Housing and Homelessness

City of Vancouver
September 2010
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  - Homelessness
  - Rental Housing
  - Affordable Home Ownership
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OVERVIEW
Affordable Housing is central to:

- Healthy people
- A growing and greening economy
- Ecological sustainability
- Livable and inclusive communities
Overview
Affordable Housing

Broader Context:

• Ability for household to afford rent or mortgage
• Applies to any part of the housing continuum
Overview
Housing Affordability in Vancouver

Household Shelter-to-income Ratios, 2006 Census

<table>
<thead>
<tr>
<th>CITY</th>
<th>OWNERS</th>
<th>RENTERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying 30% or more of income</td>
<td>25%</td>
<td>39%</td>
</tr>
<tr>
<td>Paying 50% or more of income*</td>
<td>9%</td>
<td>15%</td>
</tr>
</tbody>
</table>
Overview
Housing Affordability in Vancouver

PROPORTION OF HOUSEHOLDS PAYING 30% OR MORE OF INCOME FOR SHELTER

- **< $15,000**
- **$15,000 - $24,999**
- **$25,000 - $49,999**
- **$50,000 - $99,999**
- **$100,000 - $149,999**
- **$150,000 +**

**Renters**
- < $15,000: 82%
- $15,000 - $24,999: 76%
- $25,000 - $49,999: 39%
- $50,000 - $99,999: 8%
- $100,000 - $149,999: 1%
- $150,000+: 0%

**Owners**
- < $15,000: 76%
- $15,000 - $24,999: 48%
- $25,000 - $49,999: 40%
- $50,000 - $99,999: 23%
- $100,000 - $149,999: 8%
- $150,000+: 2%
Overview
Who lives in Vancouver?

**Dwellings**
2006 Census

- **Other Owned**
  - 76,225
  - 30%

- **Condo Owner-Occupied**
  - 45,605
  - 18%

- **Rented**
  - 131,535
  - 52%
Overview
Current stock

Ending Homelessness
Non-Market Low-end rental
Modest and market rental
Home Ownership

SHELTERS ROOMING HOUSES SUPPORTIVE HOUSING SOCIAL HOUSING PURPOSE BUILT RENTAL OTHER SECONDARY RENTED CONDOS CONDOS OTHER Ownership
Overview
Housing Challenges

Key Challenges:

- Homelessness has been increasing steadily since the 1990s
- The most affordable market housing is a large, but aging and inadequate stock of Single Room Accommodation that needs to be replaced with social housing
- Huge demand for social housing, but limited social housing supply resulting from the lack of senior government housing programs
- The highest rents and lowest vacancy rates in Canada in the market rental stock, exacerbated by the chronic lack of purpose-built rental housing supply
- The highest housing costs and worst affordability index in Canada for homeownership
Overview
Housing Affordability in Vancouver

If nothing is done to address challenges...

- Overcrowding
- People paying more than they can afford for housing - can’t afford other necessities
- People leaving (or not choosing) the city
- Increase in homelessness
Overview
Roles in Addressing Challenges

**Feds**
- Between 1945 - 1993 - primary funder and administrator
- Taxation

**Province**
- Primary responsibility for housing (Funder, Administrator, and Operator) through BC Housing
- Social Assistance
- Health

**City**
- Regulator
- Funder
- Service Provider
- Advocate
Overview
City’s current tools

**Regulator**
- Zoning - 20% policy for affordable housing, Housing Demonstration Project, encouraging a diversity of housing such as secondary suites, laneway housing, etc…
- Standards of maintenance
- Protection of Rental Housing - SRA By-law, Rate of Change ODP, Demolition and Conversion Bylaw

**Funder**
- Providing sites and capital grants

**Service Provider**
- Tenant Assistance Program
- Non-Market Operation’s 800 units of Social Housing

**Advocate**
- Homeless Action Plan, DTES Housing Plan, FCM
Overview

Limitation with Tools

• Mandate and resources
• Balancing trade-offs between housing objectives and other City non-housing objectives
• Competing values and interests within housing objectives
• Local Tools have limitations
  - Density bonusing has community impacts on livability
  - Waiving DCLs - forgone revenue for other community benefits
Overview
Key Housing Issues

1. End street homelessness by 2015

2. Protect and increase rental housing

3. Provide affordable home ownership options
## Ending Street Homelessness

<table>
<thead>
<tr>
<th>Category</th>
<th>SHELTERS</th>
<th>ROOMING HOUSES</th>
<th>SUPPORTIVE HOUSING</th>
<th>SOCIAL HOUSING</th>
<th>PURPOSE BUILT RENTAL</th>
<th>OTHER SECONDARY</th>
<th>RENTED CONDOS</th>
<th>CONDOS</th>
<th>OTHER Ownership</th>
</tr>
</thead>
</table>

### Non-Market

- SHELTERS
- ROOMING HOUSES
- SUPPORTIVE HOUSING
- SOCIAL HOUSING
- PURPOSE BUILT RENTAL
- OTHER SECONDARY
- RENTED CONDOS
- CONDOS
- OTHER Ownership

### Low-end rental

- SHELTERS
- ROOMING HOUSES
- SUPPORTIVE HOUSING
- SOCIAL HOUSING
- PURPOSE BUILT RENTAL
- OTHER SECONDARY
- RENTED CONDOS
- CONDOS
- OTHER Ownership

### Modest and market rental

- SHELTERS
- ROOMING HOUSES
- SUPPORTIVE HOUSING
- SOCIAL HOUSING
- PURPOSE BUILT RENTAL
- OTHER SECONDARY
- RENTED CONDOS
- CONDOS
- OTHER Ownership

### Home Ownership

- SHELTERS
- ROOMING HOUSES
- SUPPORTIVE HOUSING
- SOCIAL HOUSING
- PURPOSE BUILT RENTAL
- OTHER SECONDARY
- RENTED CONDOS
- CONDOS
- OTHER Ownership
The Problem

- Homelessness is increasing steadily
- High costs to the emergency services and health care systems
  - $55,000 per year homeless
  - $37,000 per year housed
- High costs in terms of quality of life and perception of our city
- Human toll and moral imperative to act
Vancouver Homeless Count 2010
Homeless Count 2010 - The Numbers

- There were 1,715 homeless people counted in Vancouver of March 23, 2010.
- The count located 1,294 sheltered homeless and 421 unsheltered homeless.
- Homelessness grew at 4.5% per year from 2008 to 2010, down slightly from the 5% per year growth rate between 2005 and 2008.
- The number of street homeless decreased 50% since 2008, from 811 to 421.
- Many homeless people have moved inside, resulting in a 70% increase in sheltered homeless.
Homeless Count 2010 - The People

- The homeless population continues to age. The largest increase was in the 55 to 64 year old age group.

- Despite the overall increase in homelessness, long-term homelessness stabilized for the first time since the first count in 2002.

- Aboriginal people continue to represent a disproportionate share of the homeless population, representing more than one-third of the homeless population compared to 2% of the total population.

- Homeless people continue to have serious health challenges, with 47% of people reporting two or more health conditions.
Homeless Count 2010 - General Conclusions

- Rate of growth has slowed for the first time since counting began in 2002.
- The HEAT/Winter Response shelter program has been extremely effective at moving people who are homeless from the street into shelter.
- Recent focus on housing chronically homeless individuals in low-barrier housing appears to be having an impact - stabilization of the number of long-term homeless.
- Should continue to focus on providing low-barrier housing and shelter to move chronically homeless people inside.
- Work on the structural issues that are continuing to feed homelessness and monitor the potential delayed effect of the economic crisis - PREVENTION
Homelessness - Context

Low Income Housing Survey
2009
The City’s largest concentration of low-rent market housing for singles is found in the Downtown Core, in the form of SRO hotels.
Homelessness - Context

Low Income Housing Stock Figures

- There are a total of 13,694 low-income units in the Downtown Core
- The low income stock has increased by about 1% (120) units since 2007
Homelessness - Context

- Average rents are increasing: $421/month in May 2009 compared to $389 in 2007 (increase of 8.2%)
- Overall vacancy rate is low at 4%
- This is higher than the rate found in the previous survey (2007), but low compared to those in previous years
Homelessness - Challenges

**Average rent in SROs exceed Income Assistance rates**
- 2009 LIHS showed that average rent for an SRO room was $421/mo whereas the shelter component of welfare is $375/mo
- Only 36% of SRO units were renting at or below $375, compared to 60% in 2007
- Rent is continually increasing and Income Assistance remains stagnant

**Lack of affordable housing for homeless (relationship between SRO and market rental)**
- Most SRO residents cannot afford better accommodation. If they are not able to get into non-market housing, their only other choice is often the street
- The average rent for a studio apartment in Vancouver was $840 (Oct 2009). Details show only 60 units city-wide rented below $450. Rental in private market often means majority of welfare cheque goes towards housing with little left for food etc.
Homelessness - Challenges

Continued loss of stock
- Despite the reopening of several closed SROs in the last few years, we continue to lose stock due to closure by owners, and rental to non-local residents.
- Since 1991 major sources of loss have been conversion to non-market housing, followed by conversion to budget hotel, closure by owner and conversion to hostel.

Inadequate social safety system
- Many children and youth are aging from foster care system and ending up on the street.
- Individuals with no fixed address released from hospitals, prisons, etc. end up on the street.
- Homeless population often report having mental illness and addictions. There is a lack of adequate services for this population.
- The deinstitutionalization of the mentally ill compounded the severity of homelessness.
- Many of the street homeless are chronically homeless cycling through the shelter system.
Homelessness - Supportive Housing Demand

Total Additional Permanent Supportive Housing Need (2010-2020):

<table>
<thead>
<tr>
<th>Need identified in 2005</th>
<th>4,000 units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed or under construction</td>
<td>2,700 units</td>
</tr>
<tr>
<td>Remaining Need</td>
<td>1,300 units</td>
</tr>
<tr>
<td>Projected increase in need</td>
<td>600 units</td>
</tr>
<tr>
<td><strong>Total Additional Supportive Housing Need (2010-2020)</strong></td>
<td><strong>1,900 units</strong></td>
</tr>
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Doug Storey Residence
789 Richards Street

200 units per year
Homelessness - Key Directions

- Build 200 units of supportive housing per year
- Provide enough shelter and interim housing options to meet the need until supportive housing is complete
- 1 for 1 replacement of SROs with social housing
- Stabilize SROs in the meantime
- Province and VCH to provide wrap around services to address health issues
- **Income Responses:**
  - Increase Income Assistance Rates
  - Increase minimum wage
  - Emergency funds - develop a rent bank
VANCOUVER’S HOUSING STRATEGIES

Ending Homelessness
Non-Market
Low-end rental
Modest and market rental
Home Ownership

SHELTERS
ROOMING HOUSES
SUPPORTIVE HOUSING
SOCIAL HOUSING
PURPOSE BUILT RENTAL
OTHER SECONDARY
RENTED CONDOS
CONDOS
OTHER Ownership

Increase and Protect Rental Housing
Rental Housing - Context
Different types of Rental Housing

Non-Market Rental
- coops, social housing

Market Rental
- Purpose-built
- Rental condos
- Secondary suites
- Laneway houses

City of Vancouver
Overview
Recent work - Rental Housing Strategy

Consulting Studies ➔ Synthesis Report ➔ Rental Housing Strategy

- Rental Demand & Supply
- Purpose-Built Rental - Inventory & Risk Analysis
- Building Condition & Repair Requirements
- Investment Climate - Existing Stock
- Economics of New Rental Supply
- Role of Rental Condo Stock
- Role of Secondary Suites

Synthesis Report:
- Summary analysis of reports
- Identification of some options

Rental Housing Strategy:
- Further identification of options
- Analysis and evaluation of options
- Public discussion and feedback

in progress
Rental Housing Context
Stock Characteristics

2006

- **NON-MARKET RENTAL**
  - 21,000
  - 16%

- **MARKET-RENTAL COVERED BY CMHC**
  - 55,500
  - 42%

- **MARKET-RENTAL**
  - Individually rented condos, condo buildings with < 50% units rented
  - 15,000
  - 12%

- **OTHER MARKET RENTAL**
  - 15,500
  - 11%

- **MARKET-RENTAL**
  - SFDs, duplexes & secondary suites
  - 25,000
  - 19%

WILL HAVE TO DEAL WITH CONSISTENCY
Rental Housing - Context
Who rents?

**City Renters Tend To:**

- **Be in their 20s or 30s** (46% vs 27%)
- **Be unmarried** (55% vs 34%)
- **Be living alone** (27% vs 10%)
- **Have English as mother tongue** (56% vs 43%)
- **Have moved since 2001** (69% vs 37%)
- **Have moved into city since 2001** (35% vs 13%)
- **Be recent immigrants** (16% vs 6%)
- **Be working** (70% vs 59%)
- **Walk/bus to work** (49% vs 27%)
- **Be low-income** (39% vs 17%)
Rental Housing Context
Declining share of city’s housing

- Proportion of rental fell from 59% to 52% since 1991
- Absolute decline in rental units since 2001
Rental Housing Future Demand

Projecting Demand 2021

An additional 1,000 – 1,500 units needed each year
Rental Housing
New Purpose-Built Market Rental

• Relatively little new supply in recent decades
Rental Housing - New Supply
New Purpose-Built Market Rental Challenges

ECONOMICS OF NEW PURPOSE-BUILT CHALLENGING

- Financial gap between strata and new rental is $31,750 - $111,530 per unit (15% - 25%)

FACTORS that led to decline in new supply

- Introduction of condominiums as a new housing form in the 1960s. Rental housing became uncompetitive compared to the more profitable condo market
- Changes in the federal tax system further discouraged investment in rental properties
Rental Housing - New Supply

Rented Condos
Between 25 - 35% of condo apartments in the city are rented.

CONDOMINIUM APARTMENT STOCK, JANUARY 2009

- Owner-Occupied: 42,800 (65%)
- Investor-Owned: 22,700 (35%)
Rental Condos - New Supply

How many Rental Condos?

Rental condos the dominant source of new rental housing

- Condos account for two-thirds of new construction in city over the last decade
Rental Condos - New Supply

Rental Condos Challenges

Rental condos are important, but not appropriate for all renters

**COMPARED TO REST OF PURPOSE-BUILT RENTAL:**

- More expensive - 20% higher for one-bedroom units ($1,049 vs. $871) and 25% higher ($1,510 vs. $1,245) for two-bedroom
- Smaller (average of 844 sq. ft vs.
- Located in newer and larger buildings
Not a stable source of rental - tend to move to owner-occupied in long term (investor share declined from 35% in 2001 to 30% in 2009)

-supply depends on ever-increasing number of new condos

Rental Restrictions is challenging

- Majority (59%) of stratas have partial or full rental restrictions (based on a sample of 94 strata corporation bylaws)

Vulnerable to other forces

- CMHC new rules for rental properties - need 20% down payment as compared to 5% payment previously
Rental Housing - New Supply

Secondary Suites
Where are Secondary Suites located?

- 24,000 secondary suites in Vancouver
- 35% of our houses in RS zoned areas have suites
- Most secondary suites are located in the East-side
Secondary Suites are important

**RENTERS**

- *Families*
  - Important form of rental housing for families
  - Close to schools and parks

- *Serves those with lower incomes*

**OWNERS**

- *Mortgage helpers*
Secondary Suites Challenges

• Transitory in nature
  • Once mortgage is paid off, many suites get turned over to relatives or become vacant
  • Not all suites are rented

• Future Capacity
  • Much capacity on the Westside of Vancouver, but there may not be a financial motivation to create a secondary suite
Rental Housing - Preservation

PRESERVATION
Rental Housing - Preservation
Where is the Existing Purpose-Built Market Rental?

SHARE OF THE CITY’S MARKET-RENTAL STOCK UNITS*, 2009

- Majority located In West End and ‘inner city’ Neighbourhoods
- 66% of buildings Are low-rise (4 Storeys or less)

* Excluding SROs units and stratified market-rental buildings
Rental Housing - Preservation
Building Maintenance

A large portion of rental housing appear to be relatively sound physical condition notwithstanding its age.

No buildings were found to be in “critical” condition.
Rate of Change Regulations

AREAS COVERED BY RATE-OF-CHANGE, 2010

- RM & FM ZONES
- CD-1 ZONES
Rental Housing - Preservation Challenges
Loss of Existing Purpose-Built Market Rental

MARKET-RENTAL DWELLING UNITS DEMOLISHED EACH YEAR
IN RM & FM ZONES, PERMITS FOR 3 OR MORE UNITS

Rate of change
Reset to 0%

Rate of Change has been effective in protecting rental housing

* JAN-SEPT 1 2010
Properties estimated to be at Risk of Development by 2019 without Rate of Change Regulations

**TOTAL**
- 1,422 properties
- 14,200 units
- 21% of stock
Rental Housing - Preservation Challenges
Loss of Existing Purpose-Built Market Rental

Challenges with Existing Rate of Change policy

• Still losing rental outside rate of change areas: commercial areas and ODP areas

• Still losing rental within rate of change areas: buildings under six units and through change of use
Rental Housing
Low-end of Market and Non-Market housing
Rental Housing - Challenges
Low-end of market and non-market rental

Non-market housing production in decline

Current stock: 22,000 units in 2010
Rental Housing - Challenges
Low-end of market and non-market rental

Need is great: Low-end of market and non-market housing would serve the majority of renters

Average rent for one-bedroom in the city is $990 which is affordable to less than half of the renters in the City.
Key Issues on Rental Housing
Strategies - Rental Housing
Encouraging New Rental Housing

• How to stimulate purpose built rental supply?
  - City incentives, Density Bonusing, Inclusionary Zoning?
  - Mixed tenure zoning?
  - Is it possible?
  - If not, could the City build it ourselves?

• Secondary Rental is the key source of new supply
  - Encourage rental condominiums?
  - Facilitate secondary suites?
Strategies - Rental Housing
Maintaining Existing Rental Housing

• What do to with the Rate of Change Bylaw?
  - Expand it to all zones to preserve all rental housing?
  - Limit it to RM zones to allow development in C zones?
  - Tighten up Rate of Change but develop release mechanisms?
Direction 3: Provide Affordable Home Ownership Options
Affordable Home Ownership - Context

- RBC Affordability Index - Vancouver the worst in the Country

- Median Household (income) pays between 40% and 80% of income on median priced house

- Supply / Demand Issue
Affordable Home Ownership - Context

- Metro Vancouver Ownership Demand Estimate to 2021:
  - 20,000 units
- Assume 2/3 of total demand is for home ownership
Affordable Home Ownership - Context

Key Issues:

• Need to continue supply
• How to use land use planning to encourage diverse and affordable forms?
• Creative ideas - shared equity models
Key Issues:

• Supply and Demand vs. What kind of City do we want?

• Demand for 1,500 rental units per year
  - 400 social housing; the remainder a combination of secondary and purpose built market rental

• Demand for about 2,000 ownership units per year - but how to increase affordability?

• Protection of the existing stock - preserve RM zones and steer density elsewhere?