



**REPORT TO HOSPITALS AND HOUSING COMMITTEE  
MEETING OF WEDNESDAY, APRIL 25, 2018**

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**SUBJECT      Regional Housing Affordability Strategy**

**ISSUE**

The Capital Regional District's (CRD) Regional Housing Affordability Strategy (RHAS) needs review and updating in order to reflect the CRD's emergent role in addressing housing affordability and homelessness as well as to better respond to changing housing market conditions and evolving government housing programs and policies.

**BACKGROUND**

Issues related to housing affordability remain a serious concern in the capital region. Efforts to address housing affordability date back 40 years when the CRD established two initiatives, a Land Banking and Housing service and the Capital Region Housing Corporation (CRHC) which have successfully contributed to the development and operation of affordable housing. The CRD and its housing corporation, now own and operate more than 1280 units in 45 projects. In addition, the Regional Housing Trust Fund has provided more than \$11.7 million of funding to leverage more than \$139 million of affordable housing through non-profit housing providers.

In 2001, to advance housing policy, support our housing initiatives and housing partners, in conjunction with the development of a Regional Growth Strategy (RGS), the CRD approved its first RHAS and further updated the RHAS in 2007. These efforts lead to support and funding of the Coalition to End Homelessness and designation of the CRD as the federally recognized entity that receives funding under the Federal Homeless Partnership Agreement. In addition, these efforts have now allowed for the creation of a new initiative to fund and construct new affordable housing units through support from all levels of government to the Regional Housing First Program.

In December 2016, Regional Housing engaged a consulting team made up of SPARC BC, the Greater Victoria Community Social Planning Council and Dale McClanaghan and Associates to complete a review of the current RHAS and engage in research and analysis that would inform options for a renewed RHAS (see Appendix A). The consulting team was tasked with delivering the following:

1. An evidence-based definition of affordability that accurately reflects regional gaps in housing affordability;
2. The identification of income-based targets for future CRD housing programs and services;
3. Housing unit demand estimates in identified affordability gap areas;
4. Updated goals, objectives and actions that the CRD could consider in a renewed RHAS;
5. Proposed roles for the CRD as well as its potential partners including municipalities, electoral areas, other levels of government as well as the non-profit, co-op housing and private sectors; and
6. Performance measures and data sources that can support impact evaluation of the RHAS.

The consulting team engaged in several key activities in identifying targets and forming recommendations with respect to where the CRD might consider focused action in future. These activities included:

- Evaluation of the accomplishments of the current RHAS;
- Survey of staff from all of the region's municipalities and electoral areas;
- Review and compilation of historical and emergent best local government practices in the area of housing affordability;

- Engagement with a broad range of stakeholders at a Regional Housing Affordability Consultation Event in June 2017;
- Analysis of the potential to develop programs that support entry-level affordable home ownership in the region;
- Analysis of demographic, household income and mobility data as well as housing financing, development and affordability trends; and
- Review and analysis of existing and emerging provincial and federal government policies and programs.

### Municipal Policies and Leading Practices Review

The results of the Municipal Policies and Leading Practices Review illustrates where respondents saw the CRD as having a key role and enabling progress and contributing in:

- Disseminating housing related data and research on leading policies and practices that enable housing affordability;
- Facilitating and coordinating regional initiatives to address housing affordability and homelessness;
- Providing and facilitating funding opportunities for affordable housing for low to middle income households;
- Being a key housing provider in the region; and
- Supporting partnerships between senior levels of governments, local governments, industry, and non-profit and community-based stakeholders to identify and implement solutions to address housing affordability.

### Research and Analysis

Defining affordability as well as target income groups for future development have been a key focus for the renewed Strategy. Evidence based research by the BC Non-Profit Housing Association has identified a current backlog of approximately 6,200 rental housing units needed to address the needs of low to moderate income households. Further analysis of census, population growth and migration data as well as housing development, affordability and homelessness trends suggests that the CRD's best option is to focus its programs and services on increasing the number of rental housing units affordable to households within the very low, low and low-to-moderate income categories. A summary of proposed affordability targets based on the backlog and future demand estimates are presented in Table 1 below. This provides measurable targets by which to gauge the effectiveness of future CRD actions. The CRD will also continue to monitor housing trends and affordability issues across the spectrum, and, where possible, work in partnership with other stakeholders to address issues within the ownership market.

**Table 1: Rental Targets and Demand Estimates by Income Ranges – 2016-2038**

Income Range	Threshold (% of Area Median Income)	Annual Income	Affordable Monthly Rental Target	2016 Income Distribution	Rental Unit Demand Estimate to 2038
Very Low	< 30%	Less than \$20,000	Less than \$500	11%	4,564
Low	30% to 50%	\$20,000 to \$35,000	\$500 to \$875	13%	5,124
Low to Moderate	50% to 80%	\$35,000 to \$55,000	\$875 to \$1,375	15%	7,419
Moderate and Above	Above 80%	Over \$55,000	More than \$1,375	61%	17,060
<b>Total Estimated Rental Demand</b>				<b>100%</b>	<b>34,167</b>

Source: 2016 Census and Unit Demand Estimates from 2038 Projection: Urban Futures, 2014, Regional, Sub-regional and TAZ-level Projections for the CRD; CMHC *Rental Market Report (December 2017) for the Greater Victoria Region*; BCNPHA in their report titled *Regional Breakdown: Households Needing Support: Capital Regional District*.

### Proposed RHAS Goals and Objectives

The proposed goals and actions set out in this updated Strategy are the result of a broad-based consultation process with local government partners, municipal leaders, sector representatives as well as key industry partners. A number of key findings emerged from the region-wide housing forum that was convened in late June of 2017 to test new ideas and approaches for addressing housing affordability in the capital region. Out of these discussions, and in consultation with the region's Housing Action Team (HAT), the following five key goals were identified through the process:

- Goal #1     Build the right supply of housing across the spectrum.**
- Goal #2     Sustain a shared regional response to existing and emerging housing demand.**
- Goal #3     Protect and maintain existing non-market and market rental housing stock.**
- Goal #4     Develop and operationalize a regionally coordinated housing and homelessness response.**
- Goal #5     Create community understanding and support for affordable housing developments.**

Requisite objectives and strategies to be considered by the CRD and its partners are further outlined in the draft updated RHAS.

### Implementation Approach

The implementation approach will align with already established CRD corporate planning and budgeting structures and processes. Specific actions to be taken to support the strategies and achieve the goals and objectives of the RHAS will be built into the CRD's strategic planning and service planning processes. The CRD has specific services and is involved in partnerships that will provide data and other information to support effective monitoring of outcomes and progress toward the achievement of housing affordability targets outlined in this Strategy and CRD staff will report annually on progress toward the achievement of the RHAS goals and objectives.

## **ALTERNATIVES**

### *Alternative 1*

That the Hospitals and Housing Committee recommends to the Capital Regional District Board:

That the draft Regional Housing Affordability Strategy, as presented in Appendix A be approved.

### *Alternative 2*

That the draft Regional Housing Affordability Strategy and proposed implementation approach be referred back to staff for further review based on Committee direction.

## **IMPLICATIONS**

### **Intergovernmental Implications**

The proposed RHAS provides renewed clarity with respect to the CRD's focus in terms of affordability levels and targets for development over the next 20 years. This will aid in efforts to partner with other levels of government as well as inform the private sector with respect to the levels of affordability that the CRD and its partners are working to achieve in the region. In the current evolving policy environment, this will allow the CRD to help inform the focus and goals of emerging federal and provincial government policies and programs, and provide a context for effective intergovernmental relationships into the future.

### **Growth Management Implications**

The RHAS is aligned with the approaches and targets outlined in the RGS and, as such, supports a planned approach to population growth and development in the region. The proposed approach complements the anticipated development of market housing to meeting future demand, ensuring that a wide range of incomes and household formations can be accommodated in the region in coming years.

### **Financial Implications**

The changing nature of the market and policy environment suggests an incremental approach to financing initiatives. Working within the CRD's strategic and service planning processes will help identify cost estimates for both mid and short-term budgeting purposes.

### **CONCLUSION**

Market conditions and government policies and programs with respect to housing affordability have changed substantially over the past few years. At the same time issues related to homelessness have persisted throughout the region. The review of the existing RHAS suggests that past CRD actions have been able to prevent an increase in the number of people experiencing homelessness while also helping improve overall housing affordability. Projections of future housing demand suggests significant potential gaps in housing supply to meet the needs of very low, low and low-to-moderate income households and continued issues with affordability within the general market. Without policy intervention and investments from government, current and future residents are likely to continue to face extreme hardship in the area of housing affordability. Stakeholder engagement supports a continued role for the CRD in housing affordability and the updated draft RHAS provides targets, goals and objectives that align with community and stakeholder expectations regarding the CRD continuing to play a leading role in improving housing affordability in the region.

### **RECOMMENDATION**

That the Hospitals and Housing Committee recommends to the Capital Regional District Board:

That the draft Regional Housing Affordability Strategy, as presented in Appendix A be approved.

Submitted by:	John Reilly, MSW RSW, Manager Housing Planning & Programs
Concurrence:	Christine Culham, Senior Manager Regional Housing
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Attachment: Appendix A – Draft Regional Housing Affordability Strategy