strategy: Phase Two was informed by new information: updated census data, and updated housing strategies by the regional, provincial, and federal governments. The Strategy includes new housing targets that were established to align with not only the City's growth targets, but our current need. Phase Two was also informed by extensive public engagement. New actions were identified by the community, staff, and Council input over the course of implementation of the first phase of the strategy, and through City Council's updated Strategic Plan 2019-2022 finalized in March 2019. Targeted engagement on these actions was undertaken through several means, including the first ever Victoria Housing Summit attended by 143 housing stakeholders (housing providers, developers, builders, financial institutions, tenant advocates, and others); two public open houses attended by over 100 residents; and three housing surveys with over 1800 respondents. We also sought input and feedback from several key groups formed as we were developing the strategy, including an Academic Roundtable consisting of several of the province's pre-eminent academics whose research focuses on housing. And we looked to best practice in housing planning, through extensive research and jurisdictional review.

STRATEGIC PLAN 2019-2022

Following the 2018 municipal election, Victoria's newly elected City Council members developed a four-year strategic plan, which was finalized in March 2019 following Council's several strategic planning sessions, staff input, a public survey, and a day-long Engagement Summit.

The Strategic Plan contains eight strategic objectives, each with proposed actions to support the achievement of those objectives. Strategic Objective #3 is Affordable Housing, and Council has identified 25 actions under this heading, listed below. Each action has been assigned a target completion year from 2019-2022 or is listed as an ongoing action.

Strategic Plan 2019-2022: Strategic Objective #3 – Affordable Housing

2019 Actions

- 1. Set targets, define affordable housing, and track and measure the creation of affordable housing units
- 2. Implement rental-only zonina
- 3. Incentivize development of rental housing and look for further opportunities to expedite and simplify affordable rental housing
- 4. Create a municipal housing service to acquire land and enter into partnerships for the purposes of providing affordable (decommodified) housing
- 5. Examine existing City land as 9. Consider a grant program possible sites for affordable housing and emergency shelter spaces including road-edge remnants, wide roads, 1240 Yates Street
- development processes for 6. Allow moveable tiny homes in all backyards that currently allow garden suites

- at rents of no more than \$500 per month
- 7. Implement Market Rental Revitalization Program
- 8. Develop Community Amenity Contribution Policy
- for secondary suites including those that are accessible and serve an aging population
- 10.Examine a grant program to incentivize the creation of affordable garden suites

- 11.Accelerate Implementation of Victoria Housing Strategy:
 - a. Develop city-wide strategy for additional house conversion opportunities
 - b. Incentivize and mandate the creation of familyappropriate two and three bedroom rental units
 - c. Identify funding mechanisms to acquire land to facilitate federal, 2020 Actions provincial and regional investment in affordable housing
 - d. Explore the expanded use of tax exemptions to create more affordable housing
- 12. Allow tiny homes and aarden suites on lots that already have secondary suites or duplexes
- 13. Expand garden suite program to allow larger units on larger lots
- 14. Houseplexes and Townhouses:
 - a. Undertake a city-wide planning exercise to identify suitable locations for townhouses and houseplexes

- b. Support houseplexes as a form of multi-unit housing that provide a sensitive transition within neighbourhoods
- c. Support more family housing including townhouses and row houses
- d. Support new groundoriented housing forms and lock-off suites

- 15.Create a Small Scale Housing Ambassador position to make it easier for property owners and homeowners to create affordable housing (10 units Ongoing Actions or less)
- 16.Create a Tenant Housing Ambassador position to make it easier for renters to navigate the Tenant Assistance Policy, Standards of Maintenance Bylaw and other issues
- 17. Consider a comprehensive amendment to the Zoning Bylaw to permit all "Missing Middle" housing forms as of right without need for rezoning or development

permit. This builds on 2019 Action "Houseplexes and Townhouses: Undertake a city-wide planning exercise to identify suitable locations for townhouses

2021 Actions

18. Explore the potential of creating a Victoria Housing Corporation

and houseplexes."

19. Develop relevant partnerships and pilot a project matching seniors with extra bedrooms with eligible lodgers

- 20. Regularly evaluate the City's bonus density policy and the number of units being created as a result of it
- 21. Encourage barrier-free housing and universal design in new developments
- 22. Identify opportunities for affordable housing in all neighbourhood plans
- 23.Advocate for more affordable student housing
- 24. Facilitate, incent and support co-op housing

In order to schedule completion of the affordable housing actions identified by Council through the Strategic Plan 2019-2022, all actions have been incorporated into the actions of this Housing Strategy. The Strategic Plan also identifies measurable outcomes; these have been adopted as the measurable outcomes of The Victoria Housing Strategy Phase Two and are listed in Part 5 Measurable Outcomes.

FNGAGEMENT

The City sought input from the public in the leadup to this update to the Victoria Housing Strategy in several different ways, with an aim to be accessible to all who were interested in contributing. The Housing Summit was a daylong event designed for housing stakeholders while the public open houses, one in the evening and one over the lunch hour, were designed to gather input from residents of Victoria. The Housing Survey, meanwhile, was available online and distributed widely to ensure we heard from the most people we could on what was important to them. All feedback received was considered in the development of the housing actions in this strategy.

THE 2019 VICTORIA HOUSING SUMMIT

The City of Victoria hosted a Housing Summit in 2019, attended by 143 housing stakeholders, including representatives from non-profit housing societies, developers, property managers, senior government representatives, municipal planners, housing and tenant advocates, academics, Community Association Land Use Committee members, Mayor and Council, and many others. The Summit's keynote was presented by Mayor Lisa Helps, and the stated purpose shared with attendees was to seek feedback to inform this update to the Housing Strategy. A total of nine interactive sessions were held throughout the day on topics such as infill housing, family friendly housing, and intergenerational housing options.



PUBLIC OPEN HOUSES

Two open houses were held in April 2019 to gather public input on proposed actions for inclusion into the updated Victoria Housing Strategy. Victoria residents came over two separate sessions to discuss housing challenges and ideas for improving housing affordability, availability, and choice in Victoria. A large proportion of attendees were renters, and those affected directly by the housing crisis in Victoria.



Proposed actions, including the 25 items identified by Council on their Strategic Plan, were posted on boards throughout City Hall's antechamber. Attendees showed their support for which items should be prioritized, and provided comments identifying refinements or modifications to improve proposed actions, and added several new items for consideration.

Supported Areas

The following proposed actions received the most support at the public open houses:

- ✓ Develop a Secured Market Rental Policy
- ✓ Explore Pre-zoning for Inclusionary Housing
- ✓ Align Housing
 Initiatives with Climate
 Leadership Plan
- ✓ Affordable Home Ownership
- ✓ Transportation Considerations
- Explore external funding opportunities for housing initiatives

- ✓ Housing policy working group
- ✓ Consider fee waivers, reductions and tax exemptions



HOUSING SURVEYS

Leading up to the Housing Strategy update, the City released public and focused surveys to get input on what is important to residents when considering the City's actions for affordable housing. Over 1800 residents responded to the public survey. The respondents represented a mix of renters and homeowners mirroring the distribution of renters and homeowners in Victoria: 63% of respondents identified as renters while 37% stated they were homeowners. The 2016 Census counts 61% of private households as renters and 39% owners.

The most significant housing challenges identified in the survey were the cost of housing, difficulty finding the right type of housing, and the affordability gap between renting and owning for renters. Renters strongly supported actions that reduced discrimination in new developments, and regulations to protect tenancies and preserve existing rental housing stock. Homeowners, meanwhile, most strongly supported actions to make it easier to build legal secondary and garden suites, but also supported the City taking a role in incentivizing the development of new multi-family rental housing.

OTHER FORMAL INPUT

The City also sought input from those with specific expertise on what was important to include in this update. An academic roundtable was convened to review the draft actions, and input was also sought from the City's newly formed Renters Advisory Committee, who will also play a collaborative role during the implementation phase of this Strategy. Input from both groups was considered and incorporated into the final Strategy actions.

ACADEMIC ROUNDTABLE

The City of Victoria formed an academic roundtable to provide input and recommendations to proposed actions in Phase Two of the Housing Strategy. The academic roundtable was comprised of academic experts on housing policy (see sidebar: The Academic Roundtable Members).

Some members of the roundtable were able to attend our Housing Summit, participating in discussions on key housing actions with Victoria housing providers, developers, non-profits, and other stakeholders. The complete roundtable contributed feedback and input into our proposed actions, and provided advice on which items should be prioritized.

THE ACADEMIC ROUNDTABLE MEMBERS

CAM OWENS UNIVERSITY OF VICTORIA – GEOGRAPHY

SHARON DIAS UNIVERSITY OF VICTORIA – GEOGRAPHY

PENNY GURSTEIN UNIVERSITY OF BRITISH COLUMBIA – SCHOOL OF COMMUNITY AND REGIONAL PLANNING

TOM DAVIDOFF UNIVERSITY OF BRITISH COLUMBIA – SAUDER SCHOOL OF BUSINESS

PAUL KERSHAW UNIVERSITY OF BRITISH COLUMBIA – SCHOOL OF POPULATION AND PUBLIC HEALTH

ANDY YAN SFU – CITY PROGRAM

PATRICK CONDON UNIVERSITY OF BRITISH COLUMBIA – SCHOOL OF ARCHITECTURE & LANDSCAPE ARCHITECTURE

JENNIFER VORNBROCK UNIVERSITY OF VICTORIA – COMMUNITY AND GOVERNMENT RELATIONS

THE RENTERS ADVISORY COMMITTEE

In 2018, the City struck a Renters Advisory Committee to provide advice and recommendations to Victoria City Council on:

- Policies to increase rental housing stock
- Improving conditions and wellbeing for renters in the City of Victoria
- Strategic priorities for the city relating to renters
- The impacts of provincial and federal legislation affecting tenants
- Enhancing access and inclusion for renters in developing municipal policy and civic life
- Other matters that the committee deems relevant to the interests of renters in the City of Victoria.

The Committee consists of up to 12 (twelve) members appointed by Council for two (2) year terms, representing the diverse perspectives and experiences of renters and renters' advocates. The committee meets monthly from September to November and January to June.

The Renters Advisory Committee convened prior to the adoption of the Housing Strategy to provide input on actions important to renters in Victoria, and the City will continue to work collaboratively with the Committee through the implementation phase.

SPOTLIGHT: TECH SECTOR SURVEY

The tech sector is booming in Victoria, having grown by approximately 30% in the last five years. In April 2019 a housing survey issued by Dyspatch, a technology start-up in Victoria, showed that housing is a top concern in this population cohort, despite incomes being typically higher than Victoria's median renter income. The survey, completed by 278 employees across the tech sector, ranked affordability highest in importance in a list of 21 housing considerations, followed closely by location.

Other highlights of the survey:

- The majority of respondents were under forty
- Almost half of the survey respondents (46%) reported earning a personal income of \$40,000-\$80,000, with most of the rest (47%) earning more than \$80,000. 7% of tech sector workers reported earning under \$40,000 per year.
- The largest proportion of respondents live in a two-person household with a partner only (no children)
- Most have lived in Victoria for more than 5 years
- Most plan to purchase a home in the future: 20% are currently looking, and another 25% plan to purchase in 1-2 years
- Of those looking to purchase, 40% noted they would be interested in a ground oriented housing unit (duplex/houseplex or townhome), 30% in a condo, and 30% will be looking for a single detached home
- Victoria was ranked highest in terms of preferred location for potential tech sector buyers to purchase a home

HOUSING AFFORDABILITY



This continuum illustrates the range of different housing types in Canada by identifying the levels of government support required (if non-market) as well as the typical cost of housing. The continuum includes public, private and non-profit housing, and identifies housing tenure including rental, ownership and cooperative ownership. It also identifies whether the housing is provided on a temporary or permanent basis. The Housing Strategy includes actions that seek to address housing affordability challenges across this continuum.

DEFINING AFFORDABILITY

In Canada, housing is considered affordable if it costs less than 30% of a household's before-tax income. Affordability is dependent on the income of the household and therefore affordability can be achieved across the housing continuum.

Victoria adopted a more specific definition of affordable housing in 2018 which is: "housing where the price does not exceed 30% of the gross annual household income for very-low income to moderate income households".

A more robust metric of affordability and housing challenges is the *Core Housing Need* indicator used by Statistics Canada. A household in core housing need is one whose dwelling is considered unsuitable, inadequate, or unaffordable, and whose income levels are such that they could not afford alternative suitable and adequate housing in their community.

HOUSING TARGETS

The target rents have been updated for Phase Two, using the adoption of a more specific definition of affordable housing in 2018 as a basis for creating affordable units. In this update, affordable rent targets are now aligned with median renter incomes in the City of Victoria, ranging from "very low" to "low-moderate incomes". Affordable home ownership targets, geared at those earning a higher income but still unable to bridge the gap between rental and ownership without support, are aligned to the regional median income to target moderate income earners.

Housing Affordability Targets, City of Victoria 2019-2024

Affordable Rents:

Ť	BACHELOR UNITS	\$375 to \$875
**	1-BEDROOM UNITS	\$425 to \$1050
ři	2-BEDROOM UNITS	\$575 to \$1300
iffi	3-BEDROOM UNITS	\$700 to \$1750

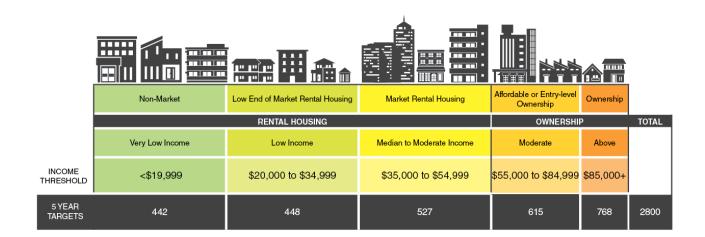
Affordable Target Rents by Bedroom Size & Income Bracket:

	BACHELOR \$375 to \$875	1-BEDROOM \$425 to \$1050	2-BEDROOM \$575 to \$1300	3-BEDROOM \$700 to \$1750
Very Low Income	\$375	\$425	\$575	\$700
Low Income	\$500	\$650	\$850	\$1000
Median to Moderate Income	\$875	\$1050	\$1300	\$1750

Affordable Target Rents by Bedroom Size & Income Bracket:

Household income bracket	Annual Income	Monthly Housing Cost
Moderate Income	\$55,000-\$84,999	Determined by Lender

Housing Unit Targets, City of Victoria 2019-2024



The City of Victoria sets housing targets as part of our overall planning for new housing. These targets provide a high-level estimate of the anticipated future demand for housing at different points along the housing continuum and will help to ensure we will have an adequate supply of housing to meet the range of existing and emerging housing needs of Victoria residents.

Median Household Incomes



Median Renter Household Incomes



ORGANIZATION OF PHASE TWO ACTIONS

The first phase of the Victoria Housing Strategy was organized into three strategic directions:

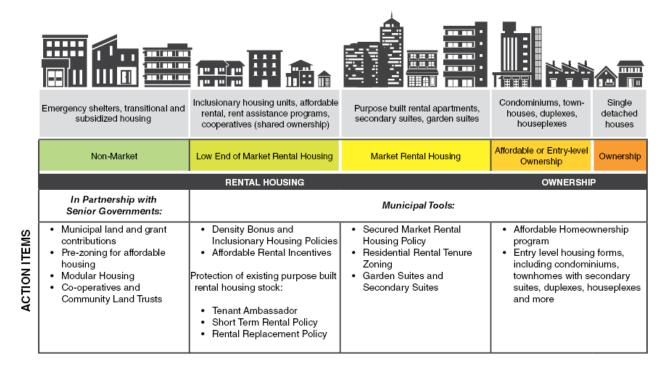
- Increase Supply
- Encourage Diversity
- Build Awareness

Throughout the implementation stage, and during engagement leading up to the development of Phase Two, we heard several things that incited a decision to expand the three strategic directions to five thematic categories:

- Focus on Renters
- Increase Supply
- Housing Choice
- Track & Improve
- New Ideas

These categories are described in detail in Part Four: Actions.

Several actions could be considered to 'live' in only one or in up to all the categories (for example, an action may support renters, increase rental supply, increase housing choice, be an improvement in an existing process, and include a new idea). However, care has been taken to place items under the category where the action most applies, for ease of reference. As well, all of the City of Victoria's Strategic Plan Affordable Housing objectives have been incorporated as distinct actions, or components of broader actions within this strategy. Items that include Strategic Plan Actions are identified with this symbol: **SP**.



IMPLEMENTATION

The Victoria Housing Strategy is a guidance document that provides a "roadmap" of actions the City will consider over the course of the range of years identified (for Phase two, the range is 2019-2022). If an action is identified in this Strategy, that means in most cases that item will be treated as a project by staff. Council's adoption of the strategy does not infer adoption of each action, but direction to explore each of the actions identified. The way each project will be executed will differ depending on the action, but will typically involve research and analysis, consultation, and recommendations that are then brought forward to Council for consideration of adoption.

Actions in this Strategy are organized by priority, and all are targeted for completion or implementation (in the case of ongoing actions) by 2022.

We'll monitor our success through:

Improved Data Collection

The Development Outcomes Monitoring and Evaluation (DOME) project will help us collect the data we need to make evidenced-based decisions. It will enable the City to gather more information about new development in Victoria in order to more accurately measure progress towards the objectives in the Victoria Housing Strategy, the Official Community Plan and other policies. The DOME project is a priority action in this update, as improved tracking of key indicators associated with housing outcomes better positions the City to adaptively manage emerging trends, issues, and opportunities related to housing in Victoria. DOME is focused on expanding the City's ability to capture and report

on data associated with new development applications in Victoria. The project will explore the feasibility of capturing new data streams or improved data quality on the number, affordability, and duration of new non-market units; value of community amenity contributions from new developments; unit mix, and other metrics.

Housing Strategy Annual Review

An annual report will be prepared beginning one year following adoption of this update. The report will outline achievements, challenges, and status of action items completed. The report will be presented to Council for information and to seek guidance on modifications to priorities or action items.

Housing Reports

Each year the City of Victoria completes annual housing reports, consisting of a tabulation of the number of units and type of residential development occurring in Victoria. The success of the Victoria Housing Strategy may be reflected in these reports through an aggregate improvement in the number of new housing units developed or grants issued; however direct linkages in most cases are not possible as there are multiple factors both internal and external which may contribute to an increase or decrease in the number of new housing units and types developed. Examples of factors that may influence the rate of development include:

INTERNAL

Policy application
Zoning regulations
Planning Documents
Permitting Processes
Fees & Levies
Council Decisions

EXTERNAL

Availability & Cost of Land Developer interest Interest Rates Construction Costs Senior Government Policy & Regulations



CATEGORY ONE: FOCUS ON RENTERS



Victoria has traditionally been a renter's city, with well over half the City's population renting their homes. But with more renters than places to rent, renters are at a disadvantage. Strong demand for fewer rental units combined with the high cost of development has caused market rents to continue to increase. Rents are often higher than average income-earners can reasonably afford, and while most landlords in Victoria care for their tenants and property, sometimes units are not maintained to their highest standards, particularly when costly capital improvements are required. In markets where available units outnumber renters, landlords are in competition for renters. Rents tend to grow no higher than inflation (2-3% per year), and in some cases rental units may be maintained to a higher standard to attract renters.

In tight housing markets, private landlords in both the purpose-built and secondary rental market can make choices about their rental units that can be innocuous for the owner but which can deeply impacts tenants. This can happen, for example, when a homeowner with a secondary suite sells their home, or a building owner redevelops their property. Sometimes landlords may opt to evict long-term tenants to make capital improvements. These tenants, who are paying rents that are now well-below market, often face the prospect of not only uprooting their lives, but entering into a highly competitive rental market where the cost to rent is significantly higher than their current housing, or in an area far from work, childcare, school, and established social connections.

People with lower than average incomes and specific housing needs feel this crunch more acutely. Ways to improve circumstances for renters include:

- 1. Create more rental housing supply to create less competition for units.
- 2. Create more opportunities for rental and choices in types of rentals available.
- 3. Create, strengthen, and maintain regulations to protect tenants.

Note that support for renters is not restricted to this category: a <u>majority</u> of actions in categories are also designed to improve housing supply and choice for renters in the City of Victoria.

THE GOAL

Improve affordability, stability, and choice for renters in the City of Victoria.

AMY'S STORY

Our journey to find the perfect place to call home began when my partner and I moved to Victoria from Toronto with our 1 year old son in 2014. It was definitely a trying experience and a real of test of perseverance. Our first month was spent living in an Airbnb while we searched for housing. Although many people are against Airbnb for its contribution to a long-term housing shortage, for us it was critical and the only transition option to permanent housing.

We arrived with multiple letters of reference and an outstanding credit report. But apartment after apartment we were turned away and given confusing explanations as to why. We suspected the cause was either us being a mixed-race couple, having a child, or a combination of the two. One townhouse told us the owner didn't think it was safe for a 1 year old to live in a home with stairs; another told us that it's the company's policy to only rent ground floor units to families with children.

Finally we found the perfect house. When we viewed it, we could hardly believe how perfect it was for us. Lots of room, yard, laundry, affordable rent, parking, and prime location. We quickly made the house our home and became entrenched in the neighbourhood and the City. It was exactly the type of community we set out to be a part of when moving to the west coast.

It is now almost 4 years later. My partner is a local designer thanks to the studio space we have in our basement, and our son goes to school just up the street. However, we have been informed that our perfect little house is going to be demolished to make way for condos. Where will we go? It is unlikely we will ever find a more perfect home to live in again. We have been offered a generous Tenant Assistant package from the developer but long-term that means very little. I want an environment as stable as possible for our child and am worried that when it comes time to move we will always be worried that it could also be sold and we would have to be on the move continuously.

CATEGORY ONE: FOCUS ON RENTERS

Improve affordability, stability, and choice for renters in the City of Victoria.

Market Rental Protection and Revitalization Policy	Explore additional incentives and regulations, including licensing, to preserve existing rental housing stock, ensure capital improvements are completed, protect tenancies, and prevent renovictions.	SP
Secured Market Rental Policy	Beginning with a workshop to gather ideas from housing stakeholders, develop a Secured Market Rental Policy to incentivize the development of rental housing and look for further opportunities to expedite and simplify development processes for affordable rental housing.	SP
Tenant Ambassador	Create a new dedicated staff position to support tenant and rental housing related work including support for tenant assistance plan review, guidance through the redevelopment process, information and referral to residents, and support and advice to housing policy staff.	SP
Residential Rental Tenure Zoning	Continue to implement rental-only zoning and engage with the community to explore other opportunities created through the new Residential Rental Tenure Zoning authority.	SP
Short Term Rental Policy Review	Review the Short-Term Rental policy and proactive enforcement efforts and consider opportunities for directing program revenue to affordable housing.	
Reduce Housing Barriers in New Developments	Consider creating a City-wide policy to use housing agreements to reduce housing barriers such as age restrictions, pets, and rentals in strata buildings.	
Tenant Engagement	Create guidelines or strategies for going out into the community to specifically increase renter participation in public engagement processes as a part of all housing initiatives at the City.	

SP = Includes Strategic Plan Item

CATEGORY TWO: INCREASE SUPPLY



Creating more housing supply is a critical part of the housing solution. Housing of all types and for all incomes is needed across the housing spectrum to meet current housing demand and anticipated growth.

Land and construction costs have a direct relationship to housing costs for the end user (the price to buy or to rent). The higher the cost to create or purchase the housing, the higher the cost for the end user. Incomes, meanwhile, have remained relatively stagnant.

There is a strong need for housing amongst a range of income earners in the City. However, through analysis of need and growth, it's clear that purpose-built rental is a housing type that should be prioritized. Purpose-built rental is rental housing that has been designed for the primary purpose of providing long-term rental housing to tenants. It is more secure than the secondary rental market (homeowners renting their private housing to a tenant) because while not immune to sale and redevelopment, it is less vulnerable to change than the private rental

market. And in relative terms, purpose-built rental becomes more affordable over time as rental rates rise more slowly than housing prices.

Because of the high cost of purchase and construction, without government intervention to subsidize housing costs, new purpose-built rental housing will not be viable if rents are set to match lower incomes. However, in relative terms, purpose-built rental becomes more affordable over time, because rental rates rise more slowly than housing prices. For example, the vast stock of purpose-built rental housing constructed in the 1960s and 1970s is now an important part of the City's de facto affordable housing stock.

As land use regulators, the City has an important role to play in creating conditions, regulations, and policies to encourage the development of the right kind of housing supply from the private market.

Creating supply requires partnerships. We need:

- ✓ developers and builders to create the housing
- ✓ the City to make it easy to build and to regulate and incentivize the features residents need, such as affordable, accessible, or suitably-sized housing
- ✓ senior levels of government to subsidize some development to make it more affordable

THE GOAL

Encourage new housing supply for all Victoria residents.

LESLIE'S STORY

Leslie arrived at Cridge Transition House with her two children and 3 suitcases. Her 30-day stay was consumed with working with the justice system, applying for income assistance, trying to comfort her children, and looking for a new home to launch a life without violence for her and her children. Her combined income assistance and child tax benefits would give her a monthly income of \$2,500. She quickly realized that 3 bedroom apartments are scarce and expensive - rents started at \$2,400 per month.

The harsh reality of the housing crisis in Victoria loomed large for Leslie. Not being able to move out of the transitional housing, means the waitlist just gets longer for women in need.

CATEGORY TWO: INCREASE SUPPLY

Encourage new housing supply for all Victoria residents.

Explore Pre- zoning Opportunities	Consider pre-zoning areas of the City for increased density with provisions for purpose-built rental and affordable housing (Bonus Density Zoning) where feasible.	
City-owned Sites for Affordable Housing	Explore using existing city-owned properties or acquiring new land for affordable housing.	SP
Expand House Conversion Eligibility	Update the City's house conversion regulations to encourage more house conversions and consider affordability in house conversions Citywide.	SP
Affordable Housing in Local Area Planning	Identify opportunities for affordable housing in all local area plans.	SP
Support faith- based, charitable, and non-profit housing developers	Consider how to bring together charitable, faith based and non-profit organizations and developers to increase development capacity, foster partnerships and support the creation of community-focused development in Victoria.	
Rental Suite Grant Program	Explore the development of grant programs to encourage an increased supply of garden suites and accessible secondary suites.	SP
Update and Expand Secondary Suite Policy	Consider further zoning and regulatory changes to increase the supply of legal accessory suites, including allowing multiple suites on properties or allowing suites in developments where they are not currently permitted in zoning, such as in duplexes or townhouses. Consider the size and location of suites, and consider ways to legalize existing suites.	SP

CATEGORY THREE: HOUSING CHOICE

Different types of housing are required to support a vibrant community. A mix of housing types and densities means that a more diverse range of residents, in all ages and stages of life, can live in the City and support a broader range of services in easy travel distance, including by transit, biking, or walking. Housing diversity is important so residents can stay connected to their community as we move through life's stages – from young students or workers, to family formation, through to retirement and aging well. Research also shows that cities with more diversity in housing types are more stable and are better equipped to manage housing crises. Creating housing choice also means ensuring groups that face more housing pressures than others are given an extra hand to level the playing field.

The first phase of the Victoria Housing Strategy's Strategic Direction 2 was "Encourage Diversity". This update expands upon the actions implemented through that direction by considering more housing types and locations to improve housing options that meet specific needs.

THE GOAL

Encourage a range of housing options to meet the needs of Victoria residents.

SARJIT'S STORY

I am most fortunate to live in a housing co-op. My son was six years old when I heard and read about co-op housing. For various reasons, I was not happy renting but mostly because I was getting more and more concerned about having secure housing. I could not afford to buy a house and once I learned about housing co-ops, my hopes and dreams of having a 'home' ultimately came true.

To say we need more co-op housing in Victoria is an understatement. It's needed not just for the younger generation but for seniors too. Seniors who may have raised their family in co-op housing and now are over-housed. They want to live in a likeminded community but are afraid to move and lose their home and the lifestyle of cooperative housing. They want to be able to patriciate in decision-making. Those who live in co-op housing understand the value of making decisions and contributing to the community as a whole.

CATEGORY THREE: HOUSING CHOICE

Encourage a range of housing options to meet the needs of Victoria residents.

Develop a Family Housing Policy	Consider the development of a Family Housing Policy, including a bylaw to mandate the creation of two and three bedroom units in new developments and design guidelines to ensure new units meet the needs of families.	SP
Tiny Homes	Explore how the City of Victoria could permit tiny homes while still maintaining safety and livability for residents.	SP
Missing Middle Housing	Implement the OCP by undertaking a citywide exercise to identify suitable locations for townhouses and houseplexes, and prepare design guidelines to support more family and ground-oriented housing forms that fit well within neighbourhoods.	SP
Missing Middle Zoning Amendments	Consider a comprehensive amendment to the Zoning Regulation Bylaw to permit Missing Middle housing forms as of right without a need for Council approval.	SP
Co-op, Co- housing, and Land Trusts	Explore how to facilitate, incent, and support collaborative housing forms including co-op housing, and evaluate the city's role in the development of these types of housing.	SP
Garden Suite Policy Amendments	Review the Garden Suite Policy and Guidelines to improve development process, reduce costs, encourage family-sized suites, and allow development of garden suites on properties with secondary suites and on duplexes.	SP
Inclusive Housing	Explore ways to ensure the City's housing policies are inclusive of people's identities including gender, sexual orientation, race, ethnicity, age, ability, and family status.	
Indigenous Housing Working Group	Create a working group of indigenous stakeholders to develop more inclusive housing policy that considers the needs and voices of indigenous citizens	
Barrier-free Housing & Universal Design	Encourage barrier-free housing and universal design in new developments.	SP

CATEGORY FOUR: TRACK & IMPROVE

We don't have to start from scratch. Tracking, monitoring, and evaluation is critical for collecting evidence and making informed choices. The City of Victoria has a number of policies, programs, guidelines, and regulations relating to housing affordability and choice, but to date, our success at tracking the outcomes of these programs has not kept pace with new ideas.

The role of monitoring and evaluation is to track implementation and outputs systematically, and measure effectiveness of our programs and policies. This work helps determine more precisely when something is working, and when improvements are required. It can demonstrate that our work has had a positive impact. It helps us make the most efficient use of our limited resources, and make informed decisions about how to allocate those resources.

Through the actions in this category, the City will track our progress at achieving our outcomes, decide which areas to focus our attention on, and optimize our processes, policies and regulations to make the greatest impact.

THE GOAL

Track our progress and improve our housing policies and programs to optimize impact.

JOHN'S STORY

"My family and I have been trying to buy a home for our growing family in Victoria for over a year. Even with significant family support, we have yet to find any kind of 3 bedroom home within our budget. We have been trying to find an old house to renovate, and create a mortgage helping rental suite, but find that anything remotely suitable is out of our price range or that the zoning restrictions on suites add to much uncertainty and cost. We cannot afford nor want to buy a second car to commute from the outer suburbs and have not found any 3 bedroom condos or townhomes being built in the core. We have given up for now, hoping that prices will ease in the next few years."

CATEGORY FOUR: TRACK & IMPROVE

Track our progress and improve our housing policies and programs to optimize impact.

Data and Reporting Improvements	Prioritize the development of data collection processes and a streamlined reporting approach to assist the City in making informed policy decisions, and so that housing statistics, outcomes, and policies, are publicly available and accessible. Consider tracking income and wealth alongside housing data. Consider creating an accountability framework.	
Monitor Affordable Housing Development	Track and measure the creation of affordable housing units, reporting to Council quarterly on progress.	SP
Rental Replacement Policy	Revisit the City's Rental Replacement Policy to ensure it is meeting the City's updated housing priorities.	
Review and Update the Zoning Regulation Bylaw	Perform a holistic review of the Zoning Regulation Bylaw and consider amendments to modernize, improve efficiency, and ensure compatibility with City objectives.	
Victoria Housing Reserve Fund Improvements	Review the Victoria Housing Reserve Fund guidelines after each intake date to ensure alignment with current City priorities, Housing Strategy actions, and ability to achieve housing targets.	
New Webpages	Create a "Developer Hub" webpage to provide current information on affordability targets and policy, procedures, and bylaws; a "What's Happening Here" page for the public to improve transparency on new residential development, including information about the developer, estimated occupancy, number of units, and number of affordable units or value of amenity contributions; as well as a "Victoria's Tenants" webpage that provides information on policy and tenant services.	
Cross- government Policy Alignment and Advocacy	Strengthen the City's housing policy alignment and advocacy with senior levels of government, including exploring the creation of a cross-governmental working group. Identify opportunities for partnership and interrelationships between the City and the region.	
Housing Policy Working Group	Create a working group of key housing stakeholders to meet quarterly to review progress on Housing Strategy items, and flag new items for consideration.	

Review and Optimize Housing Funding	Conduct an analysis of the City's total spending on housing and homelessness to provide advice on how to best utilize resources and achieve positive and measurable outcomes.
Fee Waivers, Reductions, and Tax Exemptions	Revisit fee waivers, reductions and tax exemptions for affordable housing developments while ensuring services funded through DCCs are adequately supported. Explore the application of DCCs in select circumstances in traditional residential areas (e.g. duplex development).
Inclusionary Housing & Community Amenity Policy Review	Regularly monitor and evaluate the City's inclusionary housing policy outcomes, including monitoring the number of units being created as a result of it. Update the policy annually to ensure rates and targets remain aligned with market conditions.
Align Housing Initiatives with Climate Leadership Plan	Consider ways to integrate and align the City's housing policy with the City's Climate Leadership Plan.
Transportation Considerations	Consider transportation needs, planning, and cost when developing housing policy. Align housing policies with GoVictoria, the City's transportation policy.

ROBERTA'S STORY

Even with 26 years as a good tenant and references saying as much, Roberta faced discrimination with landlords when looking for housing. Roberta was homeless for 3.5 years before finally securing subsidized low income housing in a new development. She is thrilled that she has a home to call her own.

A mother of four children, Roberta beams when talking about her new apartment. "It is security for sure, I lost so many things moving around. I have had my family over 6 or 7 times for dinner and I have only had my place for a month. I can do crafts with my grandkids and teach them what I know. The place is so nice. I love my floors, I sweep when I first wake up in the morning, I sweep during the day and then I sweep in the evening."

CATEGORY FIVE: NEW IDEAS

In the first iteration of the Victoria Housing Strategy, we worked on the 'low-hanging fruit'; that is, actions we could achieve relatively quickly to make improvements to the City's housing outcomes sooner. Now, we are at a point where we must dig deeper, and try things we haven't tried before. It's time to pull out all the stops and try new and innovative ideas. This category outlines new ideas and bold actions to add to our arsenal.

THE GOAL

Try bold ideas to achieve new results.

GEOFF'S STORY

"I took a piece of my long skinny yard that held an overgrown compost heap and abandoned garden boxes and built a beautifully designed little Garden Suite there. The one-year anniversary of my tenant moving in has just passed, and we are both very happy. I see him in passing from time to time, but mostly am not aware that I have another home in my back yard. Both of us have private gardens that made the best use of the existing mature fruit trees in the yard. Garden suites are not cheap, I spent \$130,000 and six months of my own labour. Consequently, I do not think they are not generally a way to provide "affordable" housing. But I think they do provide an attractive "my own home" feel to a tenant, or a flexible option for extended family or elders aging in place. They are also one way to densify a neighborhood while keeping the feel of the existing houses."

CATEGORY FIVE: NEW IDEAS

Try bold ideas to achieve new results.

Municipal Housing Authority	Explore value of a "Victoria Housing Corporation" for City-owned and operated affordable housing.	SP
Intergenerational Housing	Explore intergenerational housing options to improve access to housing and social inclusion across generations, including developing partnerships and piloting a project matching seniors with extra bedrooms with eligible lodgers.	SP
Small Scale Housing Ambassador Position	Create a small-scale housing ambassador position to guide homeowners through the Secondary and Garden Suite process from planning to occupancy.	SP
Temporary Modular Housing on City Land	Explore the use of city-owned sites for temporary modular housing and streamline development processes so they can be operational as soon as possible.	
Housing Champions	Consider developing a team to promote informed awareness and acceptance of affordable housing projects and housing/social initiatives in the community.	
Public Housing Talk Series	Launch a free quarterly educational series open to the public on housing issues and innovative housing solutions.	
External Funding Opportunities for Housing Initiatives	Explore opportunities and develop a plan for applying for grants to fund City and community housing initiatives, including acquire land for affordable housing.	
Garden Suite Design Competition	Launch a garden suite design competition. Winners of the competition could see their plans utilized as pre-approved plan options for potential garden suite developers.	

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OVERVIEW

This section provides a framework for monitoring success by measuring outcomes achieved by actions in the Victoria Housing Strategy Phase Two: 2019 to 2022, as well as the City's high-level housing affordability objectives. This framework, which involves monitoring, reporting and adjustments, will enable the City to understand the relative success of each action as they're implemented, as well as how their impacts can be improved by continued refinement over time.

MEASURABLE OUTCOMES

The measurable outcomes identify a data source with a desired directionality (e.g. increase, decrease) as well as the frequency and output in which progress is measured and reported. The outcomes are organized by the Housing Strategy's five categories, which are: Focus on Renters; Increase Supply; Housing Choice; Track and Improve; and New Ideas. The list includes existing indicators that are currently tracked by the City and reported on in documents such as the Annual Housing Report or OCP Annual Review, as well as new measurable outcomes proposed to measure the achievement of actions in both the Housing Strategy Phase Two: 2019 to 2022 and the City's Strategic Plan 2019-2022. Measurable outcomes that align with the Strategic Plan are indicated by an asterisk (*) in the tables below.

MONITORING REPORTS

The Annual Housing Report will be used to monitor the majority of the outcomes identified by the Strategy, and will include key findings that summarize the trends, issues and success of the Strategy's measurable outcomes. Additionally, each measurable outcome included below will be reviewed annually to assess feasibility of continued inclusion and whether they should be adjusted or removed. There are some outcomes that will be reported out as needed in quarterly reports, and during policy review, in which the assessment of the action will be reported directly to Council for consideration. Additionally, a five-year review of the Housing Strategy will be completed in 2022, to assess the levels of success in achieving the measurable outcomes and targets identified below.

CATEGORY ONE: FOCUS ON RENTERS

Improve affordability, stability, and choice for renters in the City of Victoria

Action or Objective	Outcome A	Outcome B	Reporting Schedule	Output
Renter Demographics	Monitor proportion of renter households in the City of Victoria (Statistics Canada, Census)	Decrease in total number of renter households in core housing need (Statistics Canada, Census)	Annual and updated 5 years	Annual Housing Report
Renter Affordability & Access	Decrease affordability gap for renters in the City (Median renter household incomes, compared to CMHC average market rents for 1 and 2 bedroom units)	Increase Total Rental Universe & Increase Vacancy Rates in the City of Victoria, CMHC Rental Market Report*	Annual	Annual Housing Report
Develop a Secured Market Rental Policy	Increase total annual number of building permits issued for new purpose built market rental housing units	Increase Total Rental Universe & Increase Vacancy Rates in the City of Victoria, CMHC Rental Market Report*	Annual	Annual Housing Report
Tenant Ambassador Position	Monitor total number of Tenant Assistance Plans (TAPs) submitted, Total number approved or declined	Monitor total number of vacant units; tenants involved and relocated; and % difference in unit sizes and rents according to TAP forms and final reports	Annual	Tenant Assistance Policy Reviews
Short Term Rental Policy Review	Monitor total number of active STR listings; increase number of licenced STRs citywide, including principal and non principal residences Monitor fines issued	Monitor total licences issued in City annually, and total monetary value of licences. Monitor number and value of fines issued and collected.	Annual	Policy Review and Quarterly Reports

CATEGORY TWO: INCREASE SUPPLY

Encourage new housing supply for all Victoria residents.

Action or Objective	Indicator A	Indicator B	Reporting Schedule	Output
Housing Affordability	Decrease in number of people spending more than 30% of income on housing*	Decrease in number of households in Core Housing Need in Victoria	Annual	Annual Housing Report
Rates of Homelessness	Decrease in homelessness (Point-in- Time Count numbers go down)*	Monitor rates of unique individuals using Emergency Shelters, Coalition to End Homelessness	Indicator A: Biennial Indicator B: Annual	Point in time Count and OCP Annual Review
New Housing Supply	Monitor new housing units in growth target areas	Monitor City's annual share of region's new housing unit supply	Annual	OCP Annual Review
City-owned Sites for Affordable Housing	Increase total number of units and developments with residential use on municipal land; include temporary and permanent units	N/A	Annual	Annual Housing Report
Rental Suite Grant Program	Increase total number of garden suites and accessible secondary suites supported by grants and total value of grants administered	Total number of building permits issued for garden suites and accessible secondary suites citywide	Annual	Annual Housing Report
Update and Expand Secondary Suite Policy	Increase total number of building permits issued for secondary suites citywide	Monitor estimated number of secondary suites in the City of Victoria; BC Assessment Data	Annual	Annual Housing Report
Expand House Conversion Eligibility	Increase total number of building permits issued for house conversions citywide	N/A	Annual	Annual Housing Report
Support faith- based, charitable, and non-profit housing developers	Increase total number of building permits issued for affordable housing units citywide per year	N/A	Annual	Annual Housing Report

CATEGORY THREE: HOUSING CHOICE

Encourage a range of housing options to meet the needs of Victoria residents.

Action or Objective	Indicator A	Indicator B	Reporting Schedule	Output
Neighbourhoods are diverse, accessible and affordable across all ages, incomes and abilities	Define Criteria and Targets for "diversity, accessibility, affordability"	Monitor the number of building permits issued by neighbourhood for new units, according to the City's Housing Targets and Affordability Targets	Annual	Annual Housing Report
Affordable Homeownership	Increase in percentage of Victoria residents who own their own homes*	Increase number of affordable homeownership units approved; Average discount (percentage below market) in prices and household incomes served	Annual	Annual Housing Report
Develop a Family Housing Policy	Increase number of 2 and 3 bedroom units in new developments	Increase proportion of households in family formation years in the City (30 to 50 years old); Increased proportion of households with children	A: Annual B: Census Data Releases (5 years)	Annual Housing Report
Tiny Homes	Create Tiny Home Regulations, Policy & Guidelines	Increase number of permits or licences issued for tiny homes citywide	Annual	Annual Housing Report
Missing Middle Housing & Missing Middle Zoning Amendments	Increase total number of building permits issued for new ground-oriented housing forms citywide (including townhouses, houseplexes, duplexes, row houses and suites); create and measure against new targets based on growth projections	Increase the proportion of new ground-oriented housing forms in each neighbourhood (including townhouses, houseplexes, duplexes, row houses and suites) with the aim to quadruple the number of 'missing middle' housing units*	Annual	Annual Housing Report

Action or Objective	Indicator A	Indicator B	Reporting Schedule	Output
Co-op, Co- housing, and Land Trusts	Increase total number of co-operative and co-housing units and developments in the City of Victoria, Co-op Housing Federation of BC)*	Increase total number of community land trusts in the City of Victoria	Annual	Annual Housing Report
Garden Suite Policy Amendments	Increase number of garden suites constructed and approved citywide and by neighbourhood	Survey with tenant, owners and builder of garden suites on barriers, costs, benefits and policy or process improvements	Annual	Annual Housing Report and Policy Update as needed

CATEGORY FOUR: TRACK AND IMPROVE

Track our progress and improve our housing policies and programs to optimize impact.

Action or Objective	Indicator A	Indicator B	Reporting Schedule	Output
Monitor Affordable Housing Development	Increase total number building permits issued or development approvals for affordable housing units citywide and by neighbourhood	Monitor the number of building permits issued for new units, according to the City's Housing Unit Targets and Affordability Targets	Annually and 5 years	Annual Housing Report & Housing Strategy Update
Rental Replacement Policy	Monitor total number of demolitions of rental housing units citywide	Monitor total number of net rental units lost through demolition	Annual	Policy Review & Victoria Housing Report
Review and Optimize Housing Funding	Monitor total number of units supported by grant awards and level of affordability achieved	Monitor five year average of affordability levels of units supported by housing grants	Annual	Annual Housing Report
Inclusionary Housing and Community Amenity Policy Review	Increase number of inclusionary housing units approved, tenure and level of affordability	Monitor total amount of cash-in-lieu contributions committed through rezoning approvals and collected at building permit issuance; track allocations to municipal reserve funds	Annual	Policy Review and Annual Housing Report
Victoria is seen as development friendly	Meet Application Turnaround Times – REZ, DP, DVP, DPV, HAP (75% Target)	Victoria accommodates 12,900 households by 2038	Indicator A: Monthly Indicator B: 5 years	Sustainable Planning and Community Development Consolidated Monthly Reporting

CATEGORY FIVE: NEW IDEAS

Try bold ideas to achieve new results.

Action or Objective	Indicator A	Reporting Schedule	Output
Intergenerational Housing	Monitor number of tenant placements if pilot program is created	Annual or as needed	Pilot Program Review
Small Scale Housing Ambassador Position	Increase total number of building permits issued for garden suites and secondary suites	Annual	Annual Housing Report
Temporary Modular Housing on City Land	Increase number of building permits issued for temporary modular housing units on municipally owned or other sites city-wide	Annual	Annual Housing Report
Emergent Issues	This indicator provides an opportunity to record emerging trends, issues, or new information that may have an impact on the implementation and success of the Housing Strategy, and new actions proposed since adoption	Annual	Quarterly Report & Housing Strategy Review