

British Columbia's Strategy for Affordable Housing



MINISTER'S MESSAGE



All British Columbians have an interest in housing—whether it is housing to rent or to own or whether it is housing for themselves, their mothers and fathers or their daughters and sons. Safe, affordable and appropriate housing is a basic foundation which individuals and families must have in order to build stable and productive lives. It is also the key to building liveable and lasting communities.

Ensuring a supply of housing which we can afford to rent or to own is a complex issue. The problems were clearly identified by the many individuals and groups across the province who made submissions to the Provincial Commission on Housing Options. One problem is resources. British Columbia no longer receives any federal funds to build new social housing. A second problem is British Columbia's rapid increase in population, which pushes up land costs and encourages urban sprawl. There are also a host of other issues. For instance, regulations aimed at improving the safety and the liveability of our homes and communities also affect the affordability of our homes. Resistance to change in neighbourhoods (the Not In My Back Yard or NIMBY syndrome) and to the development of safe secondary suites also limit the choices both for owners and renters.

Given these factors, the government of British Columbia is working hard to improve housing affordability through its Strategy for Affordable Housing. This strategy booklet describes the challenges and the opportunities we

face as we set about developing diverse and sustainable communities where people can afford to live.

In presenting this strategy, I want to acknowledge all those whose voices were heard by the Commission and by the government. You helped to develop this strategy. It is yours.

Sincerely,

Lois Boone
Minister

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INTRODUCTION

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Housing is much more than concrete, wood or stucco. It is a necessity of life, one that makes a substantial difference to the health and well-being of individuals, their families and their communities. It is the largest monthly expense for most households, and the major source of financial security in many people's lives. Housing is also an important source of jobs and business. British Columbia's real estate, residential construction and renovation industries account for about \$5 billion annually—more than seven per cent of the province's economy.

For every \$1 million spent on new construction, 22 jobs are created. Good housing is also important in attracting business investment and skilled employees to British Columbia communities.

Recognizing the critical importance of housing to provincial social and economic policy, the government formed the Provincial Commission on Housing Options in 1992. The two Commissioners, Michael Audain and Elain Duvall, were asked to find ways to meet British Columbia's housing needs within a context of shrinking government financial resources and the federal government's disengagement from its traditional leadership and funding of housing programs.

The Commissioners were told, by individuals and groups all across the province, that many citizens are seriously concerned about affordable housing, which they consider critical to the quality of their communities.

The Commissioners viewed the federal leadership vacuum as a challenge, but

also as an opportunity to design and implement housing policy and programs better suited to the needs of British Columbians. They envisioned the new possibility of developing a housing strategy that was both comprehensive and realistic, moving beyond past practice of reacting to federally developed specific programs. They also saw that a new housing strategy would need to engage all interested sectors in finding innovative and practical solutions to housing issues.

Following the Commission's report, made in February 1993, the provincial government has been systematically implementing a "made-in-B.C." housing strategy.

Rather than focus strictly on programs, the province has employed a comprehensive approach. It has developed a government-wide set of initiatives to take into account the many factors that influence housing affordability and the many players who can make a contribution to solving housing problems. The strategy is built on five broad but highly practical goals and involves all levels of government as well as the private, non-profit and community housing sectors. These goals, and progress to date in achieving them, are presented in this document.

BRITISH COLUMBIA'S HOUSING CHALLENGES: AFFORDABILITY, DIVERSITY, SUSTAINABILITY

■ Affordability

All British Columbians should have access to housing that meets their needs, at a cost they can afford and with a reasonable degree of choice in tenure, building type and location.

■ Diversity

British Columbia communities should be inclusive and diverse, contain a variety of affordable housing options, and provide the services and amenities required for the health, security and stability of all their citizens.

■ Sustainability

Housing development must respect and protect the environment, creating communities that are both socially and economically sustainable. Housing in British Columbia should be planned and developed in keeping with careful stewardship of the province's air, water and land.

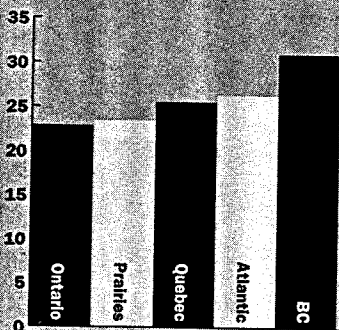
Housing decisions determine the shape and makeup of communities—where people can live and where they cannot, whether their home suits their present needs, and what choices they will have when their needs change. Even if people are satisfied with their housing at the moment, decisions made today will be critical to meeting their future housing needs as markets, and the age of the population, change over time. The provincial government recognizes that British Columbians face significant housing challenges.

In developing a strategy to meet these challenges, the provincial government's vision focused on ensuring that individuals have affordable housing choices within liveable and lasting communities. As a result, British Columbia's strategy for affordable housing has been designed to meet three key challenges: affordability, diversity and sustainability.

The Affordability Focus

Housing affordability concerns much more than the cost of keeping warm and dry. The monthly cost of their home makes a big difference to how much money people have left over for life's other essentials—how well they eat, what kind of child care they can pay for, or how long they have to travel to work each day. The quality and location of housing is critical to mental and physical health, to children's education and social development, and to the ability of older people to keep up social ties. A generally accepted standard of affordability is that renters should pay no more than 30 per cent of their gross income for shelter. For owners, whose payments cover both

Renters in Core Housing Need Across
Canada, 1991 (per cent)



Source: CMHC

shelter and an investment in personal wealth, mortgage lenders usually set a benchmark of 32 per cent.

British Columbia's Affordability Challenge

British Columbia's 1.4 million households have, in general, very good housing. Over half of British Columbia's homes are less than 25 years old; only seven per cent are in need of major repair. Close to two-thirds of British Columbians own their homes and 86 per cent of households can find housing within a comfortable percentage of their income. However, almost 200,000 households have difficulty finding affordable housing, and housing costs in many parts of British Columbia are beyond what low- and moderate-income households can afford. Many young British Columbians worry that they may never be able to afford to buy a home in the community where they grew up.

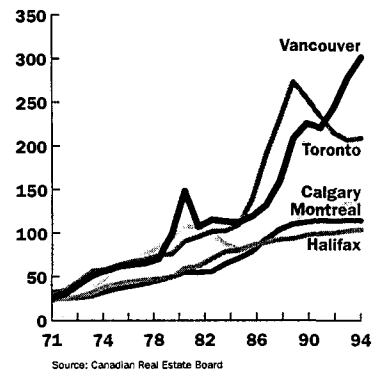
British Columbia's urban areas are the least affordable places in Canada to buy a home. In Vancouver, only 25 per cent of renters aged 20 to 44 have enough income to carry the mortgage and tax payments on a house or condominium; in Victoria only 22 per cent can do so. By contrast, between 34 per cent and 49 per cent of renters in Winnipeg, St. Catharines, Quebec City and Halifax can afford to buy their own home. The cost for single-family homes has risen dramatically in the Okanagan, Prince George, Nanaimo and in some smaller cities such as Nelson. Renters in British Columbia also face the highest costs in Canada, and not just in Vancouver and Victoria. The growing cities of Kelowna and Abbots-

ford have higher rents than any metropolitan area outside of southern Ontario. Almost one-third of British Columbia renters are considered, according to national standards, to be in "core housing need," meaning they cannot afford adequate housing in their community without spending more than 30 per cent of their gross income on rent.

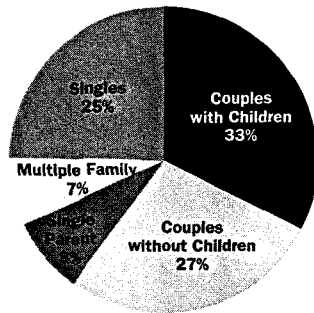
Affordability weighs especially heavily on families headed by women and on low-income individuals who live alone.

Many Aboriginal people living off-reserve also face a struggle to find and retain affordable housing. Homes that are barrier-free for wheelchairs, or units that are comfortable for frail seniors, are difficult to find and tend to be expensive. And almost everywhere, rental housing suitable for families with children is high-priced and in very short supply.

Average House Prices Across Canada 1971-94 (in \$ thousands)



B.C. Household Composition, 1991



Source: 1991 Census

The Community Focus: Diversity and Sustainability

Affordability should not only be measured by the prices and rents of individual homes. There are also social and economic factors to be considered, some of which are not fully taken into account by the housing market, at least in the short term.

One such factor is diversity. British Columbia communities need good housing for all their members—and at all stages of their lives. While single-family homes are widely preferred by families with children, older people frequently find themselves looking for accommodation that frees them from home maintenance chores. Young adults generally move to small inexpensive units when they first leave home. At any age, many households without children prefer to live in urban areas where apartments and townhouses provide easy access to the amenities of city life.

The diversity of the people who live in a community is clearly reflected in its housing needs. Extended families living together need large homes, while young families just entering the ownership market seek small ones. Some people require supportive health services nearby or specialized design features to accommodate disabilities. In all locations, homes are needed for both owners and renters so that everyone has the opportunity to live near family and friends, close to work, or near essential services.

The lack of diversity in many communities leads to a segregation of single-family dwellings from apartments and townhouses that is not a wise use of

B.C.'s land and resources. It is estimated that public expenditure on infrastructure will have to increase by \$500 to \$800 million per year if low-density urban development and growth in automobile use continue at current rates. In rural areas as well, more diversity is needed to make better use of available water, power and sanitation facilities.

Another factor is sustainability. Sustainability is about the choices that must be made in order to preserve and improve the quality of life in British Columbia. In particular, the planning and construction of housing developments must respect and protect the environment.

The provincial government's housing strategy aims to build a new approach to housing that engages a wide variety of participants in the process of addressing current and emerging housing issues. In doing so, its goal is to maintain the quality and liveability of our communities, keeping them both socially and economically sustainable.

A FIVE-POINT STRATEGY

The province's housing strategy recognizes the importance of housing to British Columbians—to their personal lives and the health of their communities. It also recognizes the importance of housing to the province's economy.

Affordable housing in livable and lasting communities is the province's vision.

The strategy to bring this vision about is based on five far-reaching goals that reflect the complex realities underlying British Columbia's housing challenges: the many players in the housing industry, the high cost of land, and the impact of high costs on owners, renters and individuals with special needs.

The province has been steadily implementing this five-point strategy over the past few years, and can now point to many accomplishments as well as new plans for the future.

The five goals of British Columbia's provincial housing strategy are:

- 1: Build partnerships to broaden the base of participation in creating housing opportunities.**
- 2: Reduce the impact of land costs on housing development.**
- 3: Increase affordability of home ownership for first-time buyers.**
- 4: Preserve and expand the stock and variety of moderately priced rental housing.**
- 5: Promote a range of housing options for individuals with special needs.**

1: BUILD PARTNERSHIPS TO BROADEN PARTICIPATION

Goals

Build partnerships to broaden the base of participation in creating housing opportunities.

■ Engage a broad range of participants across the province in the task of improving the province's housing.

■ Ensure that all groups with an interest in housing are fully consulted in the development of policy and programs affecting them.

■ Coordinate the roles of all participants in housing development to reduce unnecessary barriers to affordability.

■ Through legislation and information, provide tools and support for innovative approaches to developing affordable housing.

■ Enhance the ability of local communities to take action on housing issues.

British Columbia's housing strategy is based on the recognition that every citizen has an interest in housing, and that housing is always produced by parties working together. Even a single builder constructing a single house works in cooperation with local government, lenders, suppliers, tradespeople and the neighbours living near the site. The builder must meet the desires and budget of the people who will purchase and live in the home, while conforming to community standards and government regulations for residential buildings. The focus of provincial government leadership is to encourage widespread awareness of the effect each participant can have in meeting the housing challenges facing us, and to develop the ability of all involved to meet the housing needs of British Columbians.

The major partners in housing all have their own responsibilities, resources and expertise to add to the collective effort on affordable housing.

Local Government

Local government has considerable influence over how and where housing is developed. It is charged with planning to ensure that land is available for development and to determine how that land will be used—for example, the size of lots, or the balance of single-family and multiple-family dwellings. Within the limits of its mandate, local government decides how infrastructure such as roads, sewers and street lighting will be provided and paid for, sets zoning and design requirements and enforces health and safety standards for buildings. Since 1992, municipalities are required by the *Municipal Act* to include policies

regarding affordable, rental and special needs housing when updating their Official Community Plans. Some local governments have already demonstrated innovative leadership on housing affordability by using their powers to ensure inclusiveness and diversity.

Housing Industry

The housing industry finances and builds virtually all of British Columbia's new housing. The expertise and entrepreneurship of developers, builders and lenders are the engine that drives the provision of new homes, and are essential to tackling the affordability challenge. For them to do their job, a workable balance must be found between necessary regulation and the freedom to develop new, more efficient approaches to housing production. The provincial government has an

important role to play in encouraging a balance that meets the province's emerging housing needs.

Community Sector

The community non-profit and co-operative housing sectors coordinate the production of non-market housing developments, and own and manage over 65,000 units of housing for low- and moderate-income British Columbians. They also provide community housing services such as group homes, housing registries, transition houses and emergency shelters, and are key to identifying housing issues that affect people with special needs. Some of these groups operate with provincial government funding designed to strengthen a community's ability to identify and address their particular housing problems. Others apply their skills and knowledge to producing affordable housing in partnership with the provincial HOMES BC program.

Renters and Owners

Housing consumers are the people who rent or buy the homes produced in British Columbia, and as such have the greatest stake in measures aimed at increasing housing affordability. Provincial legislation such as the *Residential Tenancy Act* provides important protection for renters, while provincial tax measures such as the Home Owner Grant and the Property Transfer Tax influence the cost of housing for homeowners and prospective purchasers. Even non-market housing is partially financed by those who rent the units, with the provincial government assisting the non-profit owners to operate on a break-even basis.

Federal Government

The federal government provides mortgage insurance and has an important influence on housing costs through tax and fiscal policy. Although it has withdrawn from funding new non-market housing, it continues to administer almost 45,000 housing units in B.C. The provincial government is now considering a federal proposal to transfer administration of this housing to the province.

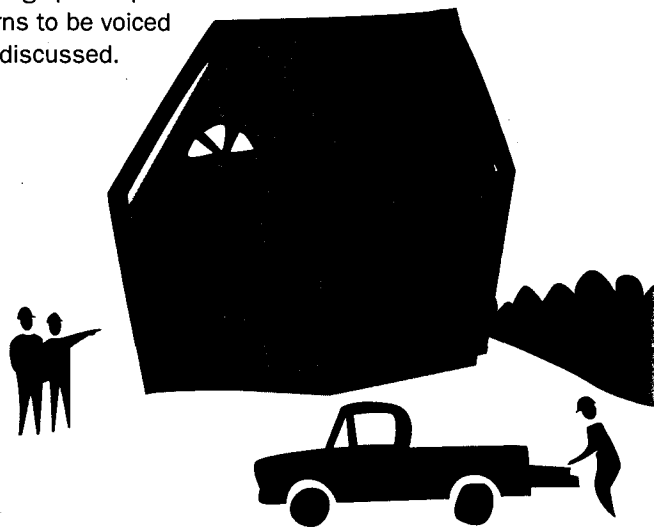
Accomplishments

British Columbia's housing strategy aims to involve all partners in making housing more affordable by bringing together their respective resources and expertise.

To date, partnerships have been encouraged and supported through:

Advisory Council on Affordable Housing

An important avenue for communication with the sectors involved in housing, this council meets regularly with the housing minister. The council, with representatives from all parts of the province, provides a high-profile provincial forum for concerns to be voiced and initiatives to be discussed.



This council allows the province to be responsive to the changing needs of local government, industry, the community sector and housing consumers.

Tools for Local Government

In 1992, the government amended the *Municipal Act* to require that official community plans include policies on affordable, special needs and rental housing. In subsequent years, new powers have been given to local governments to implement those policies, and information and models have been provided to assist them. For example, through comprehensive development zoning municipalities can now negotiate with developers of larger sites to establish affordability goals.

Programs

The Community Housing Initiatives component of HOMES BC aims to strengthen community housing organizations. It provides grants for advocacy and public education proposals, and for projects that pilot new housing-related services. It also helps communities identify and act on housing issues at the local level, and has particularly focused on developing housing expertise outside the major urban areas. Among others, grants have recently been made to community groups in Smithers, Kelowna, Merritt, Port Alberni and Revelstoke. In addition, while HOMES BC's primary focus is rental housing, the New Options for Home Ownership component encourages partnerships between non-profit groups and the private sector to develop innovative forms of affordable ownership housing.

Information Exchange

Conferences are an important means of developing common approaches to housing problems, both by fostering communication between government and the various groups with interest and expertise in housing, and by sharing the practical "how-to's" of bringing about improvements. A joint conference of the Union of B.C. Municipalities and the Ministry of Housing, Recreation and Consumer Services was held in February 1995. The conference, entitled "Affordable Housing and Local Government: Building Strong Communities" was attended by representatives from municipalities as varied as Pemberton, Rossland, Parksville and Burnaby. A conference aimed at strengthening the skills of community housing groups took place in September of the same year. The impact of regulation on housing costs is a major focus of discussions with the Canadian Home Builders Association of B.C., and a conference on that topic was held in March 1996.

Resource Materials

The ministry has produced a variety of "how-to" materials aimed at promoting or helping partners create affordable housing. These provide information and models of best practices in new approaches to housing. A list of these materials is found at the end of this document.

2: REDUCE LAND COSTS

Goals

Reduce the impact of land costs on housing development.

■ Make public land available at below market value for affordable housing projects.

■ Give local government powers and incentives to ensure a reliable supply of serviced land, and to promote more effective use of already-serviced land.

■ Work with local government and industry to find a mutually acceptable means of allocating infrastructure costs of urban growth.

■ Keep housing affordability a high-profile issue in provincial and regional planning initiatives.

An increasing population, combined with a diminishing supply of usable land, is at the heart of high housing prices in urban British Columbia. The strong economy and the mild climate in much of the province continue to attract strong in-migration from other provinces and other countries. As well, there is a relatively high birth rate among those who already live here, which also contributes to strong demand for housing.

Population and Housing Trends

British Columbia's population has risen by about one million people since 1980; since 1990 the combination of in-migration and natural increase has added approximately 90,000 people every year. There are now 3.7 million people living in 1.4 million households. Our population is expected to reach 4 million people by the year 1998, and 5.7 million living in 2.3 million households by 2021.

The key driver of housing demand is not strictly population, but households. In British Columbia, as in most parts of Canada, the trend is toward smaller households—smaller families, more people living alone, fewer people boarding or sharing. Even if British Columbia's population had not changed at all since 1961, demand for housing would have grown by about one-third just because of declining household size. If current trends continue, almost 667,000 more houses and apartments will be needed in urban British Columbia by the year 2021. To accommodate this new housing at current urban densities, additional land equal to five new cities the size of Vancouver would be required.

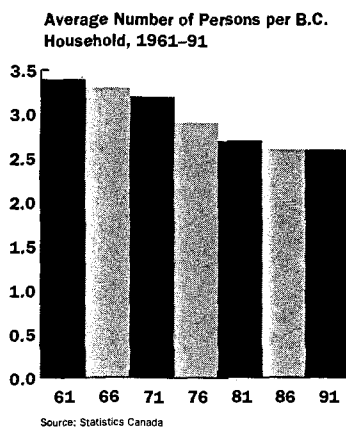
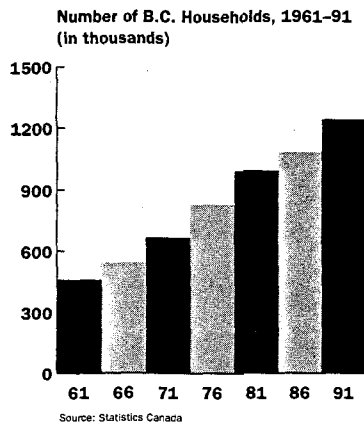
Most newcomers move into the Lower Mainland, southern Vancouver Island and the Okanagan. The Greater Vancouver region is forecast to absorb 33,000 people or more per year. The Okanagan Valley, the eastern side of Vancouver Island and the Prince George region are also growing rapidly. Much of that growth is the result of older people and young families moving out of the main urban areas, often in search of more affordable housing.

Supply and Demand—To a Point

In theory, rising demand is balanced by adjustments in supply. Increasing prices normally attract investment to the market—more housing is provided and prices adjust. In practice, things do not work quite so smoothly in British Columbia's housing market for several reasons, mostly related to the supply and price of land.

First, only a small proportion of the province's land is suitable for housing development. Much of it is mountainous and has little access by road. Other areas have specific disadvantages that add to costs. The east coast of Vancouver Island has a limited supply of fresh water, while almost 20

About 667,000 more houses and apartments may be needed in British Columbia by the year 2021. At current urban densities, additional land equal to five new cities the size of Vancouver would be required.



per cent of the Lower Mainland is on a flood plain, at risk for both flooding and earthquake damage.

Second, land availability is further restricted by decisions about land use. A great deal of land in British Columbia has been protected for agricultural purposes, forest reserve, or provincial and federal parks. Within municipalities, zoning restricts the kinds of buildings, such as housing, industrial plant or office, that can be constructed within specific areas, as well as the density of that development—that is, the number and size of buildings or units that can be created on a given site.

Finally, communities require services ranging from schools to sewers and street lights. Land cannot be made available for new communities until basic services and infrastructure have been installed, but procedures vary widely across the province and municipalities are hard put to keep up with demand. A key issue in both urban and rural areas is how such services should be financed. Over recent years this expense has been falling more and more directly on the shoulders of the purchasers of new homes—an expense that can add as much as \$20,000 to the cost of a home. The Ministry of Municipal Affairs and Housing and the development industry are working together to review development cost charges and to identify alternative means of paying for services.

These constraints on land supply have combined to create disproportionate increases in the price of land in urban British Columbia. Although prices

adjust from year to year, over the long term the trend is generally upwards. Since 1982, the land component of new housing prices has risen by an average of five per cent annually in Greater Vancouver and by about seven per cent in Victoria.

Accomplishments

British Columbia's housing strategy aims to add to the supply of land for affordable housing, notably by establishing a mechanism for making publicly-owned land available at below market value. It also gives local government more tools to ensure that available land is serviced and used efficiently. To date, the main advances on this component of the strategy are:

Affordable Housing First Lands Policy

This policy designates non-profit housing as a high-priority use for surplus provincial land. Leases may be provided at discounts of up to 75 per cent of market value. Potential sites include portions of Woodlands in New Westminster, Riverview in Coquitlam, and the parking lots near the legislature in Victoria. Other possible sites are currently being examined. Before this policy was in place, land on the province's Oakalla site was made available for two non-market developments with a total of 50 family and 15 seniors' units.

Housing Land Trusts

The government has supported the work of the Community Housing Land Trust Foundation as an alternate way to preserve land for non-market housing. In addition to ensuring long-term affordability, the land trust model provides communities with the ability

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to develop affordable housing without government assistance.

Tools for Local Government

The *Municipal Act* was amended in 1993 to provide local government with two important tools.

Density bonusing (increasing the amount of living or working space allowed on a site) offers an incentive for developers to include affordable, rental or special needs housing or amenities in their plans.

Comprehensive development zoning gives local governments the authority and flexibility to negotiate with developers of large, complex sites and customize zoning regulations to meet particular purposes.

Amendments to the *Municipal Act* in 1994 gave local government the authority to sell or lease land at below market value for non-market housing.

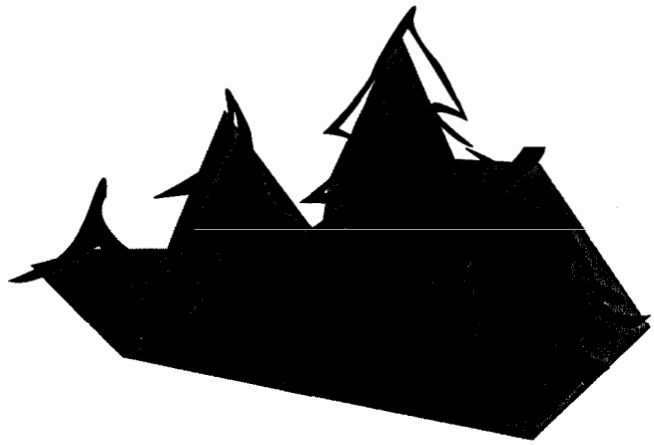
Regional Growth Strategies

The 1995 *Growth Strategies Statutes Amendment Act* established goals for regional and local government planning. Housing is a mandatory element of a regional growth strategy. Adequate, affordable and appropriate housing is explicitly identified as a goal of strategies aimed at ensuring that urban growth is "socially, economically and environmentally healthy and ...makes efficient use of public facilities and services, land and other resources."

Development Finance Review

In September 1995, the Ministry of Municipal Affairs began a review of development financing issues. To date, the review has involved consultation with key groups such as the Canadian Home Builders Association of B.C., the Union of B.C. Municipalities and the Urban Development Institute.

but how make sure
it goes to people who need



3: INCREASE AFFORDABLE OWNERSHIP

Goals

Increase affordability of home ownership for first-time buyers.

- Develop a responsive regulatory framework that promotes affordability and diversity in the ownership market.
- Assist local governments to streamline the development approvals process.
- Facilitate the development of safe secondary suites as mortgage helpers.
- Provide local governments and industry with tools and technical support to encourage the creation of affordable housing developments.
- Reduce the cost of purchasing for first-time home buyers.
- Assist community partnerships to develop new forms of affordable ownership housing.

Urban areas in British Columbia are the least affordable places in Canada for people wishing to buy a home. Fewer than one in four renters in the major metropolitan areas can afford to buy a home, and although prices occasionally adjust, the movement is more typically upwards.

Population is not the only factor that affects housing prices. Two other factors, over which communities and governments have a greater degree of control, are regulation and zoning patterns.

Re-thinking Regulation

Some regulation is necessary to both the soundness of buildings and the quality of life. Building standards, design guidelines and subdivision standards are intended to achieve specific purposes. However, some standards can add significantly to the cost of housing. For instance, the width established for streets and setbacks in new subdivisions is related partly to the need for parallel utility corridors for storm drains, sewers, water and power supply and gas mains. Local governments can examine ways of providing services to use less land per dwelling unit, and savings from more efficient land use may be passed on to the purchaser.

Some local governments are setting safety requirements such as requiring that new single family homes be equipped with sprinkler systems, that are more stringent than the B.C. Building Code. This is another example of regulation that can have the unintended side effect of making housing less affordable.

All governments must look closely at the effect of regulations on the price of the end product and review those that go beyond safeguarding basic health and safety. The provincial government recently applied this principle by making amendments to the Building Code that recognize secondary suites as a special type of housing and provide a standard for their design and construction.

Updating Zoning

Zoning in urban and suburban areas has traditionally been oriented towards one type of housing development: single-family houses on individual lots. In some places, this historical preference for low-density housing severely limits the land available for apartments or townhouses, forms of housing that use land and services more efficiently and offer greater affordability. Zoning may also restrict the use of manufactured homes, another approach to affordable ownership.

Zoning affects individuals as well as larger developments. For instance, zoning can prevent homeowners from renting out parts of their homes as

secondary suites. This may create problems for those who need additional income to help them buy their own home. But it also limits the housing choices of renters—families who would like a back garden for their children, elderly people who want to live in their children's homes while still maintaining their independence, young people just moving out on their own—and discourages the expansion of a source of shelter that is traditionally less expensive. There is a need to recognize the importance of secondary suites to homeowners as well as to renters, and to address concerns that prevent the acceptance of this important part of the housing stock.

In general, past zoning has tended to separate single-family from multiple-family dwellings, and owners from renters. This reduces housing diversity, and typically creates uniform housing with limited choice of tenure, housing type and location that does not serve communities well over the long term. It can also be costly in services and infrastructure, since large areas with low density tend to under-utilize public transport, water and sewer lines, and even roads and sidewalks. Even permitting smaller lots for single family homes would allow the development industry to experiment with more affordable approaches to home ownership.

Shaping our Communities

Discussion and decision-making about the future shape of our communities must take place in many places and at many different levels and involve all members of the community. B.C. communities leading the way in

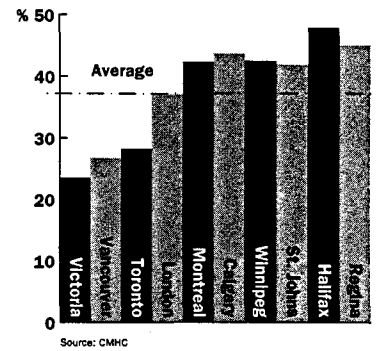
planning for a more sustainable future are Nanaimo with its Imagine Nanaimo project, Kelowna in its Strategic Plan, and the GVRD with the Liveable Region Strategy.

The provincial government has passed legislation to support regional planning processes. The 1995 *Growth Strategies Statutes Amendment Act* requires new regional plans to set out directions which avoid urban sprawl, reduce pollution and provide for "adequate, affordable and appropriate housing."

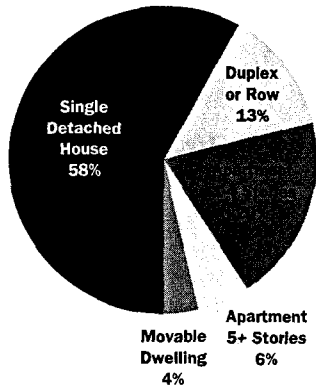
Accomplishments

B.C.'s housing strategy aims to improve the affordability of home ownership chiefly by making the regulatory and zoning environment more responsive. Some specific measures are favoured, such as facilitating secondary suites, which homeowners can rent out to help meet their mortgage payments, and developing new approaches to producing homes for first-time buyers.

Renters Across Canada Who Can Afford a Starter Home, 1995 (per cent)



B.C. Dwellings by Structural Type, 1991



Source: 1991 Census

The strategy also encourages diversity in housing through innovations such as smaller lot development, "grow homes," which accommodate themselves to the changing needs of families, and alternative affordable development standards for housing.

To date, the main advances on the affordable ownership component of the strategy are:

First-time Home Buyers Program

This tax reduction program, introduced with the provincial Budget in 1994, allows the Property Transfer Tax to be waived for people buying their first home. In two years, over 38,000 British Columbia households benefited from this popular measure.

Tools for Local Government

The *Municipal Act* was amended in 1993 to enable local governments to make housing agreements with developers to secure a supply of affordable housing, including rental, co-operative and owned units.

Framework for Managing Regional Growth

The *Growth Strategies Statutes Amendment Act* provides a framework and tools for regional planning to maintain communities that are socially, economically and environmentally healthy, and make efficient use of public land, services and resources.

HOMES BC: New Options for Home Ownership

This program assists established non-profit groups to create new forms of below-market-price housing such as equity co-operatives. Priority is given to first-time home buyers, particularly households in non-market housing who

require a little help to move into the marketplace. This will free up non-market housing for other needy households.

Construction Quality

In October 1995 the housing minister formed a task group to look at ways of protecting condominium purchasers from costly deficiencies particularly water penetration. As a result of its recommendations, the government will look at ways to strengthen consumer protection and will conduct a review of new home warranties.

Discussions with the Canadian Home Builders Association of B.C.

The home-building industry and the government are engaged in direct discussions on a range of regulatory and other issues affecting the creation of affordable housing.

Secondary Suites Initiatives

Research has been conducted throughout the province on current municipal practices about secondary suites. The findings have been made available to local governments to help policy-making on this issue. In addition, a guide is being developed to assist local governments to use their planning, regulatory and cost recovery tools to facilitate the creation of secondary suites.

4: EXPAND AFFORDABLE RENTAL HOUSING

Goals

Preserve and expand the stock and variety of moderately-priced rental housing.

■ Expand the supply and diversity of affordable market and non-market rental units.

■ Preserve and maintain existing market and non-market rental stock.

■ Establish an overall approach to addressing the rental housing needs of lower-income individuals living in urban centres.

■ Provide financial assistance to low-income seniors to help with rental costs in the private market.

■ Promote fair business practices between landlords and tenants, especially where landlords have small holdings.

Renters in British Columbia, like owners, face some of the highest housing costs in Canada. About 32 per cent of renters—130,000 households—cannot afford housing in their community that is large enough for their household, and in good repair, without spending over 30 per cent of their gross income. Moreover, the concentration of low-income households in the rental market is growing. Of the one-fifth of British Columbians in the lowest income bracket, 73 per cent are now renters, compared to 51 per cent in 1978.

The most severe affordability problems are found among households headed by women—single parents and elderly single women—and low-income individuals who live alone. Almost one-third of single parents and one-quarter of households headed by women over 65 pay more than 50 per cent of their gross income for rent. Across the province half of single renters pay more than the 30 per cent benchmark for affordability. Housing suitable for families with children is in particularly short supply, and people with special needs face an especially difficult rental situation.

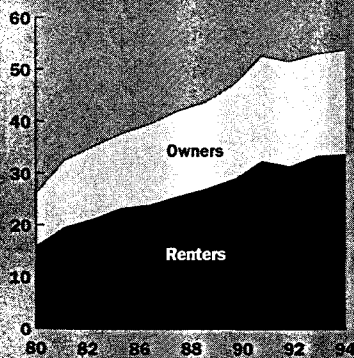
A Changing Market

Some of the scarcity of rental housing stems from the way the housing market is functioning at this time across Canada, particularly in major cities. Despite the high demand reflected in low vacancy rates, the cost per unit of building and managing traditional rental housing is greater than many renters can afford to pay. For this reason, most new multiple-unit developments are condominiums, which

promise greater returns on investment than rental units. At the same time, many renters cannot afford to buy their first home, so existing rental units do not turn over very quickly. Growth in demand for rental housing is largely being met through non-conventional housing units such as secondary suites and condominiums rented out by their owners. Almost a third of rental units in the province are estimated to be either secondary suites (100,000 units) or condominiums (45,000 units) owned by small investors.

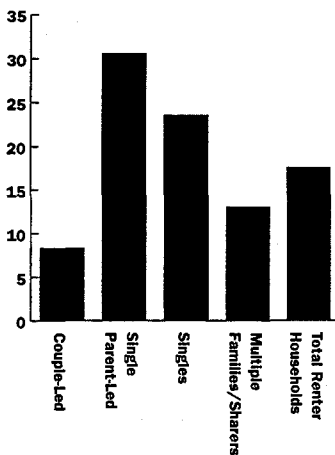
At the same time, many older buildings are being converted into owner-occupied condominiums or demolished. From 1987 to 1995, approximately 26,000 rental units have been torn down in urban British Columbia. This is particularly true of the older hotels in the downtown areas of population centres across the province, where many low-income singles live in Single Room Occupancy (SRO) hotels, rooming houses or motels. There are about 14,000 SRO units in British Columbia;

Average Household Income by Tenure, B.C. 1980-94 (in \$ thousands)



SOURCE: STATISTICS CANADA

B.C. Renters Paying Over Half of Gross Income for Rent, 1991 (per cent)



Source: 1991 Census

about half are in Vancouver, while New Westminster, Victoria, Nanaimo, Prince George, Kelowna and Kamloops and even smaller centres also have their share.

As downtowns are redeveloped, the loss of this stock threatens to leave many longtime residents homeless. Vancouver has lost an estimated 100 SRO units per year over the last nine years. Current development pressures in the downtown core threaten to speed up this reduction of an important housing resource.

Non-market Housing

Non-market housing is one of the main ways in which governments can increase the supply of affordable rental units, to remedy shortages such as the present lack of family housing. In 1992 the federal government began to phase out its commitment to funding new non-market housing projects, totally withdrawing in 1994.

This has resulted in a loss of two-thirds of the previous funding base. While the province has maintained and enhanced its commitment to non-market housing through its HOMES BC program, the loss of federal funding reduces considerably the number of new non-market housing units that can be produced each year. A priority is to develop a strategic plan for maintaining and, where appropriate, redeveloping the existing non-market housing stock.

Accomplishments

British Columbia's housing strategy aims to preserve and expand the stock of affordable rental housing in British Columbia through a variety of measures including legislative amendments, building code revisions, more focused allocation of existing funding, and improved landlord-tenant relations. To date, the main advances on the affordable rental component of the strategy are:

HOMES BC: Non-Profit Housing

This component of HOMES BC assists non-profit and co-operative groups to develop mixed-income non-market housing, primarily for families with children. Approximately 1,700 non-profit units will be built under the program's 1994 and 1995 allocations, which are distributed throughout the province according to local housing need. A partial list of communities that received allocations in 1994/5 and 1995/6 includes Quesnel, Fort St. John, Sicamous, North Cowichan, Princeton, Nanaimo, Prince George and Terrace.

The B.C. Housing Management Commission, the provincial government agency that delivers housing services,



Almost one-third of single parents and one-quarter of households headed by women over 65 pay more than 50 per cent of their income for rent. Half of single renters pay more than 30 per cent of their gross income.

has seven regional offices to assist societies in the management of non-profit housing provided under HOMES BC and previous provincial and federal programs. Outside the Lower Mainland, offices can be found in Penticton, Prince George, Prince Rupert, Victoria and Campbell River.

Amendments to the Residential Tenancy Act

Major changes made in 1994 promote fair business practices and better communication between landlords and tenants. Offices in Surrey, Vancouver, Burnaby, Victoria, Nanaimo, Kelowna, Kamloops and Prince George now provide information and arbitration services.

Housing Registries

Funding through the Community Housing Initiatives component of HOMES BC has supported 11 housing registries and housing relocater programs to provide low- and moderate-income renters with information about affordable rental options, and also to educate the public on housing and tenancy issues.

Tools for Local Government

The *Municipal Act* has been amended so that local governments may enact bylaws regulating standards of maintenance for rental units. This will help to preserve the existing supply of market rental housing while ensuring the health and safety concerns of tenants are addressed. Housing agreements, now permitted under the *Municipal Act*, provide an opportunity for local government and developers to agree on the provision of affordable housing on a particular site.

Preservation of Non-market Housing

The 1995 amendments to the *Cooperative Associations Act* ensure that co-operative units created under government housing programs cannot be converted to individual ownership for the private gain of current members.

Amendments to the Real Estate Act

Owners of rental buildings are now prevented from bypassing municipal council approvals when converting rental properties to owned units. This amendment prevents the rapid, unauthorized loss of rental housing stock.

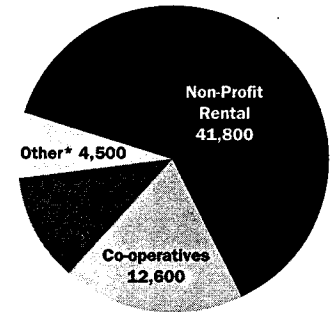
Shelter Aid for Elderly Renters (SAFER)

The SAFER program is delivered to approximately 13,000 low-income senior households across the province. This program provides direct cash assistance to reduce the cost of renting in the private market.

Secondary Suites Initiatives

Changes to B.C.'s Building Code have set appropriate and affordable standards for secondary suites. A task force with local government representatives has examined the secondary suites issue as it affects municipal planning. In addition, research has been completed on current municipal practices as a guide for councils and staff wishing to address the issue. A guide is being developed for local government to demonstrate how planning, regulatory and cost recovery tools can be used to create and retain secondary suites.

B.C. Non-Market Housing Inventory, 1994



Source: BCHMC

*Other includes: Rent Supplement (2,100), Group Homes (2,000) and Homeless/At Risk (400).

5: PROMOTE HOUSING FOR INDIVIDUALS WITH SPECIAL NEEDS

Goals

Promote a range of housing options for individuals with special needs.

- Increase the supply of housing units appropriate for individuals who can live independently with some degree of social or health support.

- Provide rental assistance for individuals with special needs whose primary obstacle to finding appropriate housing is affordability.

- Support community groups in education and advocacy work aimed at increasing the acceptance of special needs housing in neighbourhoods.

- Coordinate the planning, funding and delivery of special needs housing.

Rising housing demand tends to squeeze out people with lower incomes and those who have special needs. It often forces people into housing that is seriously inadequate for their needs; ultimately, the result for some is homelessness. The Provincial Commission on Housing Options recognized that "the number of people living without shelter or at the edge of homelessness is growing."

Noting that most housing for individuals with special needs had previously been funded through non-market housing programs, the Commissioners strongly recommended that the provincial government take leadership in developing policies and programs to fill in the gap left by the federal government's withdrawal. It also noted that many government ministries, and departments within those ministries, as well as many community groups, were already providing housing resources to various special needs groups. The Commission urged that the work of those departments and agencies be better coordinated.

A Place in our Communities

Homes that are barrier-free for wheelchairs and units that are comfortable for frail seniors are difficult to find. Individuals living with HIV or AIDS are likely to have housing problems as their ability to work declines. Street youth, vulnerable to physical and sexual abuse, need safe houses with support available. Women and children fleeing domestic violence often need a secure place to plan their next steps. Individuals with mental illnesses or with drug or alcohol dependencies need options for semi-independent living. One common denominator of all

these groups is a need for a supportive housing environment, rather than a treatment setting such as a hospital or other institution. Most prefer to remain in the community, but the tight rental market and shortage of appropriate supports can make this very difficult. Even when land and funding are available for affordable and special needs housing projects, they may be stymied by NIMBY (Not In My Back Yard) resistance in the neighbourhood.

Bridging the Gap

Many services are delivered throughout the province for citizens who have special needs, including approximately 17,000 housing units. There are emergency shelters for homeless adults, and safe houses for women and children fleeing domestic violence and for street youth. Group homes and residential treatment programs are maintained primarily for individuals with physical and mental disabilities. Second-stage housing is available for a number of groups, particularly women leaving transition houses.

In spite of these resources, many individuals with special needs "fall through the cracks" of the existing health and social services system, which is designed for delivering

Most people with special needs prefer to remain in the community, but the tight rental market and lack of appropriate housing units can make this very difficult.

services rather than providing housing. Others are handicapped economically, simply because they have very low incomes in a region of high housing costs.

The B.C. Housing Management Commission focuses on developing second-stage and permanent, self-contained accommodation that is sensitive to the support needs of people who are able to live independently. It also provides rent supplements for those, such as people with HIV or AIDS, who particularly require the security of knowing they can continue to afford a place to live.

Accomplishments

British Columbia's housing strategy aims to promote a range of housing options for individuals with special needs and people who are homeless or at risk of homelessness. One important goal is to increase the ability of community groups and non-profit organizations to create supported housing. A complementary goal is to increase the acceptance of special needs housing in existing neighbourhoods. The strategy also focuses on improving coordination among departments and agencies providing housing to special needs groups.

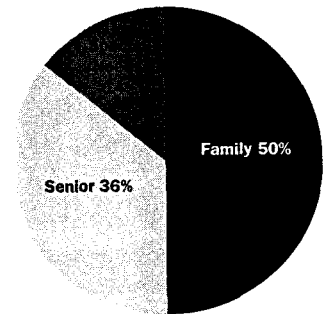
To date, the main advances on the special needs component of the strategy are:

HOMES BC:

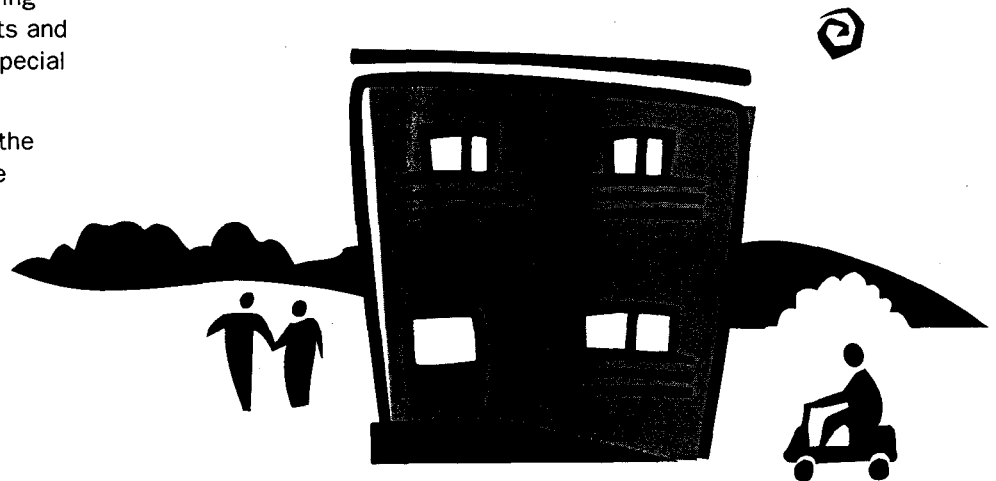
Homeless/At Risk Housing

This component of the program creates units for individuals who are homeless or at risk of homelessness, and who require some social or health services to live independently. Funds for 16 community housing projects representing 289 units were committed in 1994 and 1995. A further 300 units of housing for individuals with special needs—24 community projects—were funded under the provincial Homeless/At Risk initiative in 1992 and 1993. These projects are being built in centres all across the province, such as Nanaimo, Prince George, Fort St. John, Kelowna, Victoria and Vancouver. Preliminary grants are available to communities outside Vancouver and Victoria to identify what is needed to address local housing problems and to develop the expertise necessary to work out a viable solution.

B.C. Non-Market Housing, 1994



Source: BCHMC



B.C. Special Needs Housing Inventory, 1994 (All ministries)

Self Contained Units

<i>Non-Profit Rental</i>	
Family/Seniors	810
Second Stage Transition	90
Mentally Ill	280

Rent Supplement

General*	570
Mentally Ill	520
Children in Care and Pregnant Teens	3,540
Subtotal	5,810

Group Home Beds

Mental Illness	4,690
Physical/Mental Handicaps	4,165
Substance Abuse	265
Corrections	300
Subtotal	9,420

Emergency Accommodation

Hostels and Shelters	770
Transition/Safe Houses	500
Subtotal	1,270

Total 16,500

*Includes mental/physical handicaps, mental illness and HIV/AIDS.

Accessible Units

HOMES BC has also maintained the traditional requirement that five per cent of non-market housing be designed for wheelchair accessibility, and has encouraged sponsor groups to allocate as many as five per cent more units to persons with other disabilities. There is also a priority placement policy in non-market housing for families in transition because of domestic violence.

Lower Income Urban Singles

Task Group

This work group representing communities across the province was called together by the housing minister in the fall of 1994. It recommended strategies that can be employed both by governments and by communities for addressing the housing needs of individuals with low incomes, many of whom live in SRO hotels, motels and rooming houses.

In response to the task group's report, *Nowhere to Live*, the Premier and the Minister of Housing hosted a round table with the housing industry and the community in February 1996. Participants examined options for preserving the current supply of single room occupancy hotels and ways of developing new partnerships to increase the supply of decent, affordable homes for low-income urban singles. Staff are now working with community members to develop rehabilitation measures to improve the safety of SRO units for long-term tenure. In addition, 210 units of co-operative housing will be built on the former Woodward's site in downtown Vancouver.

Coordinating Activities on Special Needs Housing

This initiative aims to streamline and coordinate the provincial government's overall approach to the planning, funding and delivery of special needs housing. As well as increasing efficiency, the strategy will assist government to work more effectively with community partners.

NIMBY (Not-in-My-Backyard)

Task Group

This sub-committee of the Advisory Council on Affordable Housing worked with the housing ministry to develop a resource kit called *Toward More Inclusive Neighbourhoods*. The kit contains six practical guides to help community-based groups and local government deal with neighbourhood opposition to non-market and special needs housing developments.

Accessibility Advisor

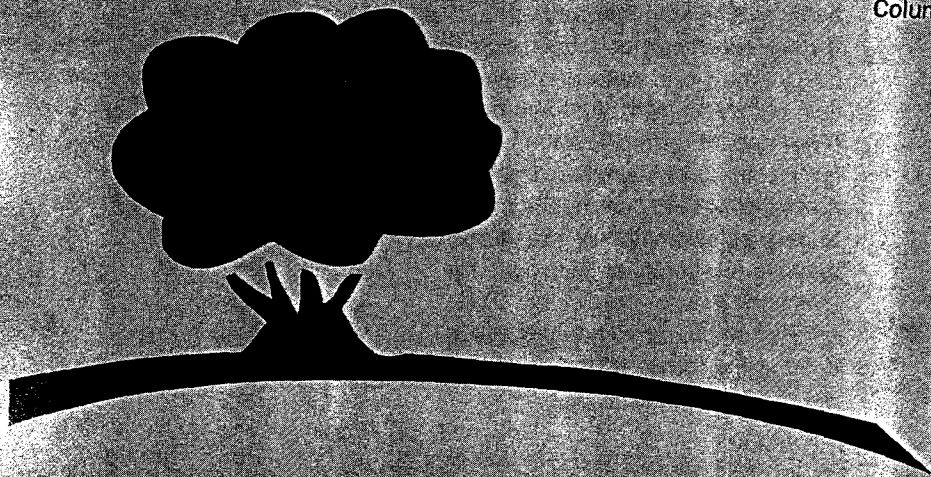
Early in 1996, the Ministry of Municipal Affairs and Housing created an Accessibility Advisor position whose role is to increase awareness and encourage practical actions to make homes, buildings and communities more accessible to persons with disabilities. The Accessibility Advisor will work closely with local governments, the housing and building industry, and the disabled community in pursuit of this objective.

SHAPING THE FUTURE

A great deal of work has already been done to implement British Columbia's Strategy for Affordable Housing. However, it must be understood that a strategy is essentially a starting point—not working drawings, but a development plan. The provincial government and its partners will move forward on the detailed work, guided by the three principles that are the basis of the strategy: affordability, diversity and sustainability.

Stating these principles is easy; applying them in the real world is far more complicated, especially since there is rarely any "one best way" to approach a problem or project. Discussion and consultation will be necessary on a number of levels.

The provincial government as a whole is committed to integrating its *Strategy for Affordable Housing* into its overall economic and social policies. The lead ministry will work with other provincial ministries whose mandates have an impact on housing, to help communities plan their futures in ways that take the variety of housing needs and interests into account. And, in keeping with its leadership role, the provincial government will continue to work with all partners in the housing field to make sure that the basic principles of the Strategy for Affordable Housing are followed in the important task of expanding housing opportunities for British Columbians.



MINISTRY INFORMATION AND RESOURCE MATERIALS

How to obtain publications

If you would like to receive a copy of these or any upcoming publications contact Public Affairs or Housing Policy at:

Phone (604) 387-4089
or 953-3005

Papers

Toward More Inclusive

Neighbourhoods A series of guides to help counter community resistance to non-profit and special needs housing

Nowhere to Live A Call to Action by the Low Income Urban Singles Task Group

Rental Housing Trends in British Columbia

Secondary Suites, An Affordable Housing Choice for British Columbians A Summary of Local Government Practices

HOMES BC – Building Affordable Housing Strengthening Communities Call For Expressions of Interest and Non-Profit Housing – Development Guidelines

SRO: A New Frontier or a Step to the Rear? Single Room Occupancy Research and Discussion Paper

Affordable Housing and Local Government – Building Strong Communities Information Binder

Report of the Secondary Suites Policy Committee Discussion Paper

Rent Protection in British Columbia Report on Public Discussion

Housing Opportunities Through Local Planning Bill 31 – Municipal Affairs Amendment Act

Fairness in the Rental Housing Market Residential Tenancy Act Amendments for British Columbia

British Columbia Housing Management Commission, Annual Reports

Housing Opportunities Through Local Planning Bill 57 – Municipal Affairs, Recreation and Housing Amendment Act

Housing Survey with Residents of Vancouver's Downtown Area

Manufactured Homes Legislative Review Recommendations Report

Manufactured Housing Study, British Columbia

Affordable Housing Builds Strong Communities Developing Community Housing Policies: A Guide for Local Government

The Report of The Provincial Commission on Housing Options – New Directions in Affordability

Brochures and Booklets

Accessible Housing

Wheelchair Housing Registry

Local Government

Affordable Housing and Local Government - Building Strong Communities

Shelter Aid for Elderly Renters

SAFER – Shelter Aid for Elderly Renters

How to Re-apply for SAFER

Social Housing

Applying for Social Housing in British Columbia

Fairness in Renting

Information for B.C. Tenants and Landlords

Homes BC

An Overview

BC Housing

A guide for applicants, tenants and housing providers

Listed in order of date published

GLOSSARY OF TERMS

Comprehensive Development

Zoning is used by local governments to regulate land use, density, location and building design specifically for a large, complex multi-use development sites. Municipalities sometimes include a requirement for specific types of housing, and for affordable housing, in comprehensive zoning.

Community Housing Land Trust is an incorporated non-profit society whose purpose is to hold land for affordable housing in perpetuity. Non-profit co-operatives or rental societies, or private donors, can place land in the Trust; the Trust can use the unmortgaged value of the land to help finance more affordable housing.

Core Housing Need is an index used by the federal and provincial governments which measures the number of households in a region who cannot find uncrowded housing in good repair without spending more than 30 per cent of their gross income.

Density Bonusing is a type of zoning used by some local governments to gain amenities that benefit the community. The municipality will change density limitations for a site, usually by allowing the developer to build more floor area or units, and the developer in return will provide, for example, parks, community recreation facilities, or affordable housing units.

Equity Co-operative is a type of housing co-operative that is completely funded by its member-residents, without any government assistance. The difference between an equity co-operative and a condominium (strata title) building is that in the former all the

units are owned by the co-operative as a group; in the latter, title to the units is held by individual households.

Housing Agreement is a legal agreement between a land owner or developer and a local government to ensure that particular types of housing, such as affordable rental or co-operative housing, are provided and remain in that use over time. The agreement is placed on the land title and is binding on all future land owners.

Housing Type in this document refers to building configuration, that is, apartments in multi-story buildings, townhouses or row houses that are attached to each other but have entrances to the street, semi-detached houses (duplexes) and detached single family houses.

NIMBY is an acronym for the "not-in-my-back-yard" syndrome, which is expressed as community opposition to increased density or to non-market or special needs housing.

Non-Market Housing is housing produced for the non-profit housing sector and not available to the general or for-profit market. Most non-market housing is social housing subsidized by governments, but housing financed by the residents or by other means such as community contributions, can be removed from the for-profit market by such means as a Land Trust. Non-Profit and Co-operative Housing are the two types of non-market housing most frequently found in Canada. The housing is owned and operated, on a break-even basis and usually with the help of government subsidies, by non-profit groups incorporated as either housing

societies or housing co-operatives. The societies operate rental housing; the co-operatives manage housing for their own members.

Official Community Plan is a document passed by a municipal council or regional district board that outlines the community's goals, objectives and policies regarding land use, social well-being, housing and other issues. It serves as a framework for managing development in the community.

Regulation refers to the rules of procedure used by governments at all levels to prescribe the way in which buildings and communities should be developed and constructed. Regulations, such as the B.C. Building Code and zoning bylaws, have the force of law.

Secondary Suite is a term for a self-contained apartment that has its own bathroom, kitchen facilities and entrance built within an existing house and generally comprising less than 40 per cent of the area of the entire house. A secondary suite may or may not be legally authorized, depending on whether it meets the applicable building standards and whether the neighbourhood is zoned for more than one residence in a building.

Standards of Maintenance Bylaw refers to local governments' mandated minimum health and safety standards applicable to a residential rental unit.

Tenure is the right to occupy a dwelling; the three types of tenure are renting, individual ownership (fee simple or strata title), and co-operative ownership (owning as a group).

Zoning is a set of regulations adopted by a local government to prescribe the use of land, buildings and structures in a particular location. For example, a neighbourhood may be zoned so that only single family houses can be built there, or commercial uses may be preferred. The size and dimensions of buildings may also be strictly defined. A developer who wishes to build something different must apply to the local Council to have the site rezoned, and Council consults the local residents through a public hearing process.

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