



# The Regional Housing Affordability Strategy

## The Basics

### **WHY DO WE NEED A STRATEGY?**

- The Regional Growth Strategy identified housing affordability for lower and moderate income families as a concern now and in the future
- The Growth Strategies Act's goals require that the RGS identify a supply of suitable, affordable housing
- Victoria is one of the most expensive housing markets in Canada
- Quality of life, community health, and economic competitiveness are dependent on all residents having decent, affordable housing
- The number of persons and households in the Region who need help is still relatively small; we should do something about the issue before it becomes unmanageable

### **HOW WILL THIS STRATEGY BE DIFFERENT?**

We can no longer rely on traditional (senior government) housing responses. Solutions will have to be creative and community-based. The Strategy will have to recommend practical and sustainable solutions, meaning a community capacity to manage and implement the strategy will have to be developed.

### **ISN'T HOUSING A PROVINCIAL AND FEDERAL RESPONSIBILITY?**

Technically, yes.

Deep-subsidy solutions (like the actual construction of new units) are, and should remain the jurisdiction of senior governments. Despite intensive lobbying from the FCM, UBCM and housing advocates, little direct funding is available for the Region at the moment. The rest of us in this community are left to deal with the issue in the best ways we can, with the powers and resources still available to us.

### **HOW MUCH CAN WE DO WITHOUT FUNDING FROM SENIOR GOVERNMENTS?**

The Strategy identifies some 44 categories of solutions that local and regional governments, developers, architects, builders, land- and building-owners, non-profit agencies, housing advocates, financial institutions, neighbourhood associations and individuals can use to reduce the cost of housing. **There is no one 'magic bullet'** – most of these solutions would have to be used in combination with others to make substantial reductions. Using them will require new ways of working, and partnerships that can be complex, time-consuming (at least initially) and sometimes frustrating. It will require community involvement and development of the skills (or capacity) to be able to work like this together.

### **WHY ARE WE DOING A REGIONAL STRATEGY?**

Because this is a regional issue. The health of the community is affected by the health of all the individuals and families in it and the region IS a single community, despite its many political boundaries. We all cross municipal borders every day.

In the summer of 2000, the CRD did a random survey (statistically valid for the whole region) related to the RGS options, and at that time, 87% of residents said a regional housing affordability strategy should be done and 84% said it should be done regionally, not by each municipality.

Not only are there people with housing affordability issues now in every municipality, but there are many more who are very close to 'the edge' in terms of core need.

The Strategy will not force, or even direct municipalities to accept 'social housing.' It presents a list of options that can be used alone or in combination to help reduce the cost of housing. The Strategy will eventually be a part of the RGS Bylaw; thus each municipality should address its recommendations in the Regional Context Statement being prepared to demonstrate how the RGS will be implemented in that jurisdiction.

### **WHY SHOULD I CARE ABOUT HOUSING AFFORDABILITY?**

Housing affordability should be a concern to the entire community because its absence can have serious consequences *for* the entire community, even those who have adequate housing.

Our economy is based on tourism and services – both sectors tend to pay many of their workers low wages, or provide employment for only part of the year. Already, the presence of homeless and panhandlers on the streets is being noticed and commented on by tourists.

If low-wage earners and other qualified people wishing to move here for work in these or other sectors cannot find places to live within their means, they will either leave or never come. Businesses are affected, which means that business owners, their clients, and all those who rely on spin-offs from businesses are also affected.

Our children may not be able to afford to live here, especially when they are starting out in their careers. Students may not be able to afford to go to our fine post secondary institutions, and the economic advantage we have because of these schools may diminish

Studies have shown that healthy, affordable housing is the best basis for building a good life; those without a stable home, particularly children, face enormous odds in ever succeeding.

Added social and health costs may arise among the inadequately-housed, affecting the whole community through the tax base and otherwise.

### **WHAT HAS BEEN COMPLETED?**

- Phase One has analysed the data available on our unique housing market
- Phase Two identified challenges and opportunities that might be available and workable here

### **WHAT HAS BEEN FOUND OUT?**

22,000 households in the region are in **core need** (1996), that is, they have to spend over 30% of their income on shelter that is in reasonably good condition and has adequate space. Many of these pay much more – 50% - of their incomes on shelter. Of these, 16,000 are renters, mostly unattached seniors and low-waged, working singles under 65. Figures for 2001 are expected to be higher: from 1991 to 1996, the number in core need rose by 25% though total renter households increased by only 5%.

The largest number of core need renters live in Victoria (9,000) and Saanich (3,000) BUT - Langford has the highest proportion of renters in core need (42%), followed by Victoria , Esquimalt and Sidney.

Rental housing: vacancy rates here are among the lowest in Canada; very little new rental housing has been built here since 1980; capital gains taxes and land scarcity and cost are three reasons for this; rents are well below what it would take to make new construction viable; a new one-bedroom unit would have to be rented for \$777/month to break even, but in 2002 rents for a one-bedroom here ranged from \$535 to \$619; rents are rising at twice the rate of inflation.

Waiting lists for social (subsidized) housing are skyrocketing; meanwhile, the province has shifted its limited funding for units toward housing for seniors.

The costs of constructing new dwellings are affected by land costs, construction costs, and soft costs like fees and charges; land costs are high here due to the limited supply in the urban area; the supply will continue to diminish; land costs mean that large homes are built rather than modest ones; interest rates are now at 30-yr. lows, and when they rise, many more people will find home ownership out of their grasp.

### **AREN'T OTHER GROUPS WORKING ON HOUSING AFFORDABILITY?**

Yes.

The Housing Affordability Partnership (HAP) that is a collaboration of multi-sectoral representatives seeking to improve the environment within which housing providers, municipalities, communities and individuals can live and work – HAP is not a delivery entity and has limited capacity since it has no stable funding source. It has a very useful role in advocating for increased housing affordability.

The Quality of Life Challenge (led by the Community Council) is a comprehensive community initiative to mobilize grassroots action and monitor change around three priorities: housing affordability, employment opportunities, and community connections.

All three initiatives are working in collaboration to strengthen resources and galvanize action within the Region.

***Further information is available through  
<http://www.crd.bc.ca/regplan/RGS/Reports/Strategic/Has.htm>  
or CRD Regional Planning Services (Phone) 360-3160***