



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

To: Governance & Priorities Committee

Date: July 14, 2015

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

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

RECOMMENDATIONS

That the Committee:

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

BACKGROUND

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

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

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

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

Working together across differences, sectors and perspectives, in two months the Housing Affordability Task Force created a suite of recommendations that it wishes to present to Council for consideration. The report attached in Appendix A was adopted by consensus at the final task force meeting after integrating input received through a town hall meeting and input from the public. (See Appendix B for public engagement summary.)

GOALS AND TARGETS

Task Force recommendations fall into a number of key themes aimed at addressing specific targets for housing provision. Actions identified also indicate delivery dates within a three-year time frame within which the recommendations are to be implemented. Targets are summarized below.

1. Increase Overall Housing Supply in City

The link to between overall housing supply and housing cost was acknowledged by the Task Force. As such, Task Force members have agreed that targets for increasing the overall housing supply in the City supported goals related more affordable housing development and should be supported through the density provisions of the Official Community Plan (OCP).

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

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

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

Using recent BC Non-Profit Housing Association research projections, the Task Force has determined affordable housing needs as a proportion of total housing projected to be built within the City over the next 30 years. Table 1 provides a summary of the number of units required to meet future affordability needs within the second and third income quartiles.

Combining rental and homeownership totals suggest that about 18.8% of new development be targeted to households within the scope of the Task Force (see Table 1).

TABLE 1 – AFFORDABLE HOUSING TARGETS

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

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

3. Increase City Revenue Directed to Affordable Housing

Actions identified in the plan were developed to address a goal that supported City Council maintaining and enhancing its financial commitment to the Victoria Housing Reserve Fund. Tools aimed to supporting the City in generating revenue sufficient to support the development of an adequate number of affordable housing units to meet existing and emerging demand.

4. Increase the Range of Housing Types to Support Affordability and Resiliency

Task Force members acknowledged that need to support a broad range of housing types and tenures to support the variety and range of citizens within the City. Working within the goals laid out in the OCP, actions should support the provision of a wide range of housing typologies (including but not limited to single-family in-fill homes, townhomes, apartments, laneway and garden suites, etc. within a range of layouts and floor plate sizes) and tenures (including but not limited to fee simple, strata, affordable/shared equity ownership (strata or fee simple), cooperative, rental, subsidized rental and non-market rental, etc.). It was acknowledged that this range of types and tenures allows for better right-sizing of housing to user needs and supports individual’s movement up or down the housing continuum while still supporting options for adequate housing at each stage.

NEXT STEPS

It is the Tasks Force’s recommendation that the actions laid out in Appendix A be accepted by Council and that Council direct staff to assess each with an aim to supporting implementation within the timelines laid out in the report.

Further, the Task Force recognizes and acknowledges that the City is currently examining or implementing a number of work streams related to the recommendations laid out in the Action Plan or have identified projects that align both with Action Plan recommendations as well as current Official Community Plan, Strategic Plan or Operational Plan goals. These include:

- An examination of options for a municipal real estate function that would support city goals related to revenue generation or other municipal objectives through strategic use of the city’s land base.
- A targeted review of the *Zoning Regulation Bylaw* to better support the OCP’s goals, including those related to affordable housing. A more comprehensive review is proposed in future years (A more comprehensive review of the bylaw has been recommended by staff for future years, though commencement is subject to future approval of funding and staff resources by Council).

- A review of the Schedule C (Off-Street Parking) regulations to support more appropriate parking requirements for new development throughout the city.
- A future work plan to review and update Development Cost Charges.
- A review of zoning and development application processes to decrease processing times and associated costs to new development.
- A review of Community Amenity Contributions for new development which will include consideration of inclusionary zoning and other developer contributions to community facilities and affordable housing.

It is the hope of the Task Force members that the recommendations herein act as direct inputs into the City of Victoria's comprehensive Municipal Housing Strategy which is to be provided to Council in September of 2015.

Respectfully Submitted,



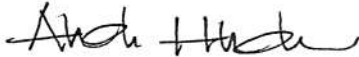
Mayor Helps



Councillor Loveday




Councillor Isitt



Andrea Hudson
Assistant Director, Community Planning
Sustainable Planning & Community Development

Report accepted and recommended by the City Manager:



Date: July 15, 2015