



Governance and Priorities Committee Report

For the Workshop of October 23, 2015

To: Governance and Priorities Committee **Date:** September 25, 2015
From: Jonathan Tinney, Director, Sustainable Planning and Community Development
Subject: Analysis of Mayor's Housing Affordability Task Force Recommendations

RECOMMENDATIONS

1. That the following Mayor's Housing Affordability Task Force recommendations form part of a comprehensive Municipal Housing Strategy:
 - a. review the Victoria Housing Fund Reserve guidelines, consider allocations and establish new criteria to encourage family-oriented units;
 - b. update the *Zoning Regulation Bylaw* to facilitate additional housing capacity and types following local area planning within each neighbourhood;
 - c. remove the minimum unit size requirements for multi-unit residential zones within the *Zoning Regulation Bylaw* concurrent with the update to *Schedule "C" – Off-Street Parking Regulations*;
 - d. review *Schedule G – House Conversion Regulations* to determine what amendments would best accommodate additional conversion opportunities that are consistent with the *Official Community Plan*;
 - e. reduce parking requirements and consider parking innovations that support affordable housing projects as part of the planned *Schedule "C" – Off-Street Parking Regulations* update;
 - f. reconsider policies and guidelines for potential conversion of motel properties in the Burnside neighbourhood as part of the local area planning process (Phase II public engagement);
 - g. update the *Property Maintenance Bylaw* to improve tenant housing quality;
 - h. consider additional delegation authority initiatives for development applications in future years following monitoring and evaluation of the delegation options currently under consideration by Council;
 - i. investigate opportunities for the City to support the development of affordable ownership programs; and
 - j. examine options for a municipal real estate function that would support City goals related to revenue generation or other municipal objectives through strategic use of the City's land base (following the outcomes of the Mayor's Economic Development Task Force), including considerations for staffing and land inventory.
2. That staff bring forward a draft Municipal Housing Strategy outline that includes the items listed above, with associated timelines for completion.

3. That Council explore options and implications at the workshop, with further direction to staff, on the following Task Force recommendations:
 - a. Consider whether amendments to the *Zoning Regulation Bylaw* to permit garden suites in single-family zones and relaxing secondary suite eligibility regulations should be dealt with immediately and on a City-wide level or whether these considerations should form part of local area planning with each neighbourhood, with zoning amendments to follow;
 - b. Consider options and financial implications of reducing fees, waiving development cost charges (DCCs), permissive tax exemptions, requiring housing agreements, providing other incentives for affordable housing and whether Council would like to pursue some or all of the incentives;
 - c. Consider different ways of achieving “inclusionary zoning” objectives and its impact on community amenity contributions.

EXECUTIVE SUMMARY

The purpose of this report is to provide Council with an analysis of the recommendations provided by the Mayor's Housing Affordability Task Force, for consideration at two workshops in October 2015. The Task Force recommended 25 solutions that focus primarily on the development of housing that meets the affordability needs of households that fall within Statistics Canada's middle two income quartiles (household incomes ranging from \$18,147 to \$57,772 per annum). The recommendations include solutions covering policy and regulatory changes, procedural changes, incentives, staff support and outreach.

Staff have analyzed each recommendation in the attached table, which confirms the City authority, identifies pros and cons and, for some complex items requiring further exploration at the workshop, questions for consideration and further work. Based on the analysis, many of the actions have been recommended to form the basis of a comprehensive Municipal Housing Strategy. Staff propose to include those items, propose other items for inclusion in the Strategy based on a best practice scan of strategies in other jurisdictions, assign anticipated timelines for completion and report back to Council with an outline for a draft Municipal Housing Strategy.

In addition, it is recommended that Council focus on exploring particular Task Force recommendations in more depth at the workshop, to more fully consider implications and options. These include the Task Force's recommendations on changes to garden suite and secondary suite regulations, various types of incentives and inclusionary zoning as it relates to community amenity contributions.

PURPOSE

The purpose of this report is to provide Council with an analysis of the recommendations provided by the Mayor's Housing Affordability Task Force to determine which items Council would like to pursue and form part of a comprehensive Municipal Housing Strategy.

BACKGROUND

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

The Task Force was mandated by Council to identify solutions that could help increase the supply of new units of low-cost housing. In an effort to limit the scope of this to areas of most practical municipal impact, Task Force members agreed to identify solutions that focus primarily (though not exclusively) on the development of housing that meets the affordability needs of households that fall within Statistics Canada's middle two income quartiles (household incomes ranging from \$18,147 to \$57,772 per annum). Task Force members also agreed to examine potential solutions that could achieve greater affordability in both non-market and market housing developments. Task Force members acknowledged that additional housing options are needed to support households within the first income quartile, but the interventions necessary are beyond the capacity of the City, on its own, to fully implement. The City will explore opportunities to partner with other levels of government as well as stakeholders in the non-profit and private sector to identify and, where possible, implement solutions.

While the responsibility for housing has fallen traditionally within the jurisdiction of the provincial and federal governments, the Task Force's work and recommendations are based upon an understanding that the City of Victoria can and should take a leadership role to support the increased availability of more affordable market housing. The City and other municipal partners can do this by both building capacity and reducing barriers to the provision of affordable housing by both non-profit and for-profit housing developers.

Working together across different sectors and perspectives, in two months the Housing Affordability Task Force created a suite of recommendations that was presented for consideration at Council's Governance and Priorities Committee on July 16, 2015. Council requested that staff report back at two Council workshops in October 2015 to provide an analysis of the Task Force recommendations, forming the beginnings of a Municipal Housing Strategy. This direction was ratified by Council at the meeting of July 23, 2015 as follows:

1. *Receive the suite of recommendations in Appendix A of the report dated July 6, 2015 in its entirety;*
2. *Direct staff to consider the actions contained therein to form the basis of an comprehensive Municipal Housing Strategy with an aim to supporting implementation during the timeline laid out;*
3. *That staff report back to Council with a draft Municipal Housing Strategy in October 2015; and*
4. *Amend page two of the report dated July 6, 2015 by removing the chart and replace it with the City of Victoria Housing Spectrum Chart.*

ISSUES & ANALYSIS

The Task Force proposed 25 recommendations which cover the following:

1. Policy and regulatory changes
2. Procedural changes
3. Incentives
4. Staffing support and outreach.

Staff have analyzed each recommendation in the attached table, which confirms City authority, identifies pros and cons and, for some complex items requiring further exploration at the workshop, questions for consideration and further work. Please refer to this attachment for a full analysis of each recommendation.

OPTIONS & IMPACTS

2015 – 2018 Strategic Plan

This report addresses Strategic Plan Objective 6: Make Victoria More Affordable. In particular, actions identified for 2015 include initiating a Municipal Housing Strategy, considering income mixed zoning, and considering further incentives for garden suites and secondary suites. These were to be considered at a Council workshop on affordable housing.

Impacts to 2015 – 2018 Financial Plan

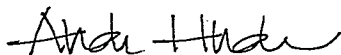
The recommendations of the Mayor's Housing Affordability Task Force regarding waiving development cost charges (DCCs), reducing permit fees for development applications, reviewing Housing Reserve Fund, considering permissive tax exemptions, the potential addition of a new Housing Office (if deemed to be needed), contributing City land at no or reduced cost, incentives to support conversion of underutilized space above commercial properties, and incentives to assist landlords would all have an impact on the Financial Plan. These impacts are identified in the attached table and will be explored at the workshop.

Official Community Plan Consistency Statement


The recommendations of the Mayor's Housing Affordability Task Force are consistent with the *Official Community Plan* (OCP) which contains several policies to encourage and facilitate affordable housing and directs the City to consider all available tools to encourage affordable housing (policy 13.4).

There are some recommended actions that will need to be carefully considered to ensure the outcomes are consistent with the growth strategies directed by the OCP (i.e. potential amendments to the House Conversion regulations) to ensure that growth is primarily directed to the core area, urban villages and key transit corridors, with modest infill throughout the "traditional residential" areas.

Respectfully submitted,



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Jonathan Tinney, Director
Sustainable Planning and Community Development

Report accepted and recommended by the City Manager:



Date: Oct 1, 2015

List of Attachments

- Analysis of Housing Affordability Task Force Recommendations
- Mayor's Task Force on Housing Affordability Recommendations, dated July 6, 2015.