2018

# REGIONAL HOUSING AFFORDABILITY STRATEGY

*for the Capital Regional District*

CRD

Making a difference...together

## TERRITORIAL ACKNOWLEDGEMENT

Coast Salish and Nuu-chah-nulth peoples have lived on this territory since time immemorial. The CRD wants to acknowledge those Nations along with the many Indigenous peoples who now find their homes here. Access to housing is critically important to all peoples living in this region and the CRD wants to work with First Nations partners in addressing housing needs for the benefit of everyone.

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***OUTSIDE COVER:*** *The Azzurro, a 65 unit affordable housing project completed in 2017 and supported by a $495,000 grant from the CRD Regional Housing Trust Fund.*

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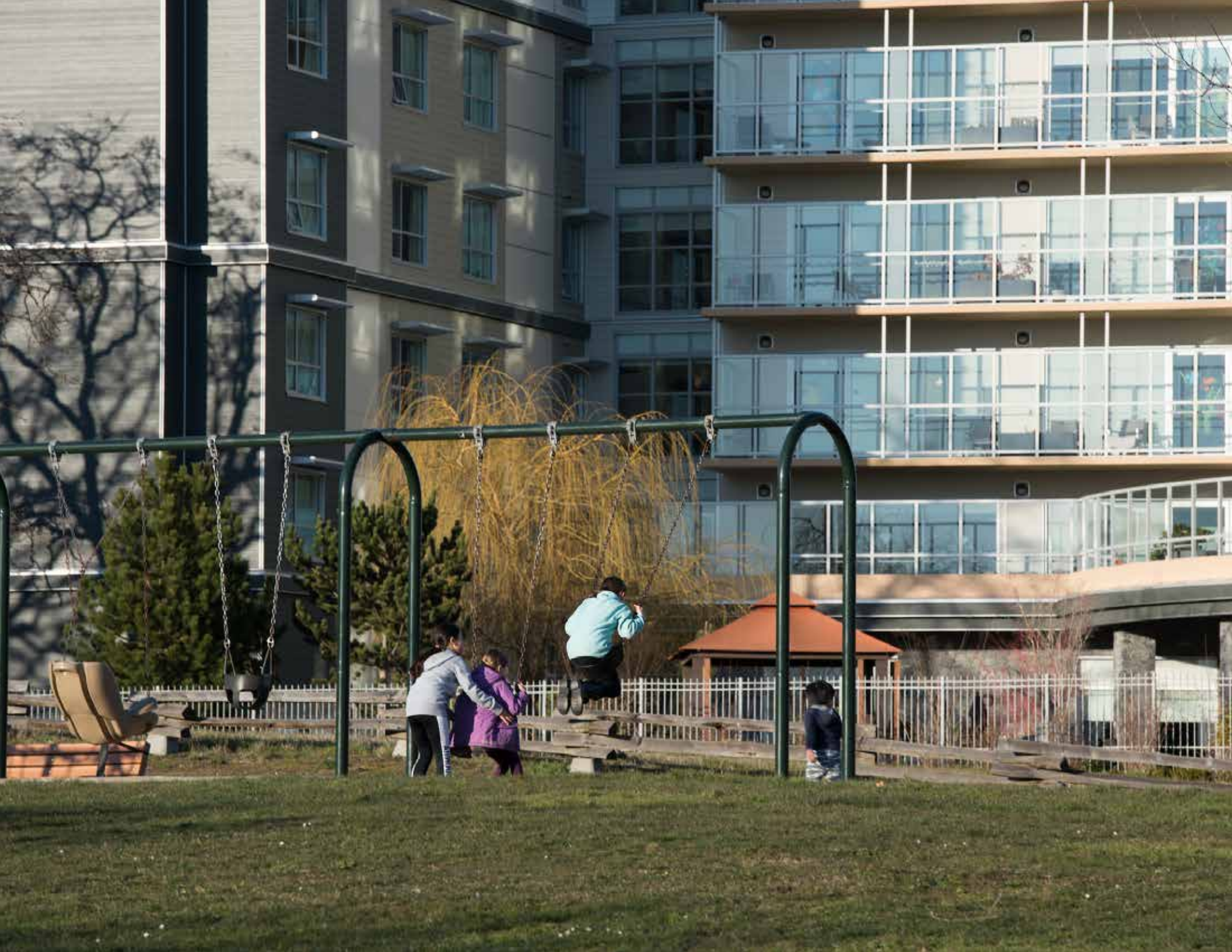

# EXECUTIVE SUMMARY

The Capital Regional District has a long history of working on issues of housing affordability and homelessness. Since the Regional Housing Affordability Strategy (RHAS) was adopted in 2007, the region has continued to see significant growth and change.

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The recently updated Regional Growth Strategy (RGS) identifies two key housing-related priorities integral to the long term livability and sustainability of the region: 1) the development of policies and strategies designed to promote and support a range of housing types and tenures to meet the needs of individuals of all ages, incomes and abilities; and 2) initiatives to improve housing affordability including the provision of a mix of housing types (market and non-market).

This updated RHAS sets out a plan of action for meeting these priorities as well as a review and analysis of results achieved through the implementation of the previous Strategy. Included in this document is a series of goals and objectives as well as strategies to be considered by the CRD and its potential partners, including municipalities, electoral areas, other levels of government and the non-profit, co-op housing and private sectors. This Strategy also provides an overview of CRD programs and initiatives and provides a foundation for leveraging CRD knowledge, assets and resources to provide for an expanded range of safe, secure, affordable and accessible housing choices throughout the region. This includes providing for a mix of ownership and rental housing across the housing spectrum including an expanded range of housing choices for households with very low and low to moderate incomes. The Strategy also updates the significant lead role that the CRD is expected to play in a coordinated system of housing and supports to address the needs of people experiencing homelessness in the region.

Responding to the current housing affordability crisis is one of the most significant challenges facing the capital region today. As the sector has worked to respond to existing and emerging housing needs, the CRD has been an important partner through the programs and services offered by the Capital Regional Housing Corporation (CRHC) and the Housing Policy and Programs Section. This includes sophistication in the types of supply responses that have been generated both in terms of the range of needs that have been met and the types of partnerships that have been established. This updated Strategy seeks to continue to build on this history of innovation and strategic partnerships with a view to help add needed capacity both locally and regionally.

Defining affordability as well as the target income groups and demand estimates for future units have been a key focus for the renewed Strategy. Analysis of census, population growth and migration data as well as housing development, affordability and homelessness trends suggest that the CRD's best option is to focus its efforts 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 these affordability targets and demand estimates are presented in the table below. This provides measurable targets by which to gauge the effectiveness of future CRD's 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.

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## Rental Targets & Demand Estimates by Income Ranges – 2016-2038

*Source: Calculated based on the 2015 Median Household Income for the capital region reported by Statistics Canada in the 2016 Census*

| 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 |
| **Total Estimated Rental Demand** | | | | **100%** | **34,167** |

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 areas of focus were identified through the process:

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## Goal #1: Build the right supply of housing across the spectrum

**OBJECTIVES**

- 1.1 Take a whole government approach to increasing affordable housing to meet the identified housing targets.
- 1.2 Establish housing development targets and enable partners to utilize housing development approaches that achieve denser development and improved housing affordability within regional urban containment areas.
- 1.3 Enable regulatory, legislative and policy frameworks that supports development that meets the identified rental targets.
- 1.4 Partner with the non-profit and for profit housing sector to increase housing development within identified housing targets.
- 1.5 Provide an evidence based approach to facilitate effective legislative frameworks that achieve improved housing affordability.

## Goal #2: Sustain a shared regional response to existing and emerging housing demand

**OBJECTIVES**

- 2.1 Establish local housing action plans and strategies to support denser housing developments that meet identified housing targets.
- 2.2 Leverage regional housing assets, knowledge and resources to meet the identified housing targets through a whole government approach.
- 2.3 Partner in research and data gathering to identify local housing needs and monitor and evaluate region on meeting the identified housing targets.

## Goal #3: Protect and maintain existing non-market and market rental housing stock

**OBJECTIVES**

- 3.1 Preserve and protect the existing social, co-op and affordable rental housing stock.
- 3.2 Implement regulations and incentive programs that preserve and protect existing rental housing.
- 3.3 Strengthen legislation to protect existing tenants.

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## Goal #4: Develop and operationalize a regionally coordinated housing and homelessness response

**OBJECTIVES**

- 4.1 Implement a seamless regional housing and homelessness response system.
- 4.2 Reduce pathways into homelessness.
- 4.3 Reduce the number of people experiencing homelessness.
- 4.4 Reduce the proportion of Indigenous people experiencing homelessness.
- 4.5 Meet rental housing targets for households living in low income.

## Goal #5: Create community understanding and support for affordable housing developments

**OBJECTIVES**

- 5.1 Increase educational and information sharing opportunities at the neighbourhood and local government level to increase community awareness.

The CRD through the CRHC, Housing Policy and Programs, the Regional Housing Trust Fund (RHTF) has been able to successfully support a range of projects that have responded creatively and flexibly to emerging opportunities. The recently added Regional Housing First Program (RHFP) stands to deliver units that meet the needs of low to moderate income households, while adding much needed supply in the low to very low income category. With a renewed commitment from the federal government as well as an expanded provincial focus, there are important opportunities for the CRD and its partners to pursue in working to create a region where everyone can access safe, secure, affordable and accessible housing.

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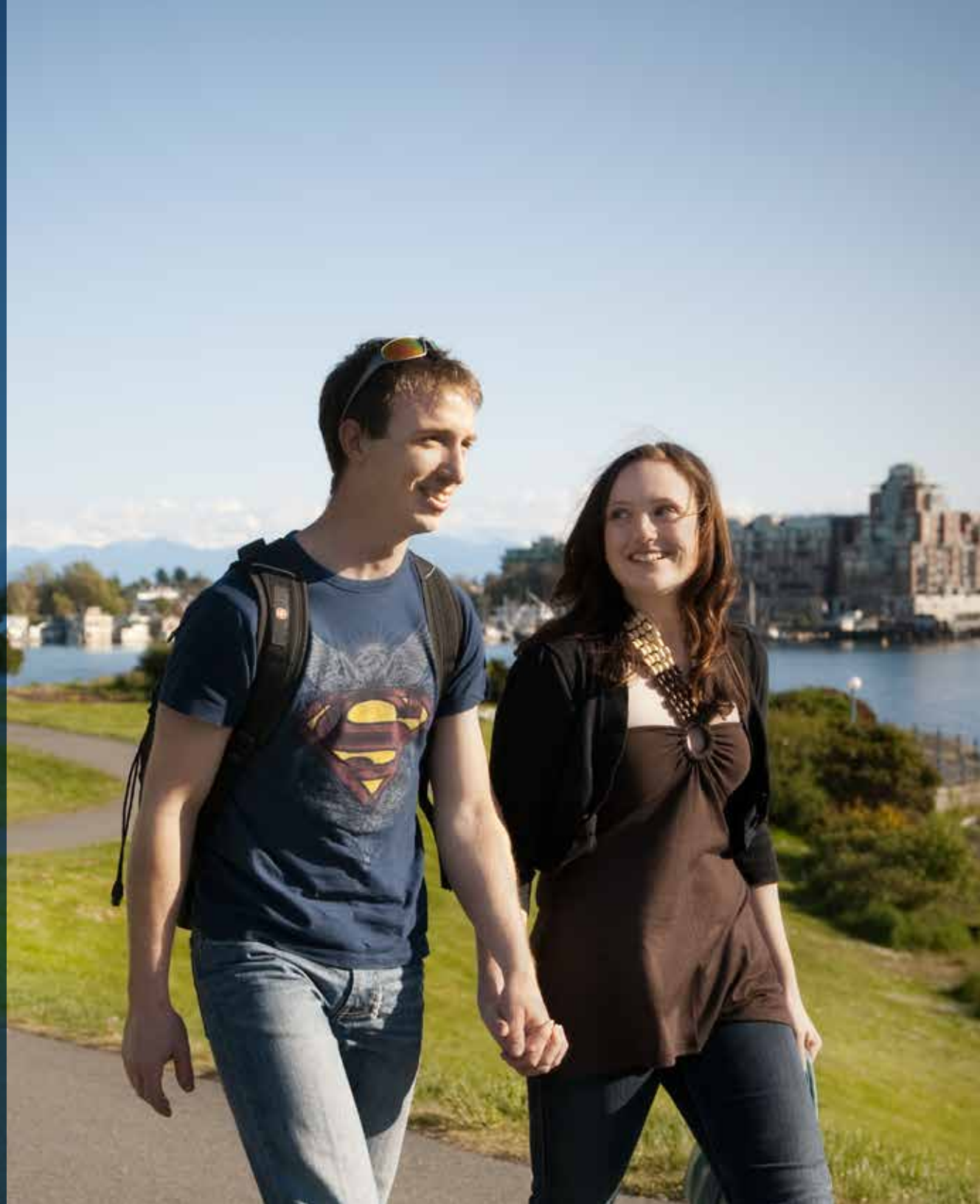
# BACKGROUND

The CRD is the regional government for 13 municipalities and three electoral areas located on Southern Vancouver Island and the Southern Gulf Islands and serves over 383,000 residents. The CRD is governed by a 24-member Board of Directors and is supported by over 75 committees and commissions. As a shared service provider, the CRD has more than 200 service agreements with municipalities and electoral areas.



# HISTORY OF REGIONAL HOUSING AFFORDABILITY STRATEGY

The RHAS was developed to provide a framework to address housing affordability challenges in the capital region. Since 2001, the RHAS has provided an important framework for addressing housing affordability challenges as well as supporting a collaborative regional approach for moving toward the creation of a healthy sustainable housing system – one that supports safe and complete communities and that provides the ability to create a shared regional response to issues of housing affordability and homelessness.

**KEY ACCOMPLISHMENTS OF THE REGIONAL HOUSING AFFORDABILITY STRATEGY**

Table 1 sets out some of the key accomplishments realized through the implementation of the RHAS over the past 10 years.

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**Table 1 – Current CRD Regional Housing Affordability Strategy Accomplishments** ***(continued on next page)***

| Regional Housing Affordability Strategy (2007) | Accomplishments |
|---|---|
| **STRATEGY 1**<br>Secure more funding for non-market and low end of market housing | • $11.7 million in investment through the RHTF helped leverage more than $139 million of capital to build 959 units of affordable housing in the region.<br>• Creation of the $90M RHFP (with $30M each from the CRD and CRD entities, BC Housing, and CMHC) to build housing units to address multiple housing affordability needs, including the needs of individuals experiencing homelessness.<br>• CRHC continued and expanded its role in delivering affordable housing. The CRHC now has 1,286 units of housing and is currently acting on a development strategy to increase its housing portfolio. |
| **STRATEGY 2**<br>Establish and enhance pro-affordability local government policies and regulations across the region | • Contributed to research on municipal policy tools to support affordable housing maintenance and development.<br>• Published the Housing Data Book and Gap Analysis to inform local and regional government policy development and priority setting.<br>• Enabled a better understanding of housing needs by facilitating Housing Needs Assessments within the Saanich Peninsula and Southern Gulf Islands<br>• Provided on-going support to municipalities on affordable housing policies. Since 2007, the majority of municipalities in the region have adopted policies that support secondary and garden suites adding to the supply of units available in the secondary rental market. |

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**Table 1 – Current CRD Regional Housing Affordability Strategy Accomplishments *(continued)***

| Regional Housing Affordability Strategy (2007) | Accomplishments |
|---|---|
| **STRATEGY 3**<br>Facilitate community based affordability partnerships and initiatives | • Facilitated the Housing Affordability Partnership (HAP), which helped bring together partners that supported the development of projects that were approved for RHTF grants.<br>• Facilitated partnerships through the Housing Action Team (HAT), which includes municipal staff, development industry, non-profit and government agency representatives that provide advisory support to the Housing and Hospitals Committee. |
| **STRATEGY 4**<br>Build neighbourhood level support for housing affordability | • Supported the 'From NIMBY to Neighbour' initiative of the Greater Victoria Coalition to End Homelessness (GVCEH) which created education materials that could be used to help support inclusive engagement with neighbourhood groups in development approval processes.<br>• Facilitated educational sessions with housing stakeholders regarding community association best practices that support expedient development approval processes. |
| **STRATEGY 5**<br>Expand the scope of the Victoria Homelessness Community Plan to the region as a whole | • Provided leadership to a regional response to homelessness by administering $5M of Homelessness Partnering Strategy funding on behalf of the Government of Canada and facilitating service coordination within the regional homelessness response system.<br>• Acted as funder by providing $225,000 per year to the GVCEH.<br>• Regional Housing staff participates on GVCEH governance bodies and action groups. |

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***AT LEFT:*** *Completed in 2012, Vergo is the newest Capital Region Housing Corporation project. Comprised of both market and affordable units, these 18 townhouses provide ground-oriented rental housing for households with children. The project was made possible through a $270,000 grant from the Regional Housing Trust Fund.*

## CRD-ENABLED AFFORDABLE HOUSING SUPPLY

This section looks more closely at the results generated through the provision of RHTF grants between 2005 and 2016, including the mix of units that were created as well as the mix of partnerships that were established.

The findings suggest that not only was the CRD able to approve funding for 959 new affordable housing units but the region was able to achieve a funding leverage of almost 12:1. Furthermore, the region was successful in working with over 20 different partners and organizations to add a mix of housing types in response to a range of emerging needs and housing priorities during a period when funding from other government sources for new social housing development was severely limited[23]. Figure 1 provides a breakdown of the different types of housing communities developed through RHTF grants.

[23] As noted earlier the capital region was successful in investing $11M in funding through the RHTF to generate $115M in capital. This represents a leverage of 10 times and contributed to the creation of 875 units of low end of market and non-market housing units

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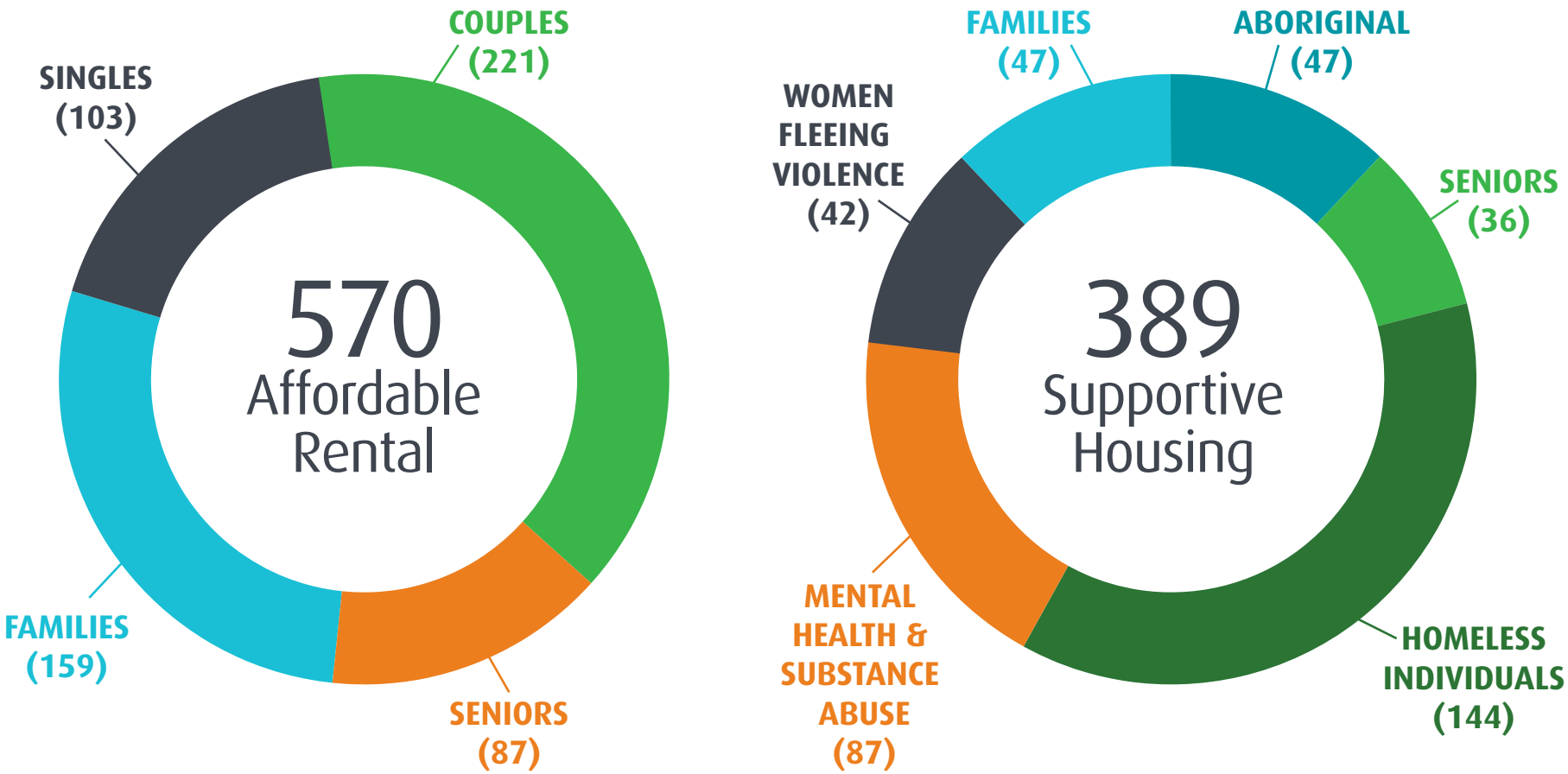
**Figure 1: New Affordable Housing Supply Leveraged Through the RHTF (2006 to 2016)**

*Source: Capital Regional District*

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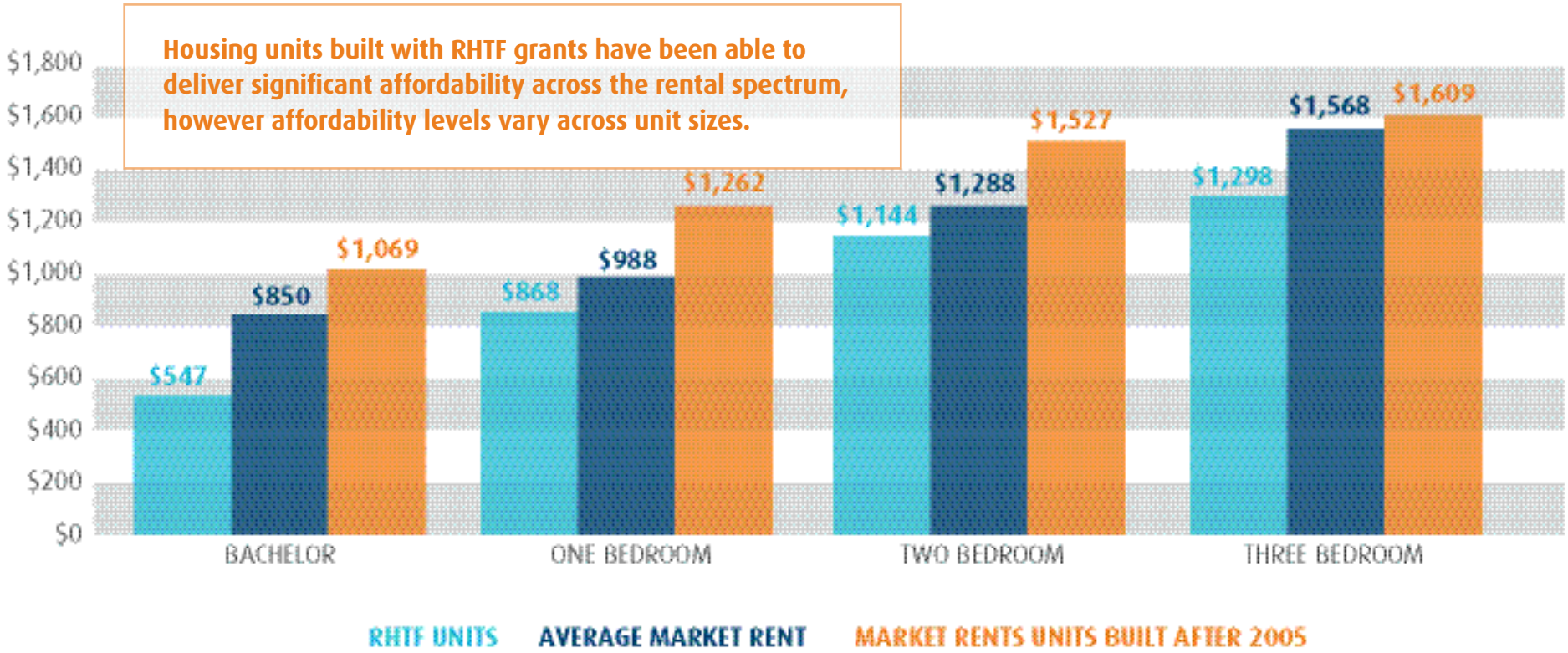
## Figure 2: Average Rents for RHTF-Enabled Supply

*Source: Capital Regional District*




In addition to the diverse range of housing needs that have been met through the units leveraged through the RHTF, Figure 2 shows the general affordability profile of the units created through these initiatives. In particular, the findings show that the RHTF-enabled units achieved the following affordability levels:

- **Bachelor/Studio Units:** The average rent is currently $547 per month (65% of the regional average rent) and is affordable to a household with an annual income of $21,880.
- **1-Bedroom Units:** The average rent is currently $868 per month (88% of the regional average rent) and is affordable to a household with an annual income of $34,720.
- **2-Bedroom Units:** The average rent is $1,144 per month (89% of the regional average rent) and is affordable to a household with an annual income of $45,760.
- **3-Bedroom Units:** The average rent is currently $1,298 per month (83% of the regional average rent) and is affordable to a household with an annual income of $51,920.

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# CURRENT AFFORDABLE HOUSING SERVICES & PROGRAMS

In 1974, the CRD created a Land Banking and Housing Service to acquire land (land banking) or borrow to develop and operate public housing units and in 1982 established the CRHC to operate affordable housing in the region. Currently the Regional Housing Division manages and coordinates the range of housing initiatives and services offered through the CRD.

**THE CAPITAL REGION HOUSING CORPORATION** owns and manages 1,286 units of affordable rental housing for households with low-to-moderate-incomes within 45 non-market housing developments in seven municipalities across the region.

**HOUSING PLANNING AND PROGRAMS (HPP)** facilitates the development of affordable housing through collaboration with other levels of government and in partnership with key non-profit housing and service providers as well as the private sector. These partnerships seek to secure funding to increase the supply of affordable low end of market and non-market housing across the region.

Within this context, HPP is responsible for the delivery of CRD housing programs and services, which includes the following initiatives:

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- **REGIONAL HOUSING FIRST PROGRAM:** A partnership between the CRD, BC Housing, Canada Mortgage and Housing (CMHC) and Island Health to create affordable housing units at provincial shelter rates and provide supports to address the needs of people experiencing homelessness.

- **THE REGIONAL HOUSING TRUST FUND (RHTF):** A voluntary requisition program involving 11 municipalities and 2 electoral areas to provide up to $1 million annually in grants to support the development of affordable rental housing units for moderate to low-income households.

- **HOMELESSNESS PARTNERING STRATEGY:** The CRD administers this Government of Canada Program to deliver funding to programs that address the needs of people experiencing homelessness.

- **GREATER VICTORIA COALITION TO END HOMELESSNESS (GVCEH):** The CRD is a primary funder and participates on key GVCEH committees and working groups and supports community planning efforts to improve the homelessness response system.

- **HOUSING ACTION TEAM:** A working partnership with municipalities, the community housing sector, the private sector and key industry funders and partners to promote an expanded range of affordable housing choices.

- **PLANNING AND RESEARCH:** The CRD produces and consolidates data on housing development as well as provides expertise in the delivery of affordable housing across the region including policy, planning and development support to municipalities, electoral areas, housing providers and community-based service agencies and partners.

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*There is growing evidence that households with children are more open to living in more compact communities providing the necessary amenities can be found close by.*

# THE NEED TO UPDATE THE STRATEGY

The housing market has changed and government policies at the local, provincial and federal levels have evolved substantially over the past decade. The CRD has also recently adopted a renewed RGS. This revision of the RHAS, aligns future actions to relevant CRD plans so that the CRD, its member municipalities and electoral areas, its partners in government, the non-profit and co-op housing sectors as well as private sector stakeholders will be able to effectively respond to the needs of current and future residents. This revised Strategy provides a foundation for operationalizing CRD programs, policies and services that can help create and sustain a diversity of safe, secure, affordable and accessible housing options throughout the region.

## THE REGIONAL GROWTH STRATEGY

The RGS sets out a vision for the future of the capital region and is used to help guide and inform decisions on regional issues such as transportation, population growth and settlement patterns. Key strategies and actions within the RGS are designed to promote the long term livability of the region by enhancing social, economic and environmental performance. Within the context of the broader RGS, there are two housing related objectives.

These include:

- Policies designed to promote and support a range of housing types and tenures across the housing spectrum to meet the needs of individuals of all ages, incomes and abilities; and,

- An emphasis on initiatives to improve housing affordability including the provision of a mix of housing types (market and non-market).

In adopting these strategies a central focus has been on the development of initiatives that will provide families and individuals across the capital region with a reasonable degree of choice in terms of type, tenure, price and location.

## CHANGING MUNICIPAL POLICIES AND REGULATION:

Over the past decade the municipalities and electoral areas of the capital region have advanced policies, regulations and programs to address housing affordability. Outreach to local governments as well as a survey of local municipalities has helped to identify the range of approaches and practices that have been adopted in the capital region.

### Inclusionary policies/zoning:

A number of local municipalities across the capital region are using a variety of tools to increase the supply of affordable housing units, particularly rental units. In particular, the use of amenity contributions and density bonus policies are used by municipalities

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to direct funds towards supporting affordable housing developments. Some municipalities have also developed inclusionary housing guidelines in designated zones and areas in order to increase the supply of affordable units, particularly in areas close to transit and other amenities.

**Intensification and tenure through rezoning and alternative development standards:**
The majority of local municipalities in the capital region have adopted policies to allow for secondary suites in owner-occupied dwellings. In addition, some municipalities are looking at provisions around other forms of gentle densification such as laneway houses, coach houses or garden suites. These forms of housing provide a means of adding additional rental housing units in existing neighbourhoods.

Local municipalities use elements of Alternative Development Standards which can help reduce the overall costs associated with development, these elements include, but are not limited to:

- Allowing for infill and housing forms that contribute to gentle density,
- Reduced parking requirements and exemptions from parking requirements particularly for developments in village or urban centre which have easy access to public transit hubs and other alternative forms of transportation, and
- Allowing for smaller/narrow lot sizes, and other forms of gentle densification that allow for more affordable housing forms and types to integrated without having a significant impact on existing neighbourhoods.

**Reducing costs by streamlining approvals and other incentives:**
Some municipalities have also adopted policies or measures to help to streamline application and approval processes for new purpose built rental developments. As well, some municipalities have also made provisions to waive or reduce certain fees, and/or to offer property tax forgiveness or exemptions as well as preferential rates as a means of encouraging the development of new affordable rental housing units.

**Covenant tools:**
Many local municipalities have adopted the use of Housing Agreements as a way of securing affordable housing units in both new housing developments and conversions. These agreements are usually considered at the time of re-zoning and provide an important mechanism for helping to ensure on-going affordability and tenure over time.

**Capacity building:**
Some municipalities have also developed, or are in the process of developing their own local Housing Strategies. These are strategic documents which can be used to guide local decision-making and are designed to help achieve local and regional housing affordability goals.

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## LINKING HOUSING AND TRANSPORTATION

The growing housing demand pressures and the rising cost of housing can place stress on some household budgets. In order to find suitable and appropriate housing that better meets the needs of their families some households have made the trade-off between getting into the ownership market by having longer commuting times while others may choose to have a shorter commute but face higher housing costs.

Transportation costs can also add to a household's overall monthly expenses, with information from most recent data from the Survey of Household Spending suggesting that a household in BC spends on average $10,381 annually operating a vehicle[22]. This translates into an average monthly cost of $865 per month and is on top of all of the other monthly costs that households incur including food, clothing, transportation and basic communication. For many households with low to moderate incomes these costs place significant pressure on a household budget that is already stretched. For lower income households many of whom are renters the choices can be increasingly more constrained both in terms of where they live and in terms of the range of transportation and commuting options that are available. To this end, there is growing recognition of the importance of the linkage between housing affordability and transportation with access to reliable public transit being an important element of the housing solution for many communities. This includes adopting policies that promote and support transit-oriented development including mixed income and mixed tenure housing developments.

In adopting these types of policies, it is also worth noting that good access to public transit not only helps to ensure that households across the region have good access to employment and other services but can also help to contribute to the achievement of broader environmental goals and objectives around climate change and sustainability. This can be achieved by providing for an expanded range of transportation choices that can reduce dependence on the use of cars and focusing density in areas where rapid, mass transit options are easily available.

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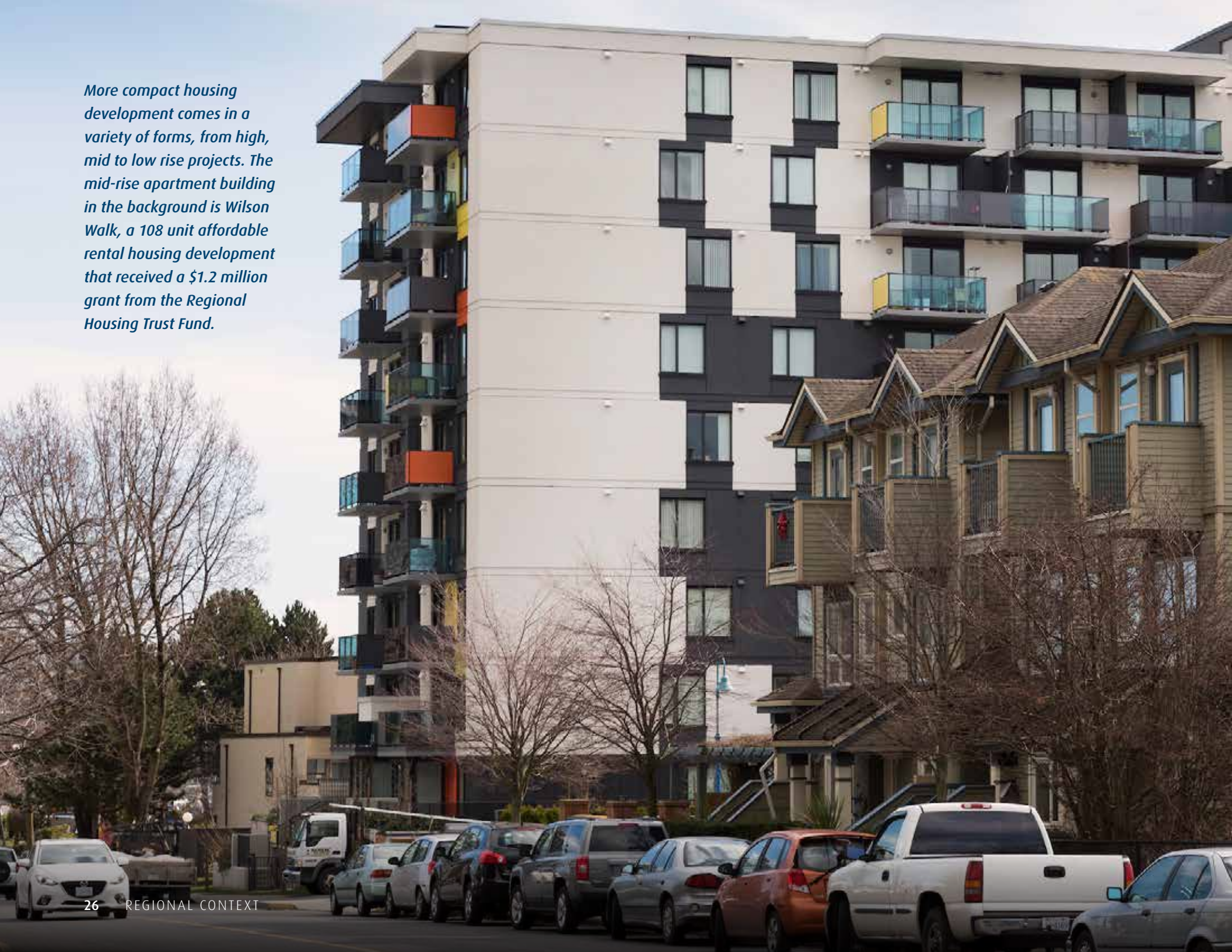
# REGIONAL CONTEXT



*More compact housing development comes in a variety of forms, from high, mid to low rise projects. The mid-rise apartment building in the background is Wilson Walk, a 108 unit affordable rental housing development that received a $1.2 million grant from the Regional Housing Trust Fund.*

# REGIONAL DEMOGRAPHICS

## RESPONDING TO ON-GOING HOUSING AFFORDABILITY CHALLENGES

**Different Households Experience Housing Affordability Challenges in Different Ways:** Housing affordability is linked to both a household's ability to pay for their housing as well as the ability of a household to find housing that is suitable in condition and adequate in size at a price that they can afford. As shown in Figure 3, of the 20,870 households in core housing need in 2011[19]:

- **Families accounted for approximately 40% of households in core housing need:** Approximately 8,330 (40%) were family households including 3,395 single parent family households. Of these families approximately 5,520 (66%) were renters.[19]
- **Single person households accounted for approximately 54% of households in core housing need:** Of these single person or non-family households (both single senior and non-senior) the majority (75%) were renters.
- **Older generations and households living on a fixed income can face significant housing challenges:** Approximately (45%) were senior or near senior households (55 and older). As well, the majority were renters.[21]
- **People with disabilities are more likely to be in core housing need:** Almost half (10,710) reported that they had a health and activity limitation with the majority of these households (almost 70%) being renters.

- **Indigenous People:** Indigenous people face disproportionately higher levels of homelessness with nearly 33% of the people experiencing homelessness in the region claiming Aboriginal ancestry (Point in Time Count, 2016). The Canadian Human Rights Commission also reports that 20.4% of Canada's Indigenous people are in core housing need while only 12.4% of non-Indigenous populations face the same challenges. Indigenous people are also more likely to report discrimination in access to all forms of housing.

- **Newcomers to Canada frequently experience housing challenges:** Approximately 1 in 5 people experiencing core housing need were immigrants or recent immigrants who had moved to Canada within the previous 10 year period.

**On-going population and household growth pressures:** The capital region has grown by more than 38,000 individuals (17,000 household) over the past 10 years and grew at a faster rate than the province over the past five years.

### Figure 3: Characteristics of Households in Core Housing Need

*Source: Statistics Canada, Core Housing Need for Canada, the Province and Territories for 2006, 2011 and 2016 and CMHC data published through their Housing Market Information Portal for the Victoria CMA (2006 and 2011).*

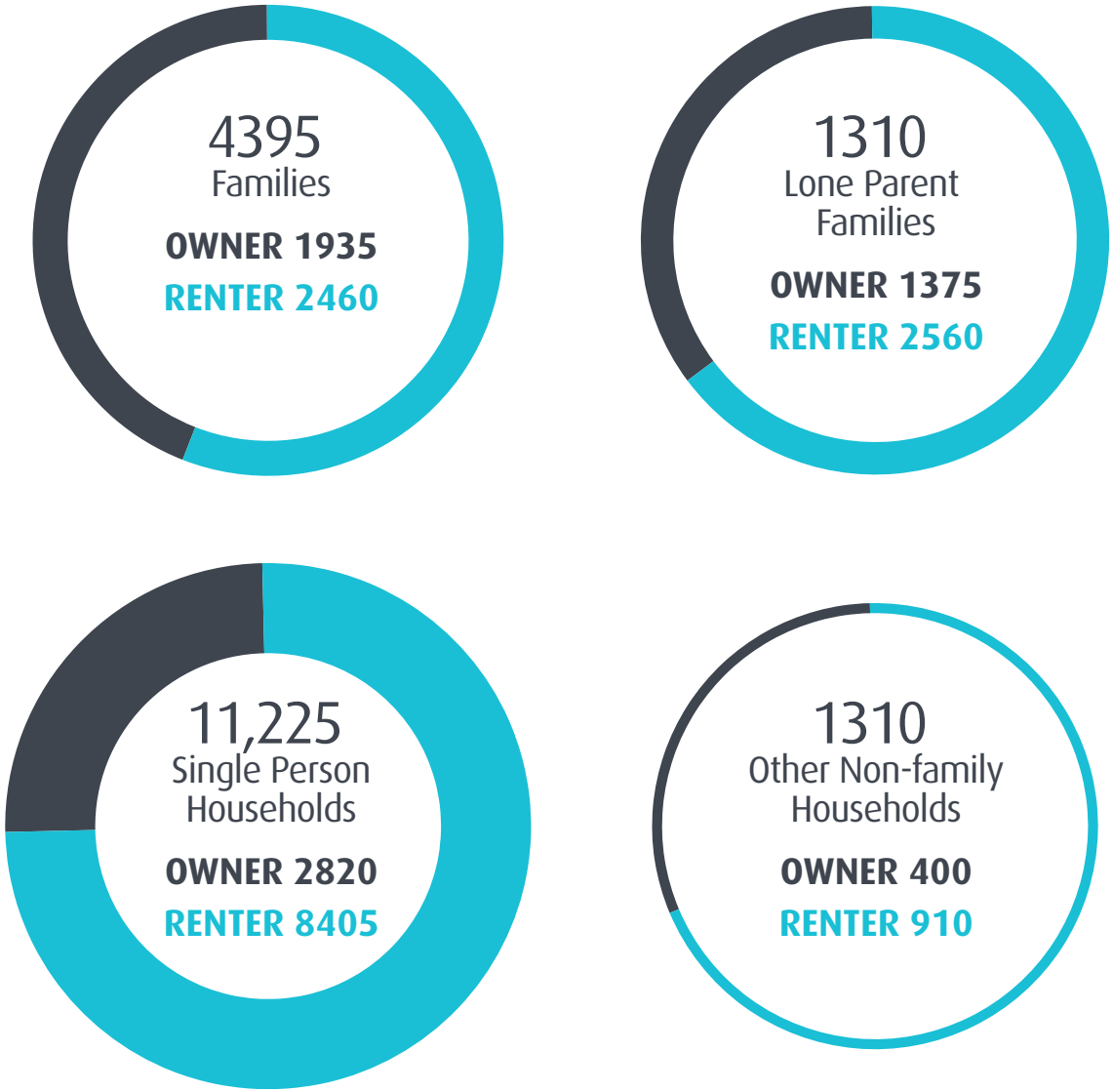



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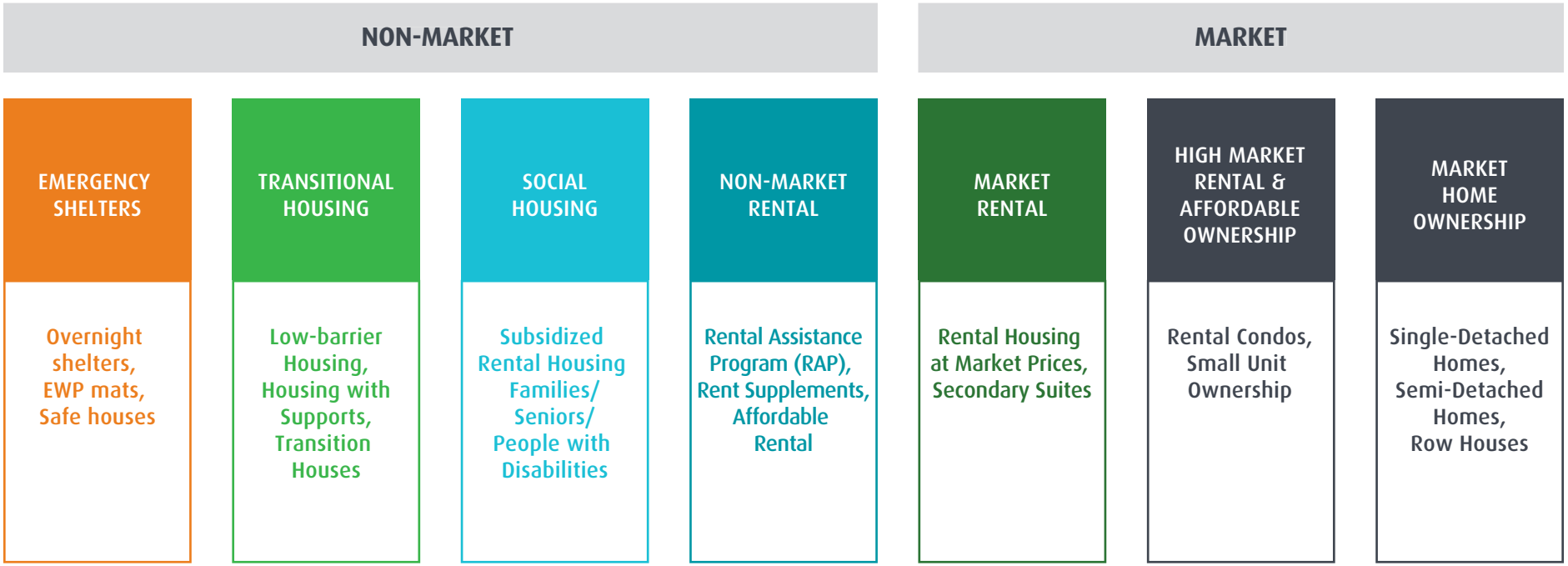
**Figure 4: The Housing/Shelter Spectrum**




# CURRENT HOUSING SUPPLY

### RESPONDING TO AFFORDABILITY CHALLENGES ACROSS THE HOUSING SPECTRUM

Figure 4 shows the range of housing choices across the housing spectrum. This includes both market and non-market housing options including both ownership and rental housing. Table 2 summarizes the range of emergency shelter beds, rent supplements and housing units that make up the overall supply of shelter and housing options available in the region.

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## Table 2: Regional Housing Supply (continued on next page)

| Housing/Shelter Types | Supply |
|---|---|
| **EMERGENCY AND TRANSITIONAL HOUSING SPACES**<br>• **Overnight shelters**<br>• **EWP mats**<br>• **Safe houses**<br>• **Low barrier housing**<br>• **Housing with supports**<br>• **Transitional housing** | • As of March 2017, BC Housing reported that there were 142 emergency shelter spaces and 692 individuals housed in transitional and supported housing across the capital region as well as 80 units of transitional housing for women fleeing violence.[8]<br>• There were 1,387 individuals across the capital region identified as being homeless on the night of the 2016 Point in Time count.[9]<br>• According to the 2016 Point in TIme Count a disproportionate number of the people who experience homelessness identify as Aboriginal (32.6%). Only 4.7% of the regional population claims Aboriginal ancestry (2016 Census). |
| **SOCIAL HOUSING AND NON-MARKET HOUSING CHOICES**<br>• **Subsidized rental housing for families, seniors and people with disabilities** | • As of March 2017, BC Housing reported that there were 4,679 subsidized rental housing units for low income families, seniors and people with disabilities[10]. As well, there were 1,418 units of supportive housing for low income seniors who require some level of support to maintain their independence[11].<br>• The overall supply of social and affordable housing includes 1,286 units which are managed and administered by the CRHC and which represents almost 12% of the existing inventory of subsidized housing stock and 2% of the rental housing stock in the CRD. |
| **RENT ASSISTANCE FOR SENIORS AND FAMILIES LIVING IN THE PRIVATE RENTAL MARKET**<br>• **Rental assistance programs (SAFER and RAP)**<br>• **Rent supplements**<br>• **Below market units** | • As of March 2017, BC Housing reported that there were 2,810 households receiving rent assistance. This includes 788 families receiving assistance through RAP (Rental Assistance Program for Families) and 2,022 seniors receiving assistance through SAFER (Shelter Aid for Elderly Renters)[12].<br>• Combined this represents approximately 5% of all renter households in the capital region and approximately 25% of the subsidized housing stock. |

[8] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

[9] More than a Number: 2016 Greater Victoria Point in Time Count Summary Report prepared by the Community Social Planning Council of Greater Victoria

[10, 11, 12] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

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## Table 2: Regional Housing Supply (continued)

| Housing/Shelter Types | Supply |
|---|---|
| **MARKET RENTAL HOUSING – LOW END AND HIGHER END UNITS – PURPOSE-BUILT AND SECONDARY RENTAL MARKET**<br>• **Purpose-built rental housing stock**<br>• **Secondary suites**<br>• **Rented single detached, semi-detached and row house units**<br>• **Rented condo apartment units** | • The existing inventory of purpose-built rental housing accounts for approximately 40% of the existing rental housing stock. Of the 62,270 renter households in the capital region, 24,855 (40%) were living in purpose-built rental housing[13].<br>• There were also 37,415 households who were renting and who were living in housing in the secondary rental market[14]. |
| **OWNERSHIP INCLUDING ENTRY-LEVEL OWNERSHIP OPPORTUNITIES** | • At the time of the 2016 Census, there were 107,775 households in the capital region that were part of the ownership market including 60,677 (56.3%) with a mortgage and 47,098 households without a mortgage. It also includes 13 households who were able to gain access to the entry-level ownership market through down payment assistance offered to first-time buyers through the BC HOME program[15]. |

[13] Canada Mortgage and Housing Corporation. 2017. Rental Market Report: Victoria CMA. Released December 2017.

[14] The secondary rental market includes households living in rented single detached, semi-detached and duplex units as well as rented apartment condo units which are part of the secondary rental market.

[15] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

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# HOUSING MARKET

It is important to understand the context in which the region currently finds itself. The capital region is a dynamic place, ever changing and ever growing. Growth has been and is expected to be differential depending on where in the region you look. New strategies have to take into consideration population trends, current housing supply, housing market dynamics as well as the evolution of government policy and the emergence of First Nations as significant stakeholders in housing development.

**INCREASING HOUSING COSTS AND AFFORDABILITY CHALLENGES:**

- The capital region has experienced significant price increases over the past 15 years with a major gap in prices developing among different housing types, putting ownership of a single detached home out of reach for most residents (See Figure 5).
- CMHC research indicates that housing prices have been impacted by demand-side factors such as income and population growth, migration patterns and favourable interest rates.[1]
- Supply-side factors are also at play, including the general income profile of households in the community, supply-side constraints, investment-driven demand and speculation, as well as ease of access to mortgage credit.

[1] Canada Mortgage and Housing Corporation. 2018. Examining Escalating House Prices in Large Canadian Metropolitan Centres: Ottawa: February 5, 2018.

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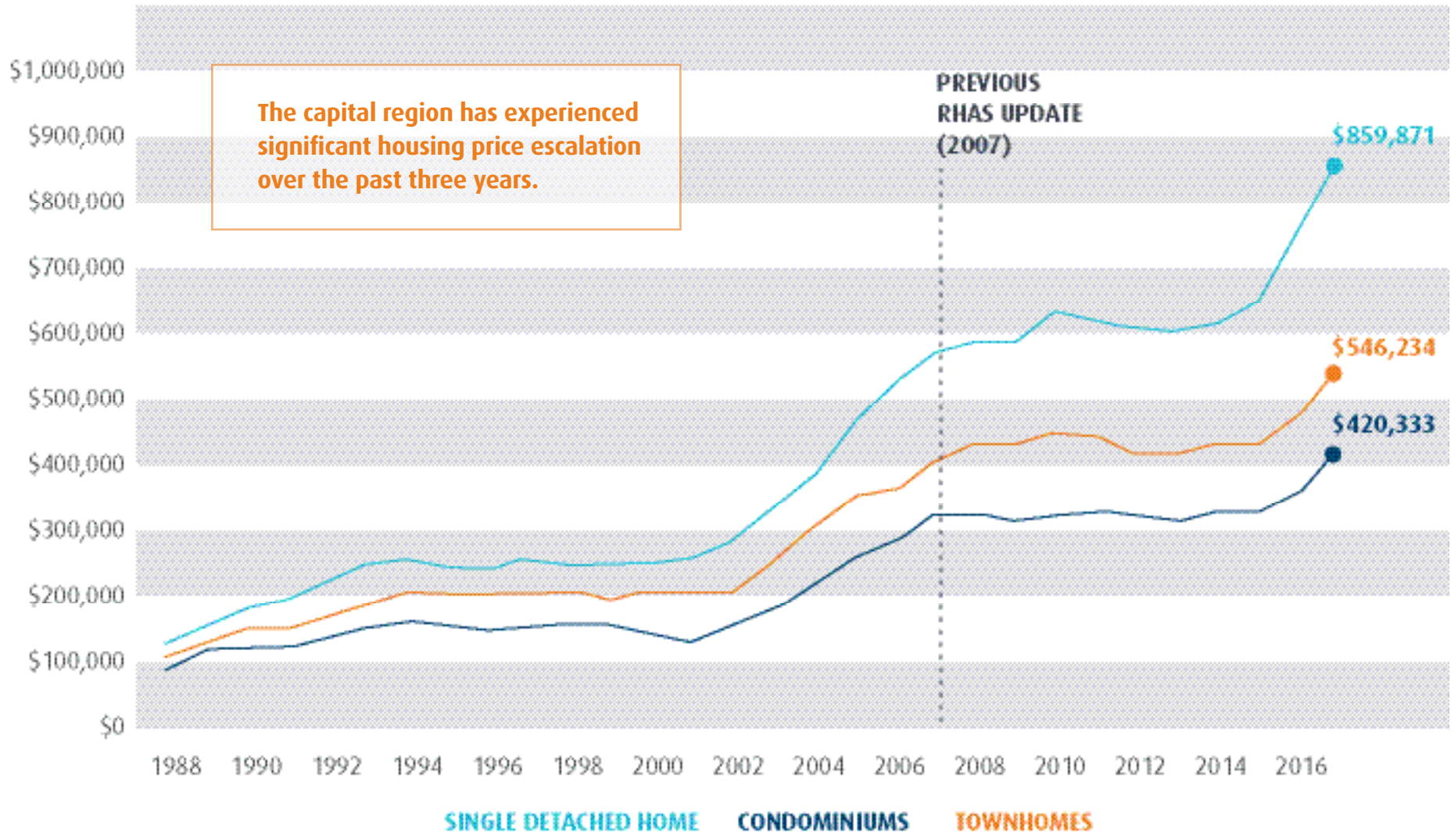
**Figure 5: Average Selling Price by Housing Type - Capital Region 1988-2017**

*Source: Victoria Real Estate Board, Historic Average Prices, December 2017.*

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- The research also observed that local housing market conditions and land use planning decisions and policies can influence both supply and price.

- Average market rent for a unit in the Victoria CMA went up 8% or $78, from $994/month in 2016 to $1,072/month in 2017.

- Newer purpose-built rental housing stock rents at a much higher rate with a 2-bedroom unit in the Victoria CMA built after 2005 currently renting at $1,527 per month.

- Increases in rent put pressure on existing rent supplement programs for the 788 families[2] and 2,022 seniors[3] who rely on these programs to keep their rents below 30% of their gross income.

**RENTAL SUPPLY AND DEMAND:**

- Based on the most recent CMHC Rental Market Report there are approximately 24,855 purpose-built rental housing apartment units across the Victoria CMA.

- Garden and secondary suites as well as rented condominiums, single detached, semi-detached and row houses also represent an important source of rental housing[4] but there is limited supply and these options don't provide the same level of security of tenure as the purpose-built market.

**THE RISING COST OF OWNERSHIP HAS INCREASED THE DEMAND FOR RENTAL HOUSING.[5]**

- Between 2011 and 2016 Metro Victoria added 9,340 new households of which almost 80% chose to rent[6] yet added only 1,026 new rental housing units.

- Excess rental demand was absorbed through the secondary rental market (rented single detached homes, basements and garden suites as well as rented condo apartment units).

- The secondary rental market cannot continue to meet this demand and there already is an estimated shortfall of 6,200 rental housing units in the capital region.[7]

[2] RAP is Rental Assistance for Families. Under the RAP Program, the rent ceiling is set at $970 for a two-bedroom unit and $1,015 for a three-bedroom unit. At the same time the most recent rental market information for the Victoria CMA is $1,288 for a 2-bedroom unit and $1,568 for a 3-bedroom unit.

[3] SAFER is the Shelter Aid for Elderly Renters program. It provides rent assistance to low income seniors living in the private rental market. Under the SAFER program, the rent ceiling for a bachelor unit is $667 per month while the rent ceiling for a one-bedroom unit is $727 per month. At the same time the most recent rental market information for the Victoria CMA shows an average market rent of $850 for a bachelor unit and $988 for a 1-bedroom unit.

[4] Most analysts agree that these units represent an important source of rental housing supply but should not be viewed as a replacement for purpose-built rental housing. (Starr Group, Secondary Suite Market Study, 2000; McClanghan & Associates, City of Vancouver Rental Housing Synthesis Report: 2010)

[5] CMHC Rental Market Report Victoria CMA (December 2017)

[6] This translates into 7,385 households as published in CMHC Rental Market Report: Victoria CMA (2017:2)

[7] This includes 3,024 units that are affordable to households with an average annual income of $22,378 per month (households in core housing need) as well as 3,176 units that are affordable to households with an average annual income of $55,511) which BCNPHA describes as the "missing middle".



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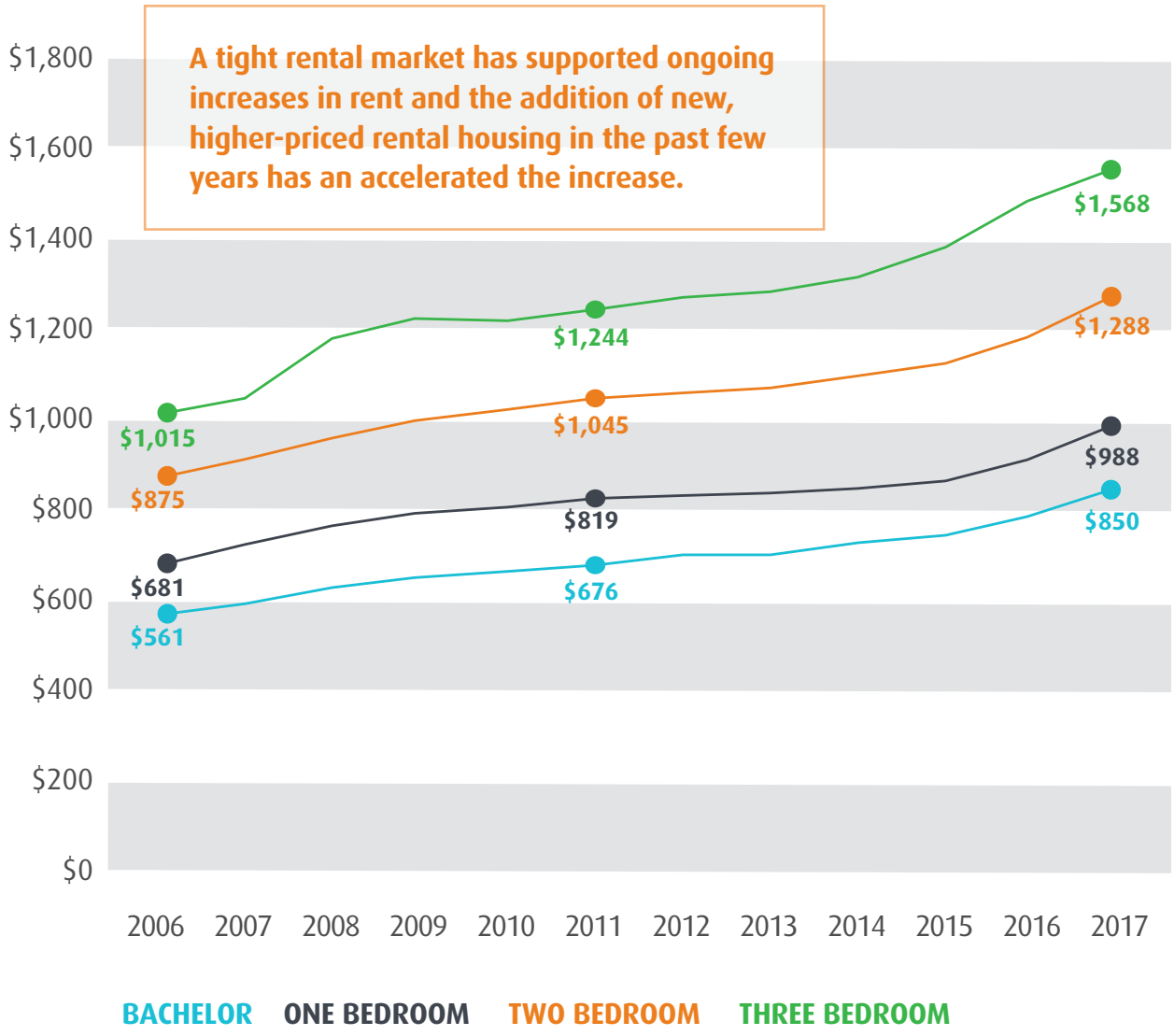
## Figure 6: Average Monthly Rents by Unit Size -2006 to 2017

*Source: CMHC Canadian Housing Observer: Housing Market Indicators, Victoria CMA 2006 to 2016 as well as information from CMHC's Rental Market Report: Victoria CMA published December 2017.*




**DIFFICULT RENTAL MARKET CONDITIONS:**

- The region has an overall vacancy rate of 0.7 per cent including a vacancy rate of zero for 3-bedroom units which creates upward pressure on rents, fewer housing choices for low to moderate income households and a worsening of the overall affordability profile.
- There are growing threats of potential loss within the older and often more affordable rental housing stock.

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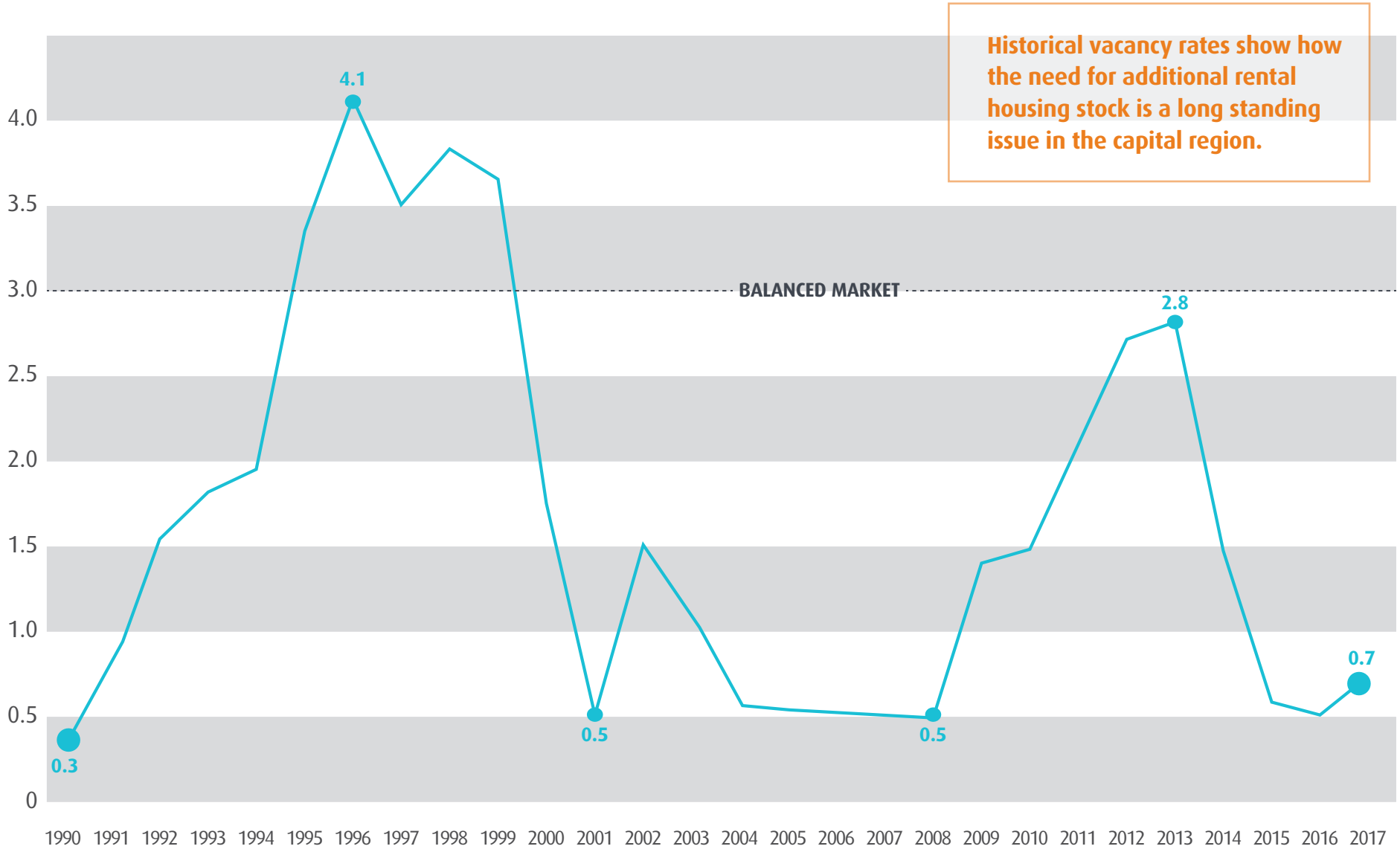
## Figure 7: Vacancy Rates Across the Capital Region 2006 to 2017

*Source: CMHC Canadian Housing Observer: Housing Market Indicators, Victoria CMA 2006 to 2016 as well as information from CMHC's Rental Market Report: Victoria CMA published December 2017.*

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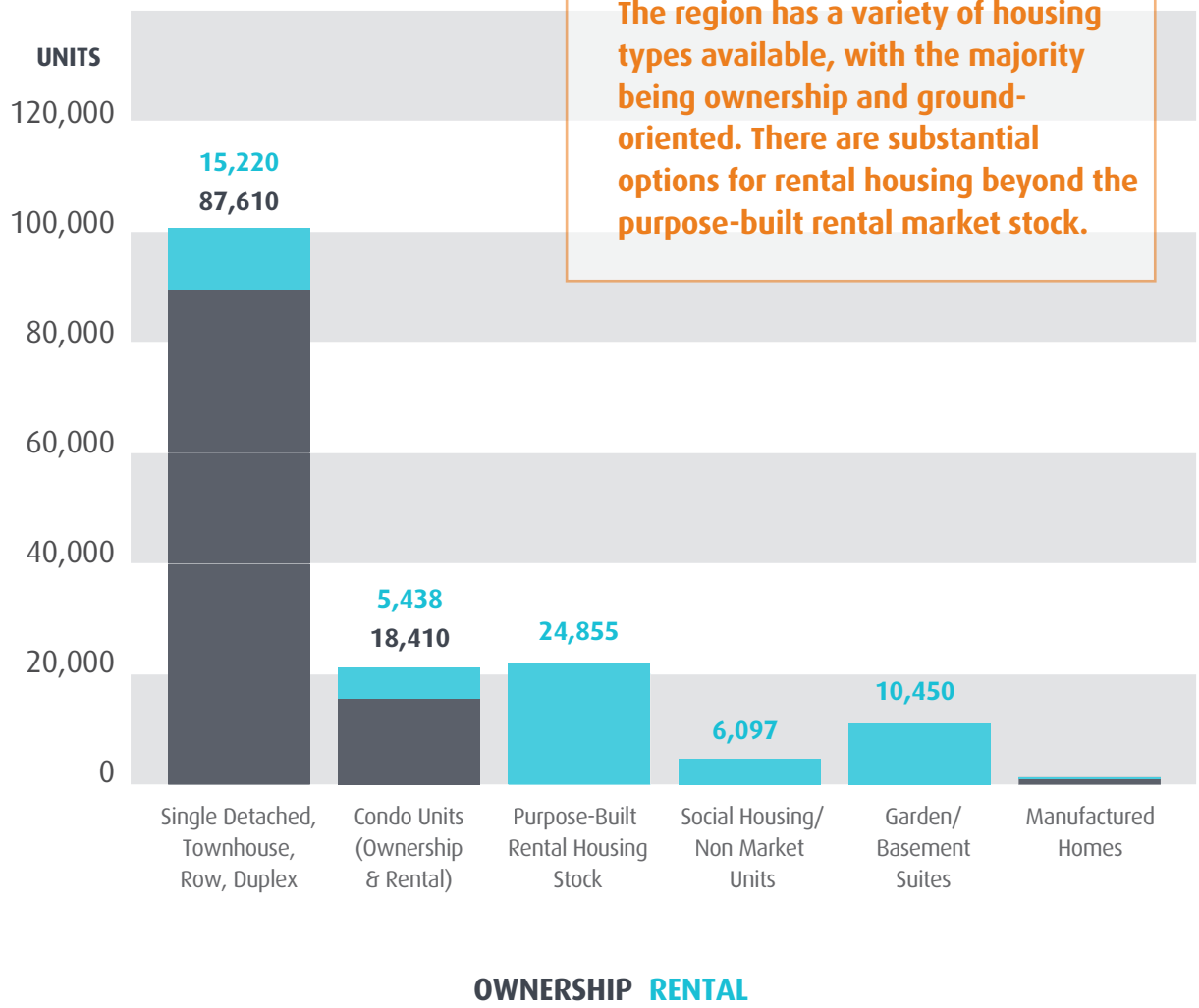
## Figure 8: The Inventory of Rental Housing Stock in the Capital Region

*Source: 2016 Census, CMHC Rental Market Report and BC Housing Subsidized Housing Portfolio Unit Count Report 2017.*




**The region has a variety of housing types available, with the majority being ownership and ground-oriented. There are substantial options for rental housing beyond the purpose-built rental market stock.**

### SUPPLY CONSTRAINTS AND DEVELOPMENT PRESSURES:

- Overall the housing supply system regionally and nationally has felt on-going pressure from increased demand.
- Rental housing starts have increased substantially in the capital region over the past five years suggesting the investment climate for new rental housing has been reasonably favourable (Figure 5).
- It is difficult to make affordable rental project economics viable without financing or capital funding incentives hence rents in new market projects are much higher than the region's average.

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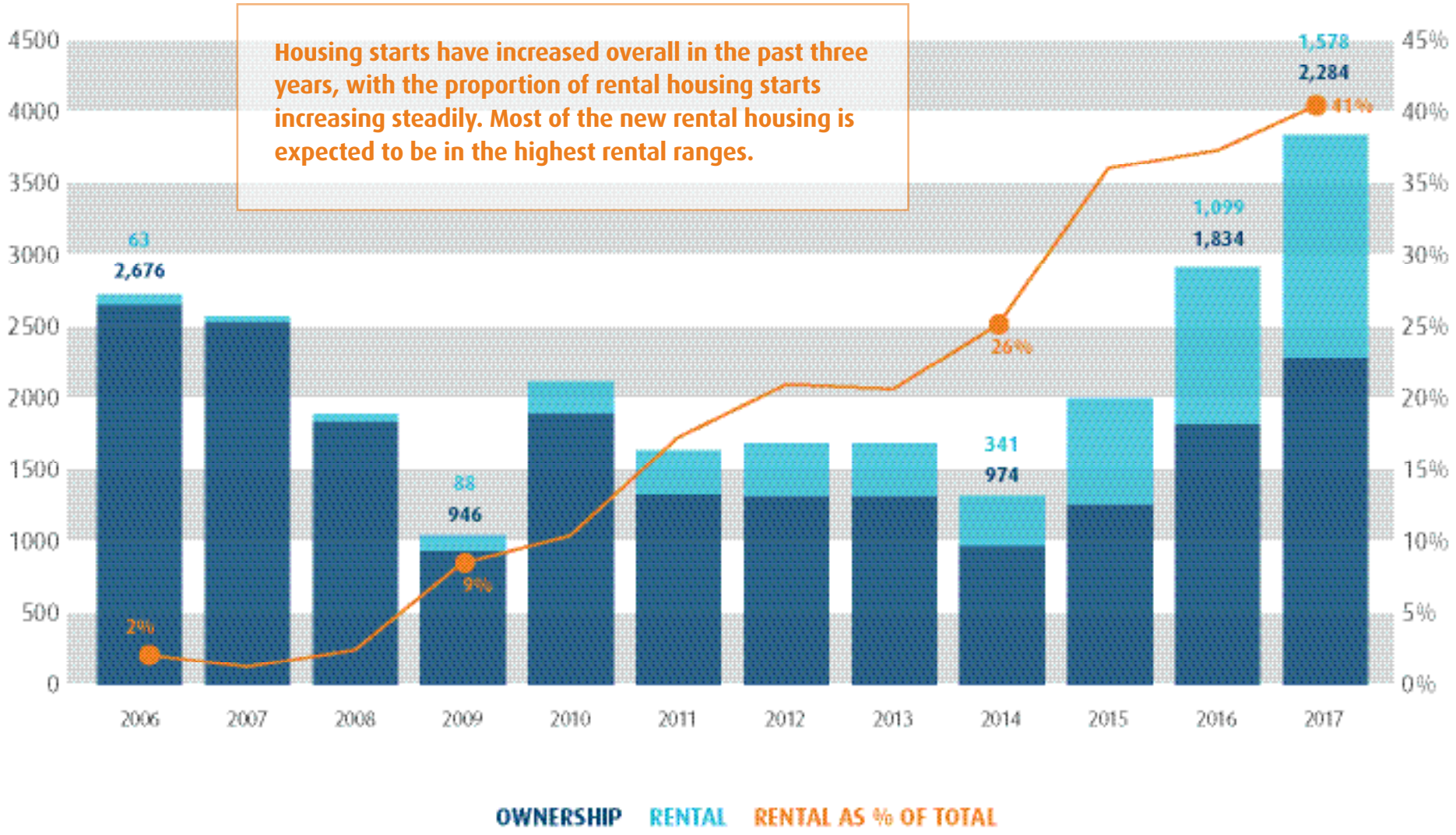
**Figure 9: Housing Starts – Victoria CMA 2006 to 2017 (CMHC)**

*Source: Canada Mortgage and Housing Corporation, Housing Now, 2015-2017.*

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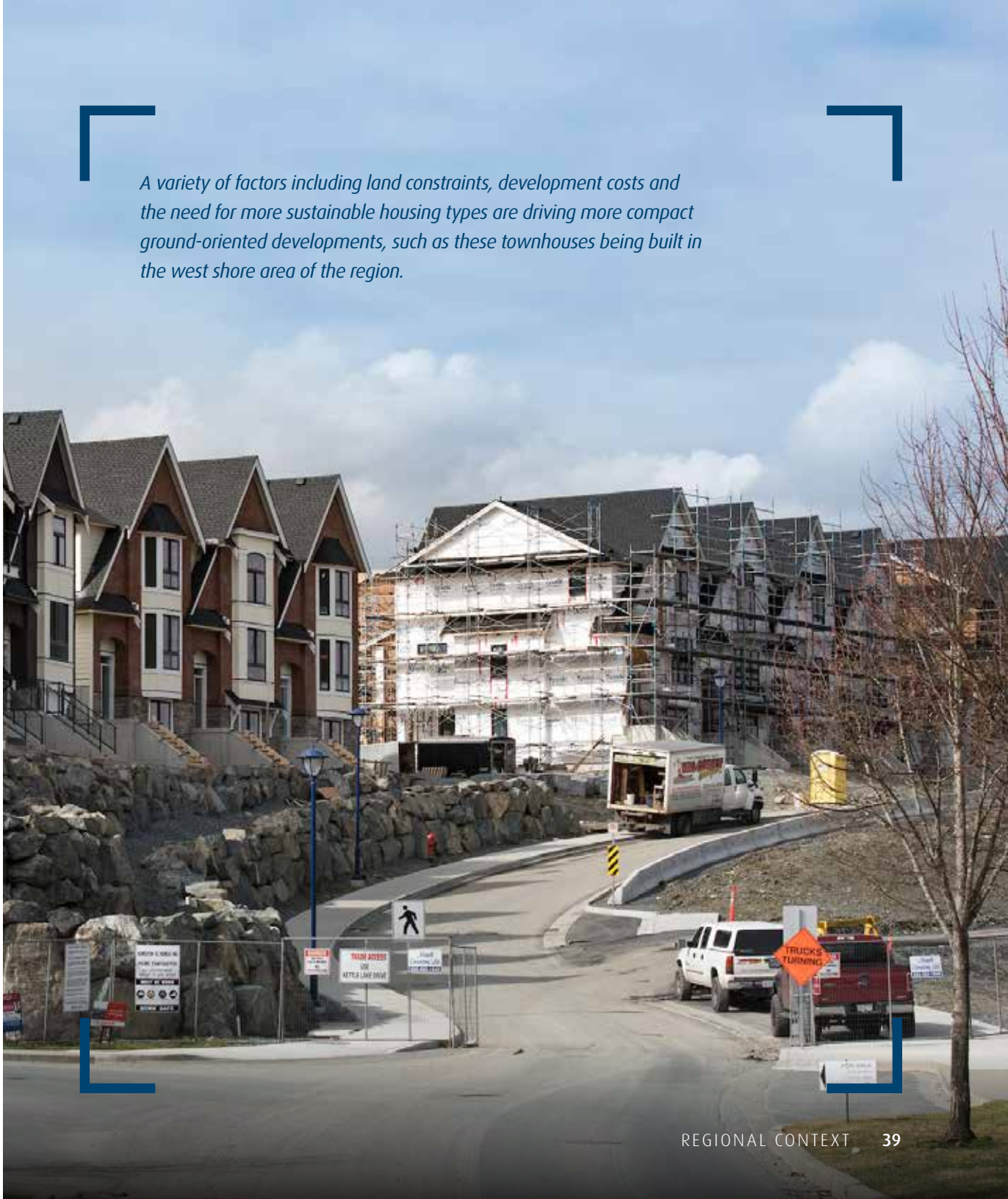
- Even with the strong rental housing starts across the capital region in recent years, the creation of new purpose-built rental housing stock is extremely vulnerable to external market forces including changes in interest rates and other factors.

- While local governments can help to enable and encourage new rental housing supply they do not have the financial resources or regulatory authority needed to address affordability challenges on their own. As a result there is the need for all levels of government to work together in order to address on-going housing affordability challenges including the specific needs of households with low to moderate incomes




*A variety of factors including land constraints, development costs and the need for more sustainable housing types are driving more compact ground-oriented developments, such as these townhouses being built in the west shore area of the region.*

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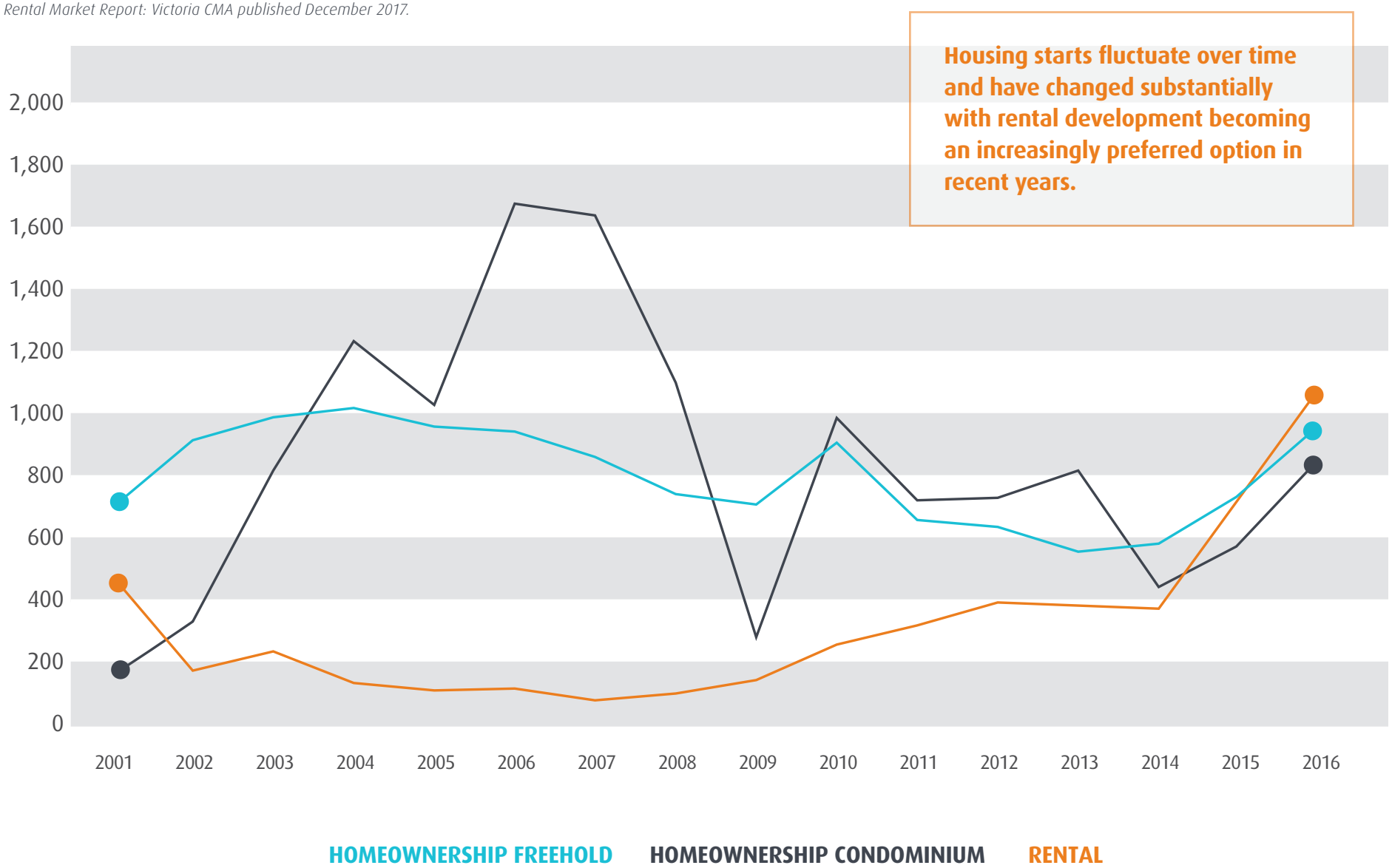
## Figure 10: Housing Starts in the Capital Region by Intended Market - 1990 to 2016

*Source: CMHC Canadian Housing Observer: Housing Market Indicators, Victoria CMA 2006 to 2016 as well as information from CMHC's Rental Market Report: Victoria CMA published December 2017.*

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## Table 3: Housing Starts by Intended Market 2006 to 2017

*Source: CMHC Housing Now Reports: Capital Region (2006-2017)*

| Year | Ownership | Rental | | | Total Starts | |
|---|---|---|---|---|---|---|
| | SINGLE DETACHED, SEMI DETACHED ROW | APARTMENT | APT & OTHER | TOTAL RENTAL | TOTAL STARTS | RENTAL AS % OF TOTAL |
| 2006 | 2,676 | 35 | 28 | 63 | 2,739 | 2% |
| 2007 | 2,551 | 28 | 0 | 28 | 2,579 | 1% |
| 2008 | 1,853 | 52 | 0 | 52 | 1,905 | 3% |
| 2009 | 946 | 88 | 0 | 88 | 1,034 | 9% |
| 2010 | 1,900 | 124 | 94 | 218 | 2,118 | 10% |
| 2011 | 1,359 | 41 | 242 | 283 | 1,642 | 17% |
| 2012 | 1,340 | 20 | 340 | 360 | 1,700 | 21% |
| 2013 | 1,338 | 23 | 324 | 347 | 1,685 | 21% |
| 2014 | 974 | 34 | 307 | 341 | 1,315 | 26% |
| 2015 | 1,282 | 13 | 713 | 726 | 2,008 | 36% |
| 2016 | 1,834 | 48 | 1,051 | 1,099 | 2,933 | 37% |
| 2017 | 2,284 | 97 | 1,481 | 1,578 | 3,862 | 41% |
| **Total** | **20,337** | | | **5,183** | **25,520** | **20%** |

### INCREASED HOUSING SPECULATION AND EXTERNAL DEMAND PRESSURES:

- Like other regions within BC and the rest of Canada, the capital region continues to experience upward pressure on housing prices through increased speculation.
- These general patterns and trends make it increasingly difficult for many moderate and low to moderate income households and individuals to gain access to the rental or ownership markets.
- Adding to the pressure is the increasing trends toward the use of what would be residential properties as short-term rental accommodation and short-term vacation purposes, which has contributed to increased competition for available housing units.

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# GOVERNMENT CONTEXT

**GOVERNMENT OF CANADA'S NATIONAL HOUSING STRATEGY:**

In November 2017, the federal government announced that there will be over $40 billion available to support the implementation of a National Housing Strategy over the next 10 years. This Strategy will be supported by human-rights based legislation which will require that the federal government maintain a commitment to providing an annual report to Parliament on specific housing outcomes and targets realized.

Key elements of the strategy include:

- A National Housing Co-Investment fund to create new affordable housing units and repair and upgrade of existing community and affordable housing stock;
- A Community Housing Initiative to stabilize the operations and maintain the current stock of federally administered community housing programs;
- Improve access to ownership for targeted groups;
- The introduction of a rental benefit which will be provided directly to eligible households;
- Expanded funding for homelessness programs; and
- A "whole-of-government" approach that aligns housing objectives with other key social policy areas such as employment, healthcare, education and preventing violence against women.

**PROVINCIAL INVESTMENT:**

Current provincial programs, delivered through BC Housing, include: the Housing Hub; the Provincial Investment in Affordable Housing (PIAH); Building BC Community Housing Fund; and the Community Partnerships Initiatives which provides long-term financing, as well as advice and support for partnership development to create affordable housing.

The province has also recently introduced strategies designed to:

- Stabilize the market;
- Provide for an expanded range of housing choices;
- Build and strengthen partnerships for new affordable housing units; and
- Preserve and protect the existing affordable housing stock.

In the recently released *30 Point Plan for Housing Affordability in British Columbia* the province outlined a number of strategies and actions including commitments to:

- Increased investment in new housing development including a commitment to building 114,000 new affordable homes;

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- Providing housing for the "missing middle" which includes housing for BC's middle income earners;
- Providing housing for women and children who are affected by violence;
- Partnering to build supportive housing for Indigenous people, post-secondary students; and
- Working with communities to address the issue of homelessness.

**FIRST NATIONS:**

Traditionally, the development of housing for First Nations came through their formal relationships with the Government of Canada with most bands becoming responsible for managing housing on-reserve. Much of this stock is old and in need of repair or redevelopment.

In recent years, First Nations have been seeking new opportunities to use both on-reserve and off-reserve lands for housing purposes, and have negotiated increased levels of responsibility for development of new housing to meet their community needs.

Each Nation is unique and has different resources and options available to develop and operate new housing for their populations living both on and off-reserve.

**UBCM HOUSING STRATEGY:**

The Union of BC Municipalities (UBCM) recently released a report titled "A Home for Everyone" which sets out four key policy areas/priorities. They include:

1. A call for a rental housing strategy to substantially increase the amount of rental housing that is available across British Columbia over the next decade;
2. A demand management strategy that explores regulatory tools and approaches to address issues of speculative demand in a way which helps to provide for increased stability in housing prices and the opportunity for average British Columbians to once again gain access to the ownership market;
3. The development of a comprehensive homelessness strategy to substantially reduce the number of people who are homeless or at risk of becoming homeless including the provisions of appropriate housing and supports to help those who are currently homeless;
4. Better coordination and working relationships between all levels of government – an "all government approach" with a focus on building stronger working relationships between all levels of government to better meet existing and emerging housing needs.

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# GOING FORWARD

With the re-emergence of the federal government as well as an expanded provincial commitment to addressing existing and emerging housing needs, there are important opportunities that the CRD and its partners can pursue both in terms of working in partnership to meet the on-going affordable housing needs and supporting a comprehensive approach for addressing challenges associated with homelessness across the region.

Canada in general and BC in particular has found a good balance of government funded projects and enablement strategies that have been delivered together with the CRD, non-profit operators and suppliers. For the most part, government funded non-profit developments are well managed and fit well into existing communities. Furthermore, the cross-sectoral approach has highly defined roles which provide the public with a high degree of accountability and transparency. In recent years, housing affordability challenges and the growing incidence of poverty has influenced displacement and contributed to visible homelessness.

As the sector has worked to respond to existing and emerging housing needs, there has been the need to work together to ensure that neighbourhood impacts are mitigated especially in the case of transitional and supported housing. Over the years, the CRD has developed sophistication in the types of supply response it has been able to generate both in terms of the range of needs that have been met and the types of partnerships that have been created. This includes success in working with local government to bring together key strategic partners and stakeholders to help add needed capacity both locally and regionally. As well, the CRD through the RHTF has been able to support successful projects that respond creatively and flexibly to emerging opportunities. The recently added RHFP stands to deliver units that meet the needs of low to moderate income households, but will be able to add much needed units in the low to very low income category. Positioning and evolving its programs and services within this context will be a critical element in the region's continued success.

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# STRATEGY

# INTRODUCTION

Addressing existing and future housing affordability challenges will require a sophisticated, whole government approach that includes efforts on behalf of the non-profit, co-operative housing and private sectors. A key to success will be engagement with local communities to create a better understanding of the depth of need and to build neighbourhood-level support for increased density, new housing forms as well as the introduction of new affordable rental housing developments that help to create the capacity to add new supply that meets the needs of current and future residents across the region. To this end, this Strategy defines affordability as well as outlines goals, objectives and strategies to be considered by each of the different partners in meeting future housing affordability needs. This Strategy also includes a general framework for monitoring progress and reporting results.

# STRATEGIC CONSIDERATIONS

Just as important as the current context is, future strategies must take into consideration the way the region is expected to grow and change in coming years. Among these are population growth projections, anticipated patterns of migration into and out of the region as well as expected shifts in housing tenure over the coming years.

### PROJECTED POPULATION GROWTH

- Of the more than 170,000 diverse households living in the capital region 107,775 (63%) are owners and 62,270 (37%) are renters.
- RGS projections show that the region is expected to grow to a total of 217,000 households by 2038, which will result in on-going housing demand pressure.

### STRONG PATTERNS OF INTERNAL AND EXTERNAL MIGRATION

- According to the 2016 Census more than 155,355 residents of the region reported a move in the previous five years, with more than 85,000 individuals moving internally within the region.
- Over the past five years 73,371 individuals relocated from other parts of Canada of which 41,968 (57.1%) were intraprovincial migrants and 31,403 (42.9%) moved interprovincially.
- The net increase shows a reverse trend with a net intraprovincial gain of 7,197 (39.1%) and interprovincial gain of 11,233 (60.9%).
- During the same period, 3,148 international migrants contributed to 15% of the net migration.
- A mix of housing type and tenure needs to be available to meet the full range of incomes, ages and housing needs across the spectrum.

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### Table 4: Capital Region Migration 2011-2016[16]

| Census Year | Net Intl. Migration | Interprovincial | | | Intraprovincial | | | Total Net Migration |
|---|---|---|---|---|---|---|---|---|
| | | IN | OUT | NET | IN | OUT | NET | |
| **2011-2012** | 789 | 6,032 | 4,728 | 1,304 | 8,952 | 7,500 | 1,452 | 3,545 |
| **2012-2013** | 895 | 5,176 | 4,221 | 955 | 7,896 | 6,507 | 1,389 | 3,239 |
| **2013-2014** | 845 | 6,184 | 3,915 | 2,269 | 7,958 | 6,714 | 1,244 | 4,358 |
| **2014-2015** | 210 | 6,908 | 3,710 | 3,198 | 8,581 | 7,026 | 1,555 | 4,963 |
| **2015-2016** | 409 | 7,103 | 3,606 | 3,497 | 8,581 | 7,024 | 1,557 | 5,463 |
| **TOTAL** | **3,148** | **31,403** | **20,180** | **11,223** | **41,968** | **34,771** | **7,197** | **21,568** |

[16] BC Stats, Extract from British Columbia Regional District Migration Components, released January 2017.

[17] A household is considered to be in core housing need if they are unable to find housing in their community that is suitable in size (suitability), in good repair (adequacy) and that they can afford with the resources that they have available without spending 30% or more of their income on their housing costs - Statistics Canada, Core Housing Need for Canada, the Provinces and Territories – 2006, 2011 and 2016 released on November 15, 2017.

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## ON-GOING HOUSING AFFORDABILITY CHALLENGES

- According to the 2016 Census, it is estimated that there were approximately 22,500 household in core housing need in the capital region. This represents an 8% increase in the number of households reported in 2011.
- The available data also suggests that the proportion of households in core need increased from 12.4% in 2006 to 14.2% in 2016.
- Rental households also face much greater challenges with respect to housing affordability, with 44% of tenant households paying more than 30% of income on shelter costs and only 19% of owner households facing the same challenge.

### Figure 11: Households in Core Housing Need (2006 to 2016)

*Source: Statistics Canada, Core Housing Need for Canada, the Province and Territories for 2006, 2011 and 2016 and CMHC published through their Housing Market Information Portal for the Victoria CMA (2006 and 2011).*

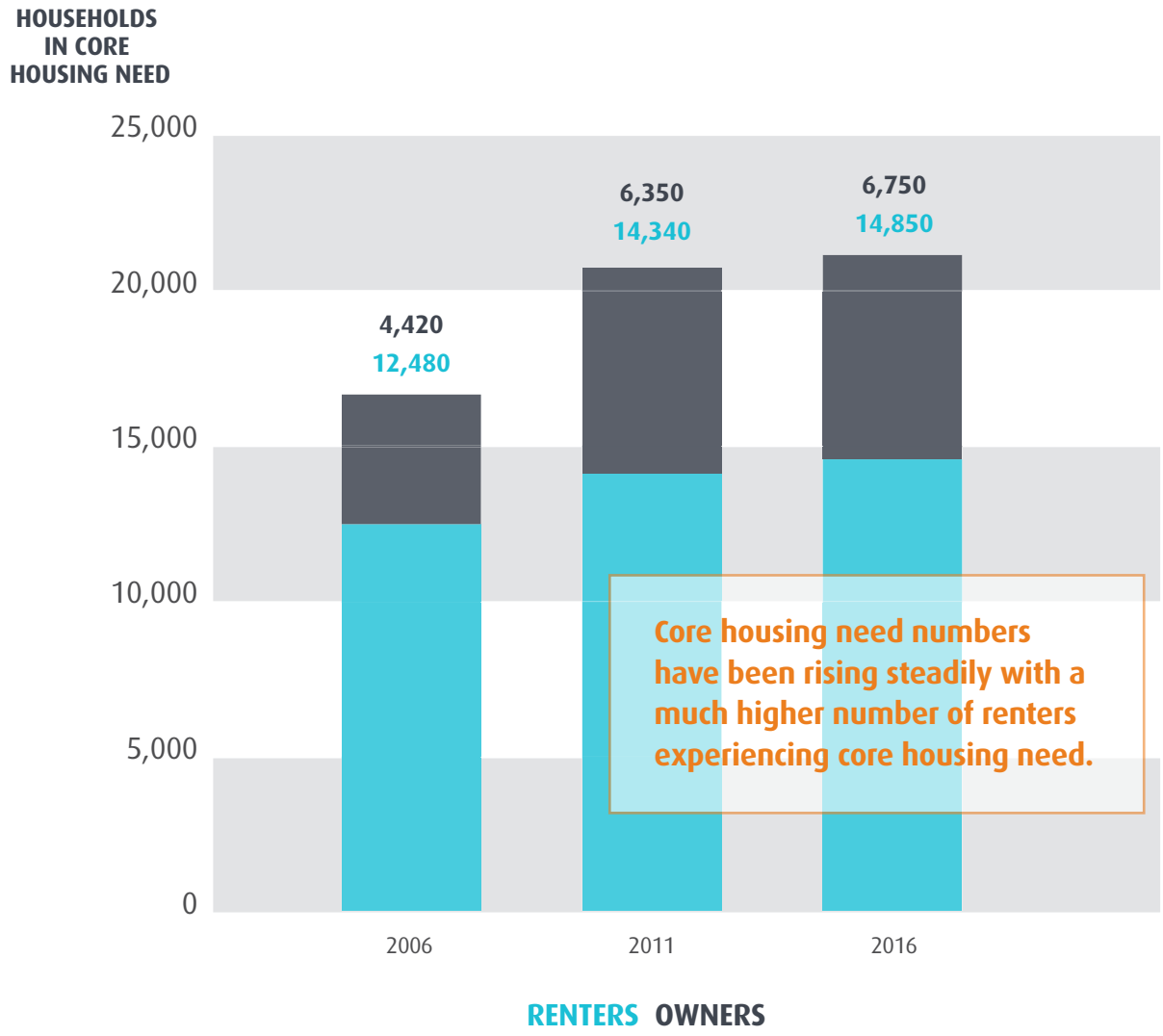


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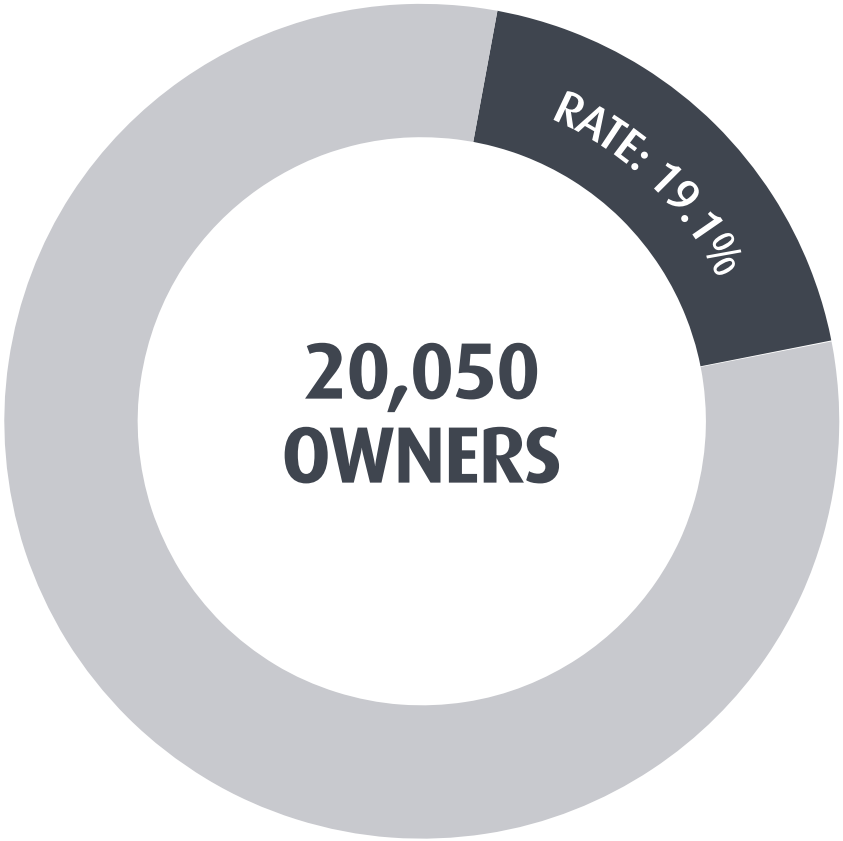
**Figure 12: Household Affordability by Tenure – Capital Region (Census 2016)**

*Source: 2016 Census.*

## Approximate Number of Households Paying More than 30% of Income on Shelter Costs



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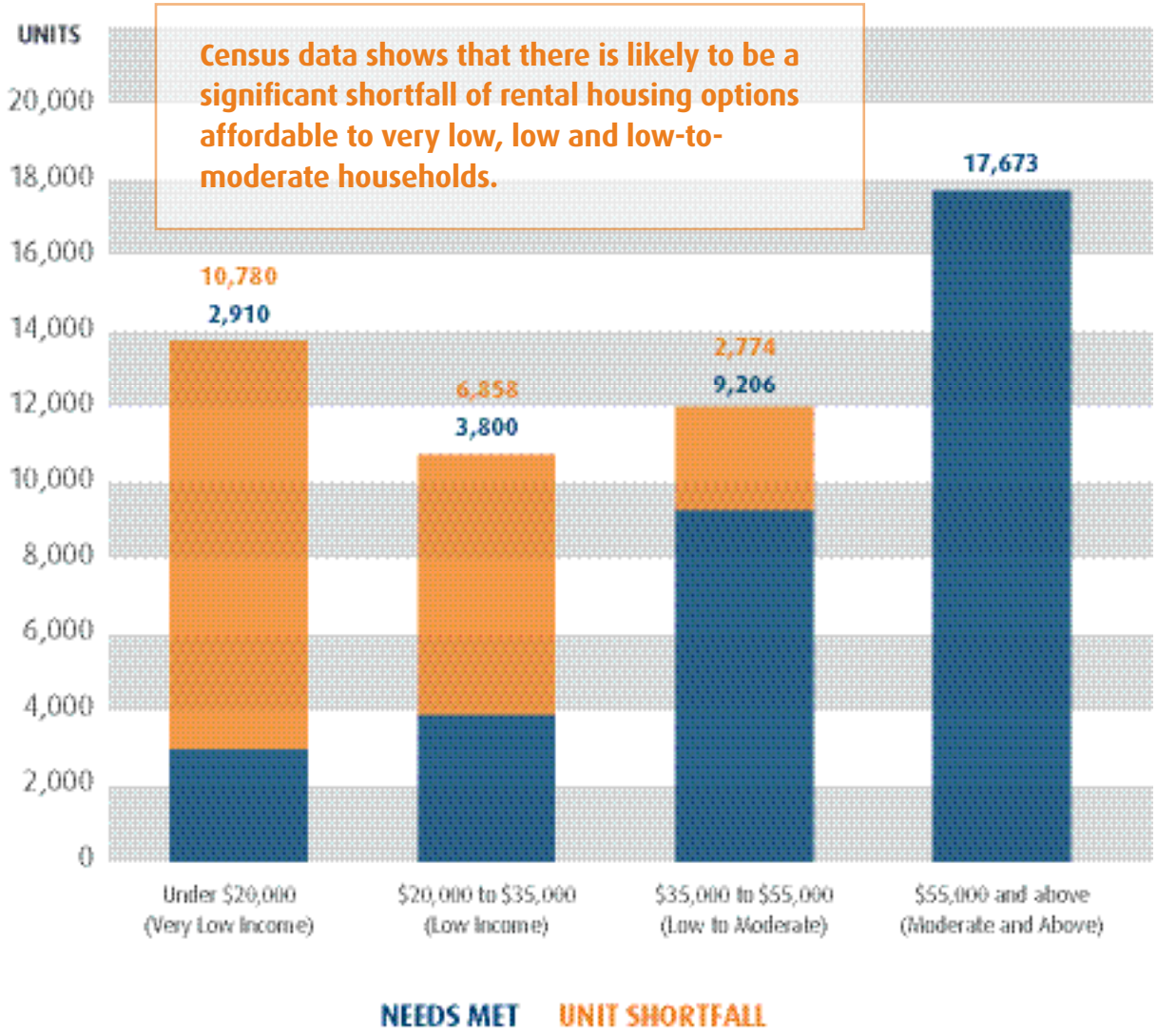
## Figure 13: Shortfall of Affordable Units

*Source: Prepared by SPARC BC using income and rent data from the 2011 National Housing Survey, Custom Data Purchase – 2016 data not yet available.*




### There Is a Critical Shortage of Housing for Households with Low to Moderate Incomes

Background research shows that there is a critical shortfall in the number of units that are affordable to households with low to moderate incomes and for whom an affordable rent is between $500 and $875 per month. As shown in Figure 13, there are more than 13,690 households living in the capital region who have an income of less than $20,000 per year and for whom an affordable rent is equal to $500 or less per month. The research also shows that of the 13,690 households with an annual income of $20,000 or less only 2,910 households (21%) were successful in finding housing that rented for less than $500 per month.[25] These findings also suggest that the total demand for housing at this rent level has exceeded the supply of units available by a ratio of almost 4:1.

It is also worth noting that there are similar pressures across households with incomes that fall between $20,000 and $35,000 annually and for which an affordable rent is equal to between $500 per month

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and $875 per month. In particular, the findings in Figure 13 suggest that in 2011 there were more than 10,658 renter households living in the capital region who had an annual income of between $20,000 and $35,000 while there were only 3,800 households who were successful in finding housing that rented for between $500 and $875 per month, suggesting that the total demand for housing at this rent level has exceeded the supply of units available by a ratio of almost 2:1. Finally, as housing costs continue to increase more renter households in the middle income range ($35,000 to $55,000) are also facing increasing difficulty in finding and keeping housing that they can afford with data from the 2011 National Household Survey suggesting that the demand for rental housing in this income range exceeds the supply of units available by 2,774 units. Furthermore as housing costs increase and in the absence of new affordable supply it is likely that the situation will worsen.

Over the past 12 years market conditions have changed significantly and applicants report that it is becoming increasingly difficult to achieve the rental housing targets of the program with the amount available per unit (currently $15,000/unit). In response, RHTF grants have increasingly been awarded to projects that include smaller proportions of affordable units with operators having to rely on more full market rate units to help make projects viable. The introduction of the Province's "Investment in Housing Innovation" (IHI) and "Provincial Investment in Affordable Housing" (PIAH) programs in 2016 are expected to support nearly 550 new units of affordable rental for low to moderate income households in the region, which will provide some relief, but this is not likely to be a large enough number of units to address the backlog and chronic shortage of units in the region to address the needs of households in core housing need.



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# AFFORDABILITY TARGETS

The CRD will target its direct services, programs and partnerships toward affordable rental housing initiatives in the region and, at the same time, continue to assist municipal, provincial and federal governments as well as private sector efforts to address affordability within the ownership and rental markets.

Evidence points to both a current and future critical shortage of rental housing that meets the affordability needs of households with low incomes (incomes of between $20,000 and $35,000 annually) and very low incomes (incomes of less than $20,000 annually). It also suggests significant challenges in meeting the affordability needs of households with low to moderate incomes (households with an annual income of $35,000 to $55,000) and affordability risks to households with annual incomes of $55,000 or more (see Table 5 on the following page).

### Table 5: Rental Targets & Demand Estimates by Income Ranges – 2016-2038

*Source: Calculated based on the 2015 Median Household Income for the capital region reported by Statistics Canada in the 2016 Census*

| Income Range | Threshold (% of AMI) | Annual Income | Affordable Monthly Rental Target | 2016 Income Distribution | Unit Demand Estimate |
|---|---|---|---|---|---|
| **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 |
| **TOTAL ESTIMATED RENTAL DEMAND** | | | | **100%** | **34,167** |

Assuming that the expected future demand is relatively consistent in terms of the general income profile of households living in the capital region, it would mean that at least 39% of all new rental housing units should be "affordable" to households that fall within the very low, low and low to moderate ranges. Using the 2016 area median income (AMI) of $69,665, Table 5 provides information on the different income ranges, affordability thresholds, rental targets and demand estimates to be used in addressing the critical shortage of housing that is affordable to households within the very low incomes to low-to-moderate income ranges.

While setting production targets based on evidence-based demand estimates is clearly aspirational, if efforts are not made to achieving these targets, it is likely that the region will continue to experience significant and persistent affordability challenges into the foreseeable future.

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# GOALS, OBJECTIVES AND STRATEGIES

Housing affordability and homelessness is a region-wide crisis and one that rooted in the interplay between any number of systemic, structural and personal drivers. Effective solutions, therefore, must reflect both specific household and individual needs, characteristics, strengths and choices. The foundation for any intervention is a sufficient supply of affordable housing that is available to meet the demand of those households and individuals in core housing need, significant housing stress or at-risk of homelessness.

With respect to homelessness, however, it is important to note that affordable housing on its own will not be enough. The best approach to ending homelessness will be to support the continued development of a Housing First friendly system of care that responds rapidly to the specific needs of individuals and effectively supports their continued stability as they seek recovery from homelessness and a positive path forward toward stable housing outcomes and improved quality of life.

In order to achieve success in addressing homelessness and region-wide housing affordability, it is critical that the CRD work in partnership with other key stakeholders in government, industry, the non-profit sector and broader community. The following plan outlines strategies the CRD will sustain or initiate in order to better achieve desired outcomes. It also suggests specific strategies its partners might consider in supporting a broad-based effort to significantly impact homelessness and improve housing affordability in the future.

## Goal #1: Build the right supply of housing across the spectrum

**OBJECTIVES**

- 1.1 Take a whole government approach to increasing affordable housing to meet the identified housing targets.
- 1.2 Establish housing development targets and enable partners to utilize housing development approaches that achieve denser development and improved housing affordability within regional urban containment areas.
- 1.3 Enable regulatory, legislative and policy frameworks that supports development that meets the identified rental targets.
- 1.4 Partner with the non-profit and for profit housing sector to increase housing development within identified housing targets.
- 1.5 Provide an evidence based approach to facilitate effective legislative frameworks that achieve improved housing affordability.

| Organization | Strategies |
|---|---|
| **CRD** | • **Includes housing affordability approaches and policies in a Regional Growth Strategy and monitors regional outcomes.**<br>• **Supports municipalities and electoral areas in initiatives that identify housing development targets that support increased density within the region's urban containment boundary, monitors results and assesses challenges.**<br>• **Establishes regional housing development targets and supports municipalities and electoral areas in establishing local targets, monitoring results, assessing development challenges and identifying potential solutions.**<br>• **Enables new affordable rental housing units through partnering with other levels of government. Examples: the Regional Housing First Program and the Regional Housing Trust Fund.**<br>• **Actively pursues grants and capital contributions from other levels of government through the CRHC for affordable rental housing projects.**<br>• **Works in partnership with other levels of government to bank land for use in affordable rental housing projects.**<br>• **Explores and delivers innovative financial models to increase affordable housing opportunities such as social financing, cross-subsidy and mixed tenure models** |
| **STRATEGIES THAT COULD BE CONSIDERED BY CRD PARTNERS** | |
| **MUNICIPALITY & ELECTORAL AREA** | • Adopts growth strategies, plans and policies that encourage denser developments and the creation of more housing units that are affordable within the regional urban containment boundary.<br>• Adopts affordable housing policies consistent with regional affordable housing definitions and targets.<br>• Creates a regulatory framework that enables affordable housing. Example: Density bonus policies that are linked to affordability targets.<br>• Offers incentives to build affordable rental housing.<br>• Offers grants and targeted reductions to support the development of affordable housing.<br>• Streamlines processes for faster housing development.<br>• Creates best practices to support efficient community consultation processes. |

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## Goal #1: Build the right supply of housing across the spectrum

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- 1.4 Partner with the non-profit and for profit housing sector to increase housing development within identified housing targets.
- 1.5 Provide an evidence based approach to facilitate effective legislative frameworks that achieve improved housing affordability.

| Organization | Strategies |
|---|---|
| **PROVINCIAL GOVERNMENT** | • Implements policies, plans and strategies that help to stabilize the market; close tax loopholes; build the homes people need; improve security for renters; empowering municipalities and partner in building and preserving affordable housing.<br>• Uses taxation to limit the negative impacts of investment in the housing market.<br>• Provides grants and facilitates development finance for social and affordable housing programs and projects targeting low to moderate income housing.<br>• Targets funding and financing programs to support new development of affordable housing based on identified targets.<br>• Reviews taxation policies to determine impact on housing development costs and affordability across the spectrum.<br>• Supports efforts to ensure equitable access to housing for Indigenous populations. |
| **FEDERAL GOVERNMENT** | • Implements the National Housing Strategy, a 10 year commitment to reinvest in affordable and social housing (November 2017).<br>• Provides funding, targeted financing and incentives that encourage affordable rental housing projects.<br>• Reviews taxation policies to determine impact on housing development costs and affordability across the spectrum.<br>• Provides mortgage loan insurance for market and affordable housing..<br>• Ensures equitable access to funding and other resources that support the development of housing for Indigenous populations. |
| **NON-PROFIT SECTOR** | • Partners with local and regional governments, other non-profit agencies, housing stakeholders, provincial and federal government as well as the private sector in the development and operation of new affordable rental housing.<br>• Explores cross-subsidy and mixed tenure models. |
| **PRIVATE SECTOR** | • Partners with local and regional governments, non-profit agencies, housing stakeholders, provincial and federal government in the development and operation of new affordable rental and ownership-based housing. |

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## Goal #2: Sustain a shared regional response to existing and emerging housing demand

**OBJECTIVES**

- 2.1 Establish local housing action plans and strategies to support denser housing developments that meet identified housing targets.
- 2.2 Leverage regional housing assets, knowledge and resources to meet the identified housing targets through a whole government approach.
- 2.3 Partner in research and data gathering to identify local housing needs and monitor and evaluate region on meeting the identified housing targets.

| Organization | Strategies |
|---|---|
| **CRD** | **Adopts a cross-government or whole-government approach to the development and operation of affordable housing.**<br>**Supports municipalities and electoral areas toward uniform interpretation and application of provincial and federal legislation related to housing development.**<br>**Works with municipalities and electoral areas to identify opportunities for higher density development.**<br>**Researches and educates on: 1) regional land use capacity; 2) best and emerging policies and practices; and 3) alternative housing models.**<br>**Operates affordable rental housing programs through CRHC.**<br>**Strengthens and builds community capacity in affordable housing.**<br>**Engages with First Nations and other Indigenous groups and organizations to explore ways to partner in affordable housing development and/or operations**<br>**Explores mixed tenure and inclusionary housing models.**<br>**Supports municipalities in the administration of housing agreements and affordable housing policies.** |
| **STRATEGIES THAT COULD BE CONSIDERED BY CRD PARTNERS** | |
| **MUNICIPALITY & ELECTORAL AREA** | Adopts a cross-government or whole-government approach to the development and operation of affordable housing.<br>Participates on CRD Housing Action Team to inform on-going strategic actions that support more affordable housing. |
| **PROVINCIAL GOVERNMENT** | Adopts a cross-government or whole-government approach to the development and operation of affordable housing.<br>Partners with local governments, non-profit agencies and housing stakeholders through BC Housing.<br>Develops uniform technical standards that simplify building code compliance legislation supporting housing development.<br>Invests in public and active transit system.<br>Amends and/or modernizes: 1) real estate development and marketing; 2) landlord-tenant legislation; and 3) land use planning legislation with a lens to reducing cost and improving affordability in the housing market.<br>Participates on CRD Housing Action Team to inform an on-going strategy for affordable housing. |

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## Goal #2: Sustain a shared regional response to existing and emerging housing demand

**OBJECTIVES**

- 2.1 Establish local housing action plans and strategies to support denser housing developments that meet identified housing targets.
- 2.2 Leverage regional housing assets, knowledge and resources to meet the identified housing targets through a whole government approach.
- 2.3 Partner in research and data gathering to identify local housing needs and monitor and evaluate region on meeting the identified housing targets.

| Organization | Strategies |
|---|---|
| **FEDERAL GOVERNMENT** | • Adopts a cross-government or whole-government approach to the development and operation of affordable housing.<br>• Researches and implements macro-economic policy (interest rates, taxation, and investment rules) which supports a healthy housing system.<br>• Partners with the provincial, regional and local government and invests in affordable and social housing.<br>• Participates on CRD Housing Action Team to inform an on-going strategy for affordable housing. |
| **NON-PROFIT SECTOR** | • Initiates demonstration projects that support innovation in the development and delivery of affordable housing.<br>• Implements and scales up successful demonstrations projects in housing design, type and affordability.<br>• Participates on CRD Housing Action Team to inform an on-going strategy for affordable housing. |
| **PRIVATE SECTOR** | • Explores and implements innovations in housing design that meet a diverse range of needs.<br>• Implements and scales up successful demonstrations projects in housing design, type and affordability.<br>• Participates on CRD Housing Action Team to inform an on-going strategy for affordable housing. |

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## Goal #3: Protect and maintain existing non-market and market rental housing stock

**OBJECTIVES**

- 3.1 Preserve and protect the existing social, co-op and affordable rental housing stock.
- 3.2 Implement regulations and incentive programs that preserve and protect existing rental housing.
- 3.3 Strengthen legislation to protect existing tenants.

| Organization | Strategies |
|---|---|
| **CRD** | • **Takes action to preserve and protect CRHC housing stock and subsidy programs.**<br>• **Supports community coordination activities for tenant relocation and eviction prevention.**<br>• **Ensures relocation of existing tenants where redevelopment is optimal.** |
| **STRATEGIES THAT COULD BE CONSIDERED BY CRD PARTNERS** | |
| **MUNICIPALITY & ELECTORAL AREA** | • Assesses risks and uses local bylaws and regulatory tools to preserve existing rental assets.<br>• Explores, develops, improves and implements tenant relocation and protection policies.<br>• Develops and implements policies and bylaws that regulate housing units according to their actual use. |
| **PROVINCIAL GOVERNMENT** | • Expands rent supplement programs to increase eligibility and improve affordability for all economically eligible households in the private housing market.<br>• Strengthens and enforces legislation that improves protections for tenants against "renovictions". |
| **FEDERAL GOVERNMENT** | • Reinvests in maintaining the affordability of the existing non-market housing stock (non-profit societies and co-ops) as operating agreements expire.<br>• Invests in maintaining the viability and affordability of the housing stock. |

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- 3.1 Preserve and protect the existing social, co-op and affordable rental housing stock.
- 3.2 Implement regulations and incentive programs that preserve and protect existing rental housing.
- 3.3 Strengthen legislation to protect existing tenants.

| Organization | Strategies |
|---|---|
| **NON-PROFIT SECTOR** | • Takes action to preserve and protect existing housing stock and subsidy programs.<br>• Ensures relocation of existing tenants where redevelopment is optimal. |
| **PRIVATE SECTOR** | • Maintains the quality of existing rental housing supply through reinvestment. |

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## Goal #4: Develop and operationalize a regionally coordinated housing and homelessness response

**OBJECTIVES**

- 4.1 Implement a seamless regional housing and homelessness response system.
- 4.2 Reduce pathways into homelessness.
- 4.3 Reduce the number of people experiencing homelessness.
- 4.4 Reduce the proportion of Indigenous people experiencing homelessness.
- 4.5 Meet rental housing targets for households living in low income.

| Organization | Strategies |
|---|---|
| **CRD** | • **Delivers programs and services that address housing affordability and homelessness such as the Regional Housing First Program, the Regional Housing Trust Fund and the Homelessness Partnering Strategy.**<br>• **Supports the UBCM call for a comprehensive homelessness strategy.**<br>• **Leads community planning and research to help support a regionally coordinated homelessness response system.**<br>• **Supports and participates in an integrated housing and homelessness system.**<br>• **Enables equitable participation of Indigenous groups in regional housing programs and the delivery of the HPS program.** |
| **STRATEGIES THAT COULD BE CONSIDERED BY CRD PARTNERS** | |
| **MUNICIPALITY & ELECTORAL AREA** | • Participates as part of a coordinated homelessness response system.<br>• Supports the UBCM call for a comprehensive homelessness strategy.<br>• Engages in community planning to help support a regionally coordinated homelessness response system. |
| **PROVINCIAL GOVERNMENT** | • Adopts a cross-ministry response to reducing pathways into homelessness and homelessness response system. (Health, Corrections, Mental Health/Addictions, Child and Family, Housing)<br>• Participates as part of a coordinated homelessness response system.<br>• Funds supportive housing, support services and targeted rent supplements to address the needs of people experiencing homelessness.<br>• Engages in community planning to help support a regionally coordinated homelessness response system.<br>• Spearheads the integration of the housing and homelessness system to ensure seamless access to housing. |

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## Goal #4: Develop and operationalize a regionally coordinated housing and homelessness response

**OBJECTIVES**

- 4.1 Implement a seamless regional housing and homelessness response system.
- 4.2 Reduce pathways into homelessness.
- 4.3 Reduce the number of people experiencing homelessness.
- 4.4 Reduce the proportion of Indigenous people experiencing homelessness.
- 4.5 Meet rental housing targets for households living in low income.

| Organization | Strategies |
|---|---|
| **FEDERAL GOVERNMENT** | • Supports regional delivery and coordination of services and programs that address homelessness through the Homelessness Partnering Strategy.<br>• Funds affordable housing and rent supplements through federal/provincial agreements that address the needs of people experiencing homelessness. |
| **NON-PROFIT SECTOR** | • Participates as part of a coordinated homelessness response system.<br>• Partners with government and other non-profit organizations in the delivery of health and social support services.<br>• Engages in community planning to help support a regionally coordinated homelessness response system.<br>• Provides data, feedback and service delivery options for addressing the needs of those experiencing homelessness.<br>• Supports an integrated housing and homelessness system that also includes culturally informed services that meet the needs of Indigenous and multicultural groups in the region. |
| **PRIVATE SECTOR** | • Participates as part of a coordinated homelessness response system.<br>• Provide market rental units to non-profits that provide housing and social supports for individuals who have experienced homelessness. |

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## Goal #5: Create community understanding and support for affordable housing developments

**OBJECTIVES**

- 5.1 Increase educational and information sharing opportunities at the neighbourhood and local government level to increase community awareness.

| Organization | Strategies |
|---|---|
| **CRD** | • **Prepares and updates housing demand forecasts, monitors housing development trends and reports results on an annual basis.**<br>• **Develops and shares education tools that help foster an understanding of the cost of developing housing across the spectrum.**<br>• **Develops educational tools to inform the communities on the need for affordable housing and the disproportionate challenges faced by Indigenous people seeking housing in the region** |
| **STRATEGIES THAT COULD BE CONSIDERED BY CRD PARTNERS** | |
| **MUNICIPALITY & ELECTORAL AREA** | • Implement policies and processes that facilitate timely and efficient neighbourhood engagement in development reviews.<br>• Champions the need for affordable and market housing developments.<br>• Ensures the public consultation process talks about land use not the land user. |
| **PROVINCIAL GOVERNMENT** | • Strengthen legislation and accountability mechanisms that protect individuals against discrimination in the housing sector.<br>• Engages in educating municipalities, the housing sector and general public on the importance of protecting human rights in the planning and administration of land use as well as the operation of housing.<br>• Engages in educational activities that foster the ability of municipalities, electoral areas and non-profit and private sector housing developers/operators to implement effective supply-side interventions to achieving improved housing affordability. |
| **FEDERAL GOVERNMENT** | • Researches and shares data and analysis related to the housing market and related topics through the Canada Mortgage and Housing Corporation.<br>• Legislates a human rights-based approach to housing. |

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## Goal #5: Create community understanding and support for affordable housing developments

**OBJECTIVES**

- 5.1 Increase educational and information sharing opportunities at the neighbourhood and local government level to increase community awareness.

| Organization | Strategies |
|---|---|
| **NON-PROFIT SECTOR** | • Participates and contributes to public policy development and program planning.<br>• Participates at the neighbourhood and local government level in formulating housing plans and advocating for unmet housing needs.<br>• Engages with neighbourhood organizations to educate, reduce stigma and build support for the development of affordable housing projects in local communities. |
| **PRIVATE SECTOR** | • Participates and contributes to public education as well as the development of public policy and program planning related to housing affordability across the spectrum.. |

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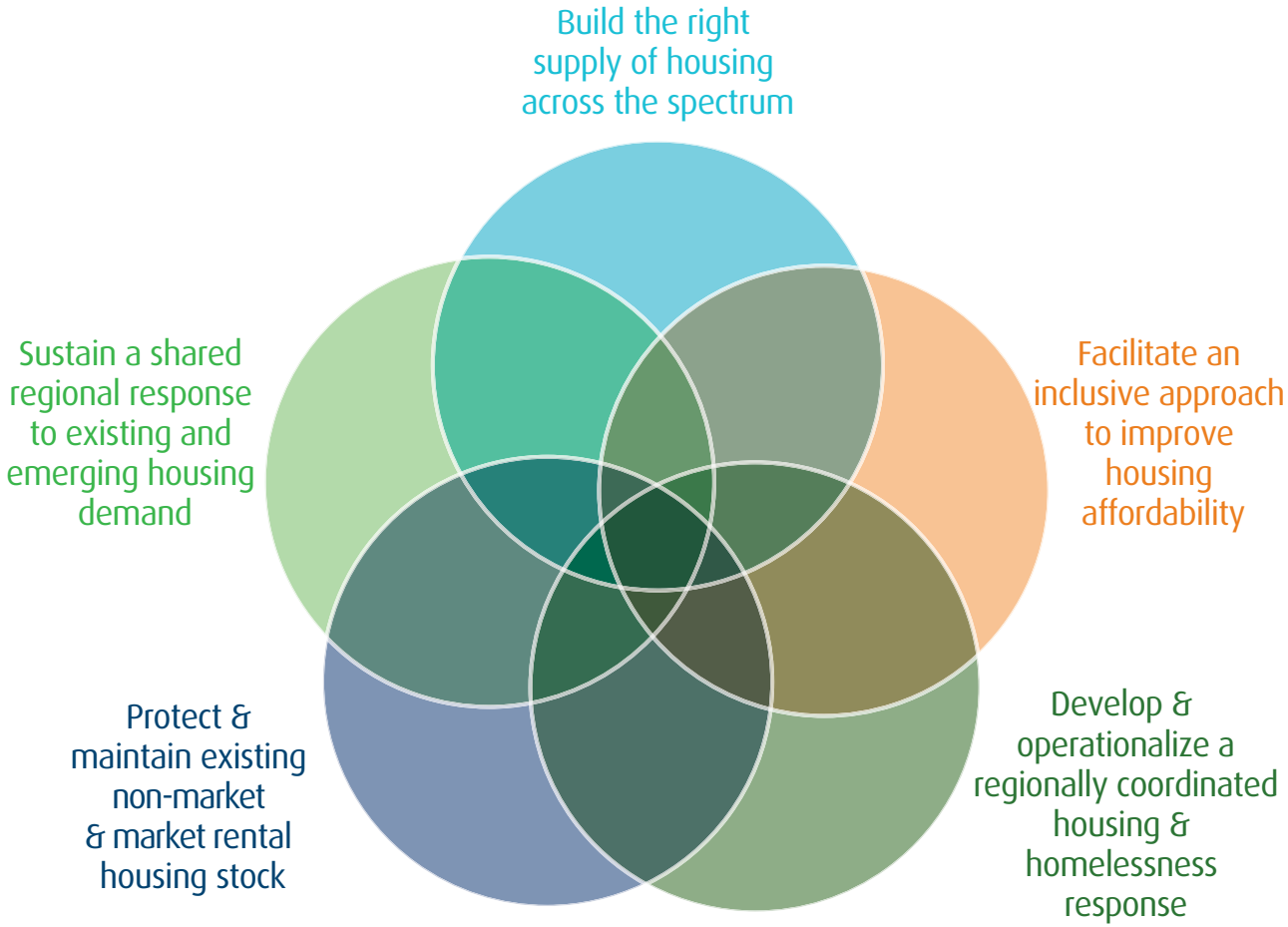
## Mutually Dependent Goals

There are five goal areas through which action will flow toward improving housing affordability and addressing homelessness in the region. Although these are presented as five distinct areas for action, each goal is mutually dependent on successful actions in the other four goal areas.

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The Performance Measures and sources of data for monitoring are presented in Table 6.

**Table 6: Performance Measures for RHAS**

| Performance Measures | Sources of Data |
|---|---|
| • Number of net new units within the affordability target areas<br>• Number of renter households in core housing need<br>• Reduction in the number of individuals who are chronically homeless<br>• Individuals experience shorter episodes of homelessness<br>• Number of new units built within acceptable proximity to transit routes. | • Census data<br>• Regional Housing Data Book and Gap Analysis<br>• Municipal and electoral area development data.<br>• CMHC Reports on Housing Development and Rental Housing Performance<br>• Regional Homelessness Management Information System<br>• Bi-annual Point in Time Count of Homelessness<br>• Annual Shelter Use Data |

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# FOOTNOTES

[1] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

[2] More than a Number: 2016 Greater Victoria Point in Time Count Summary Report prepared by the Community Social Planning Council of Greater Victoria

[3] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

[4] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

[5] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.

[6] Canada Mortgage and Housing Corporation. 2017. Rental Market Report: Victoria CMA. Released December 2017.

[7] The secondary rental market includes households living in rented single detached, semi-detached and duplex units as well as rented apartment condo units which are part of the secondary rental market.

[8] Based on information reported in BC Housing's Subsidized Housing Portfolio Unit Count Report March 2017 prepared by BC Housing's Research and Corporate Planning Department January 2018.



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The CRD wishes to acknowledge the support of the CRD Housing Action Team which acted as the Advisory Committee to this review:

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***The strategies presented in the RHAS update do not necessarily reflect the policy positions or perspectives of the organizations listed above who acted in an advisory capacity to the CRD.***

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