

**REPORT TO THE PLANNING & PROTECTIVE SERVICES COMMITTEE
MEETING OF WEDNESDAY, FEBRUARY 28, 2007**

SUBJECT**REGIONAL HOUSING AFFORDABILITY STRATEGY****PURPOSE**

To approve the final version of the regional housing affordability strategy (RHAS)

BACKGROUND

The Regional Housing Affordability Strategy (RHAS) was prepared as a component of the Regional Growth Strategy through a partnership agreement between the CRD, the Capital Region Hospital Board, the Capital Health Region (now VIHA), the Capital Region Housing Corporation (CRHC), BC Housing Management Commission, and Canada Mortgage and Housing Corporation (CMHC). These parties engaged in an agreement under Section 176 of the Local Government Act, which allows for the establishment of agreements with public authorities respecting activities, works or services within the powers of a party to the agreement.

The purpose of the regional housing strategy, as stated in the 2001 project terms of reference, was to ensure that all residents of the Capital Region, especially moderate and low-income households, have a reasonable choice of housing by type, tenure, price/rent, and location. Some of the project objectives included:

- To develop a strategy that is integrated with other regional strategic initiatives on growth management, transportation and economic development, and which recognizes the interrelationships between housing and these other aspects of sustainable communities.
- To remove obstacles to the supply of affordably priced market and non-market housing, region-wide, consistent with the overall growth management goals of the RGS
- To create policies and plans for future development in the CRD that will take into consideration the need for housing for people of all incomes and situations, abilities, family structure, and age.
- To establish reasonable targets, measurable outcomes and the framework of a monitoring system with which to evaluate short and long term progress toward the strategy's goals, throughout the region
- To develop a strategy that is flexible, that can be adjusted to meet the different needs of different parts of the region, and with solutions that are transferable to various jurisdictions.

Five Key Strategies

The RHAS includes five key strategic directions designed to address housing affordability throughout the continuum of need which ranges from visible homelessness to lower end of market ownership housing. All five strategies are important to not only address present day affordability issues, but to prevent future problems by taking preventative action and building in more sustainable solutions.

Strategy #1: Secure more funding for non-market and low end of market housing.

This strategy, which focuses on funding, proposes that the CRD, in partnership with municipal governments, expand the CRD's Regional Housing Trust Fund to the entire region. It suggests these groups work together to advocate for increased senior government funding for affordable housing programs.

The regional housing trust fund was established in 2005 and raises approximately \$800,000 a year from the participating municipalities to fund affordability initiatives. Under current funding, leveraging, and resourcing conditions, this amount is sufficient to create close to 50 units a year. To create more housing units would require the following:

- Additional participating municipalities, making the trust a regional service
- Increased funding amounts from the participating municipalities
- Additional resources and stable revenue sources from senior-levels of government. Many of the individuals and agencies reviewing the RHAS report have suggested the use of a portion of the Property Transfer Tax as a targeted revenue source for affordable housing as the tax itself contributes to affordability issues, particularly as ownership cost continue to increase in this region

Strategy #2: Establish and enhance pro-affordability local government policies and regulations across the region

This strategy addresses opportunities for local governments to improve housing affordability through a series of regulatory, fiscal and policy actions designed to reduce barriers to affordable housing developments that meet local and RGS planning objectives.

Strategy #3: Facilitate community-based affordability partnerships and initiatives

This strategy proposes continued collaboration with existing housing and community agencies, the development industry and members of the Housing Affordability Partnership (HAP) to further the supply of more affordable housing.

Strategy #4: Build neighbourhood-level support for housing affordability

This strategy recognizes the need for building awareness and support at the neighbourhood level for affordable housing through information, education and monitoring initiatives.

Strategy #5: Expand the scope of the Victoria homelessness community plan to the regional as a whole

This strategy proposes expanding the scope of the Victoria Homelessness community plan to make it a regional plan, recognizing that this issue extends beyond one municipality's boundaries. Expanding the scope should also serve to attract more financial and human resources to further develop and implement needed actions.

Overall, the five strategies provide a framework for regional and municipal governments, in conjunction with the non-profit and development industry, to take action to improve housing affordability throughout the region and throughout the housing continuum of need.

RHAS Stakeholder Review:

The RHAS has received considerable review, feedback, and revision since the process began. The attached document has been revised to respond to feedback obtained through a consultation process with municipalities, the funding partnership organizations, and from comments received through the November 2006 Council-of-Councils Forum on Housing Affordability.

The comments received (see Attachment A) from the most recent round of consultations were largely positive, although the following issues were emphasized:

- The strategy needs to better reflect the municipal roles and responsibilities as they pertain to development review processes and zoning regulations;
- The RHAS needs to align with the strategic priorities of the Board and the Regional Growth Strategy;
- The CRD, member municipalities, and housing partners should seek additional sources of funding for affordable housing, and in particular should seek a portion of the Property Transfer Tax to be dedicated to solving the region's affordability problem;
- The CRD will need to implement the RHAS through partnerships with various interests and agencies, in a way that creates positive outcomes and reduces duplication of effort.

As a result of the comments received, the Regional Housing Affordability Strategy was revised and reformatted, and is attached to this report. (See Attachment B)

ALTERNATIVES

1. Approve the Regional Housing Affordability Strategy as attached.
2. Direct staff to make further modifications to the Regional Housing Affordability Strategy to respond to any identified issues and concerns.

ECONOMIC / FINANCIAL IMPLICATIONS

The current capacity of the CRD to deliver affordable housing is approximately 50 units a year, based on the present structure of the Regional Housing Trust Fund, staff resources, and availability of senior-government funding programs. While this level of commitment is making a difference in the region, it is insufficient to deal with current conditions evidenced by 2,800 people on the CRHC waiting list and 13,080 renter households (28% of all renter households) in core housing need.

To move forward on the RHAS, the CRD will need to work with local and senior-governments to leverage additional funding sources for housing development. To significantly reduce the incidence of core housing need and homelessness will require much more than local government commitments, to include job creation, income supports, rent supplements, social services and stable funding programs.

GROWTH MANAGEMENT IMPLICATIONS

RGS initiative 3.2 calls for the preparation and adoption of a RHAS to improve housing affordability and ensure that all residents of the Capital Region - particularly for low and moderate-income households, the elderly, youth, those with special health and other needs, and the homeless – have reasonable choice of housing by type, tenure, price and location. The RHAS report is complementary to the directions of the Regional Growth Strategy. One of the cornerstones of the RHAS is to develop affordable housing within the regional urban

containment and servicing policy area (RUCSPA) in areas accessible to services, jobs and shops and along corridors well served by transit. The RGS suggests that the affordable housing needs required up to 2025 can be accommodated within the existing urban areas. A number of strategies proposed within the RHAS speak directly to achieving the inclusive, complete communities within the existing infrastructure framework.

INTERGOVERNMENTAL

The implementation of the regional housing affordability strategy is highly dependent upon concerted cooperation and partnerships between all four levels of government, as well as the health authority, development industry, and neighbourhood associations. Over the past 15 years no *single* level of government or housing agency has been capable of developing and operating affordable housing. The creation of affordable housing requires ongoing partnerships and commitments from many levels of government, as well as industry and community.

An additional report on the RHAS implementation plan is being prepared for the Boards consideration, which will outline partnerships and a policy and project delivery framework, for the affordable housing component and the regional homelessness initiative.

SOCIAL / PUBLIC IMPLICATIONS

The adoption and implementation of the regional housing affordability strategy will have significant implications for the social and economic sustainability of the region. The ability to access affordable market housing contributes to this region's ability to compete economically with other Canadian regions and affects business's ability to recruit and retain employees. The ability to access affordable, safe, and stable housing makes a significant difference in the ability of households to obtain and retain jobs, to recover from health and addiction problems and to connect with needed community/social services.

SUMMARY/CONCLUSIONS

The Capital Region is considered to be one of the most unaffordable housing markets in the country with extremely high average house prices as well as a very low rental vacancy rate. There is an obvious need to move forward with a regional housing strategy and work with the various regional partners and industry to implement the strategies in a timely manner.

RECOMMENDATION

That the Planning & Protective Services Committee recommend to the Board:

1. That the Regional Housing Affordability Strategy be approved.

Robert Lapham, MCIP
General Manager,
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Kelly Daniels, CAO
Concurrence

COMMENTS: