

Housing and Homelessness

City of Vancouver

September 2010

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- Key Housing Issues
 - Homelessness
 - Rental Housing
 - Affordable Home Ownership
- Key Considerations

OVERVIEW

Affordable Housing is central to:

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

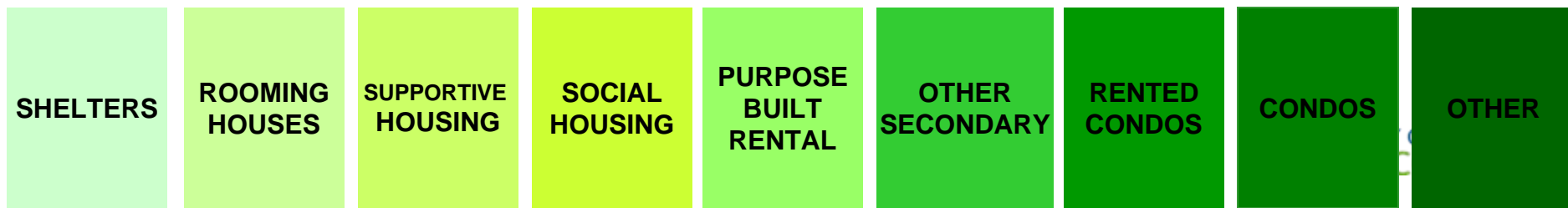
Overview

Affordable Housing

Broader Context:

- Ability for household to afford rent or mortgage
- Applies to any part of the housing continuum

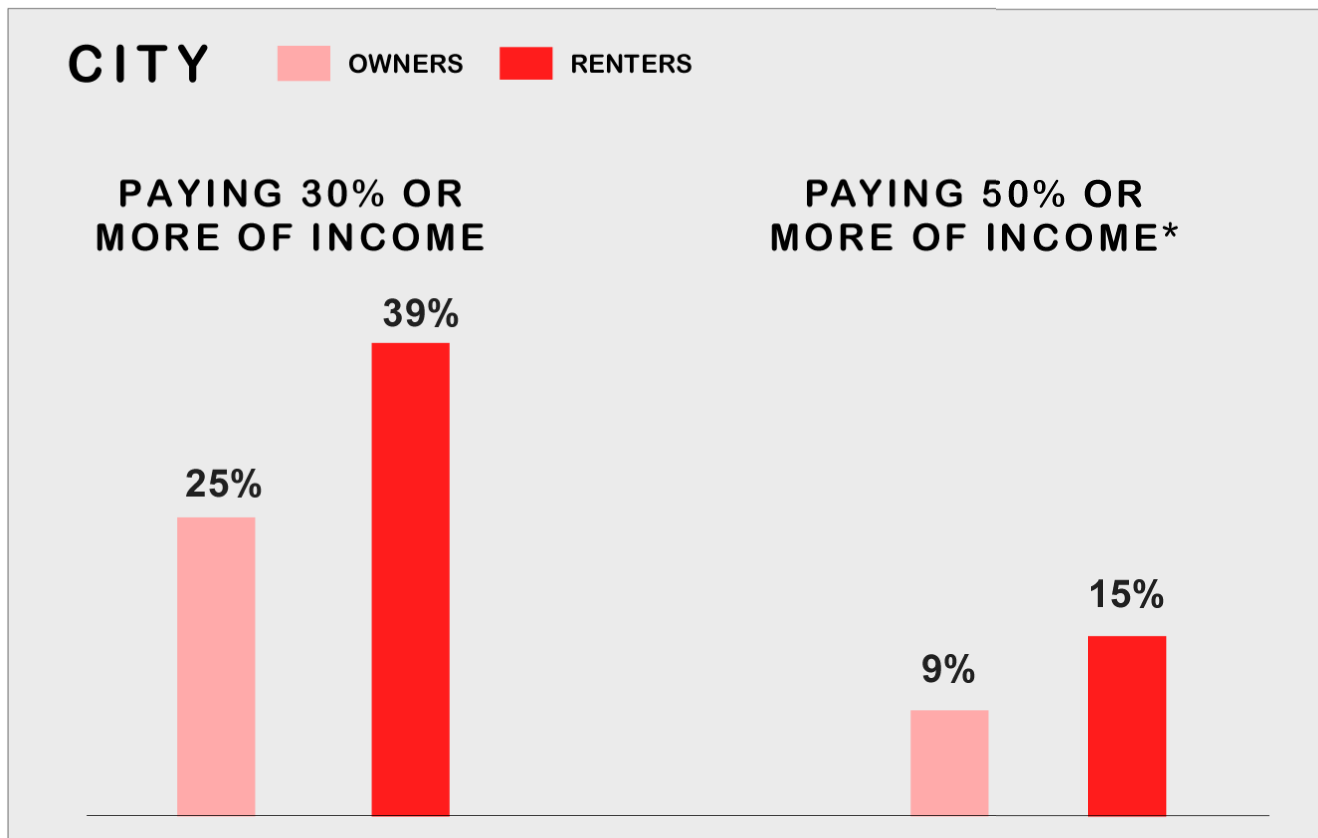
Housing Continuum



Overview

Housing Affordability in Vancouver

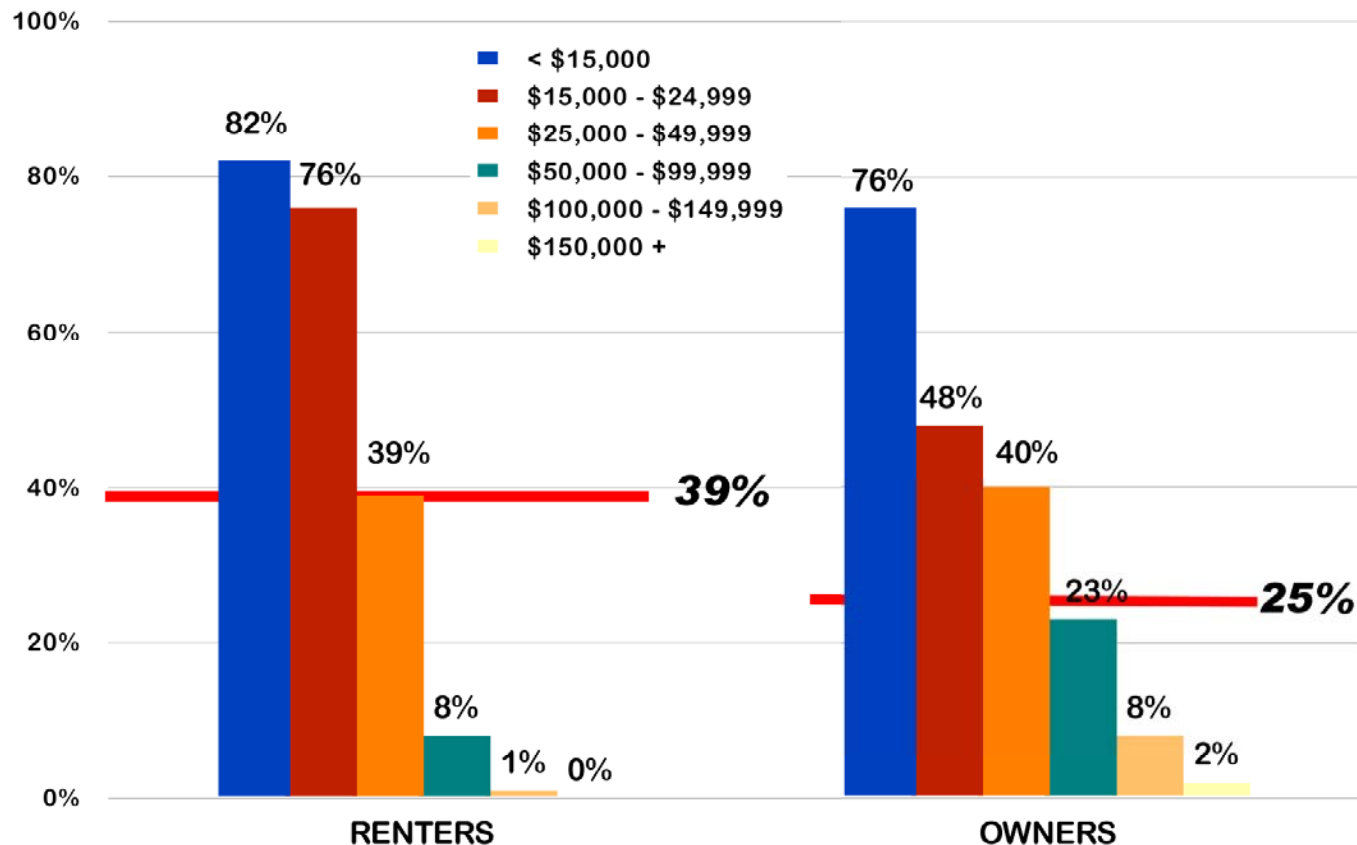
Household Shelter-to-income Ratios, 2006 Census



Overview

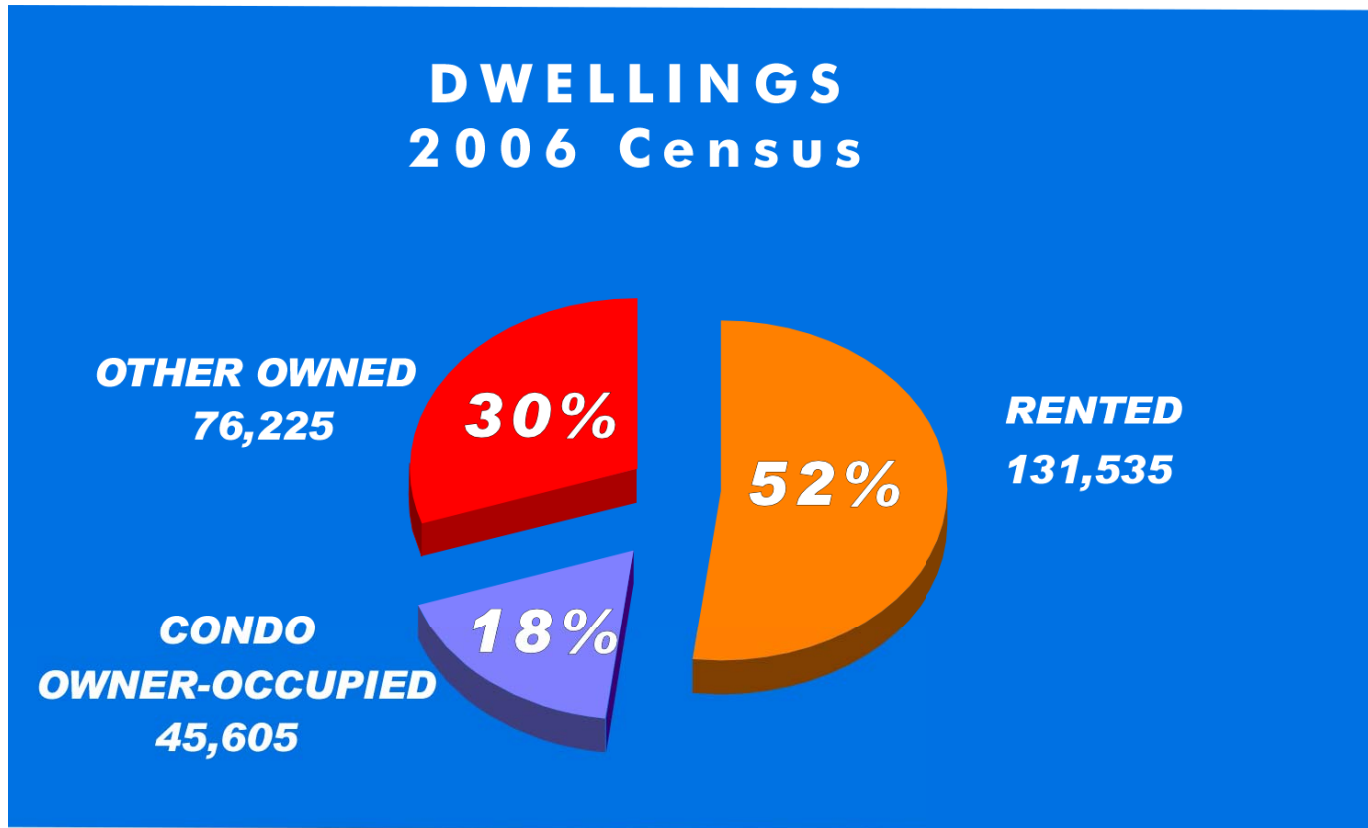
Housing Affordability in Vancouver

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



Overview

Who lives in Vancouver?



Overview

Current stock

Ending Homelessness

SHELTERS

Rooming Houses

ROOMING HOUSES

Non-Market

SUPPORTIVE HOUSING

Low-end rental

SOCIAL HOUSING

PURPOSE BUILT RENTAL

Modest and market rental

OTHER SECONDARY

RENTED CONDOS

Home Ownership

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
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

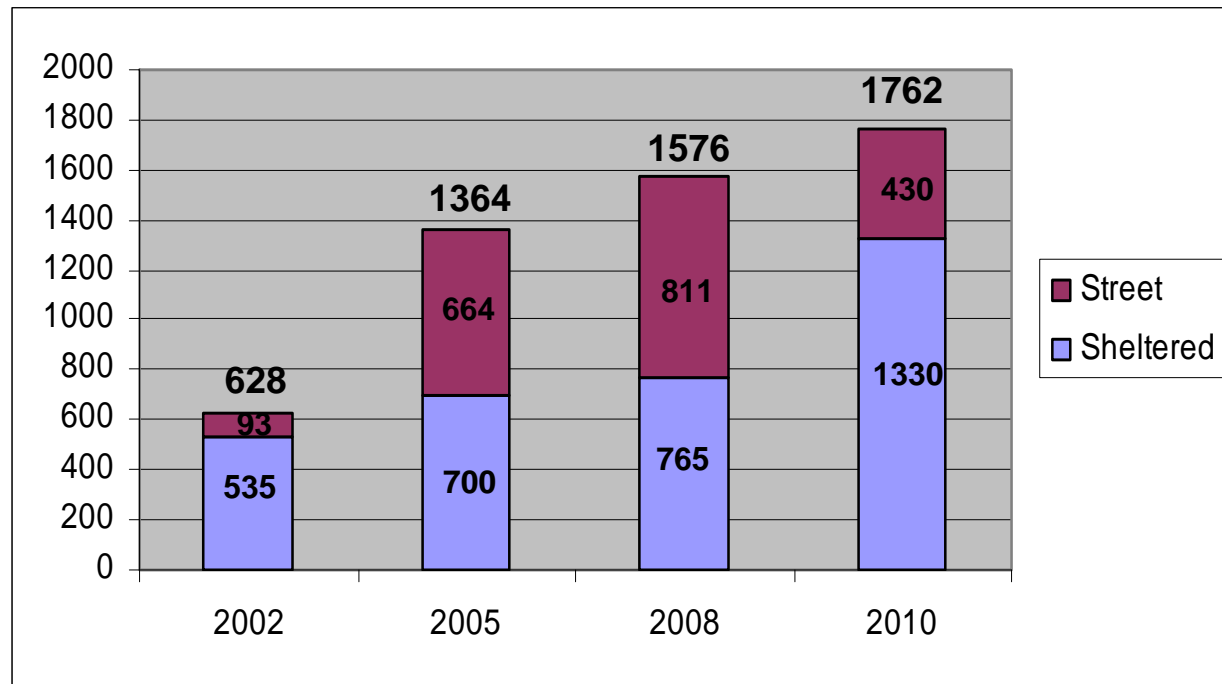
**OTHER
Ownership**

Ending Street Homelessness

Homelessness

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



2009 SURVEY OF
LOW-INCOME HOUSING IN THE
DOWNTOWN CORE



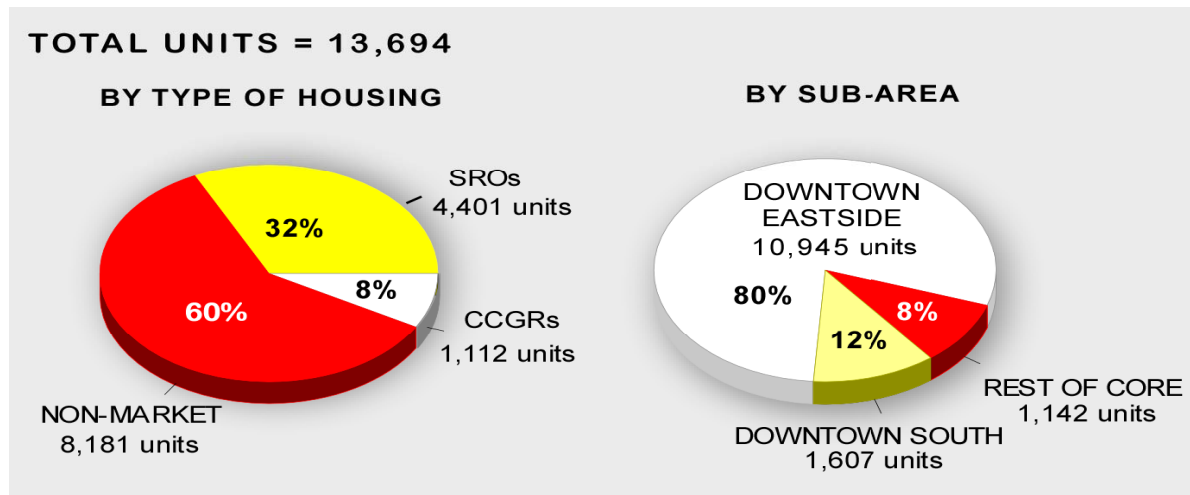
HOUSING POLICY
COMMUNITY SERVICES GROUP
APRIL 2010

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

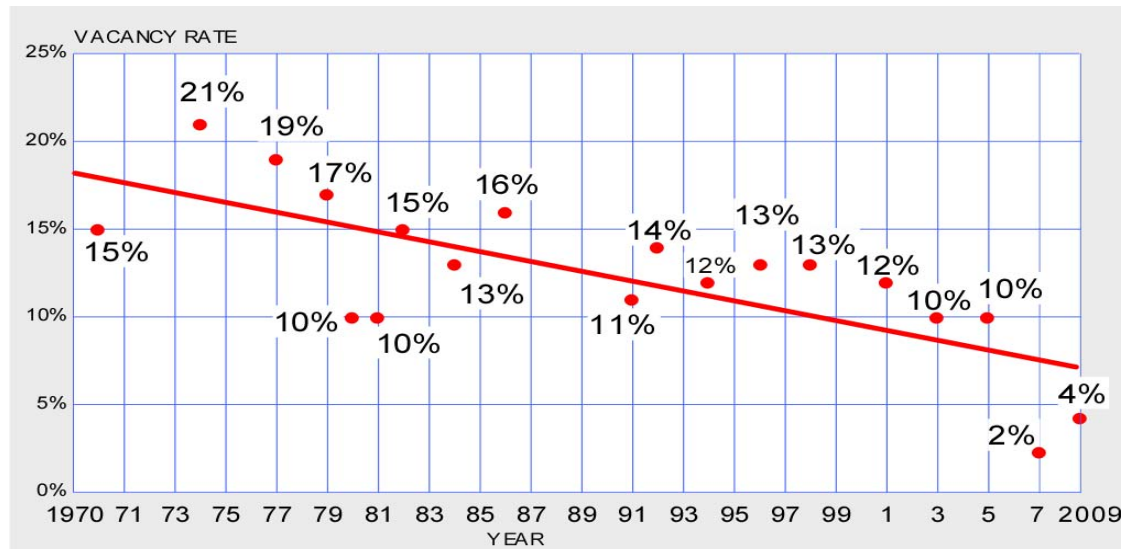
Low Income Housing Stock Figures

- 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.

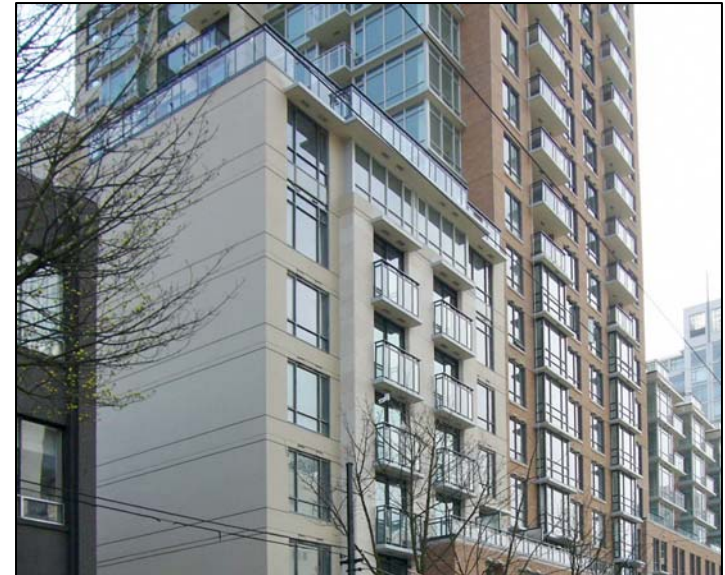
Homelessness – Supportive Housing Demand

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

Need identified in 2005	4,000 units
Completed or under construction	2,700 units
Remaining Need	1,300 units
Projected increase in need	600 units
Total Additional Supportive Housing Need (2010-2020)	1,900 units



200 units per year

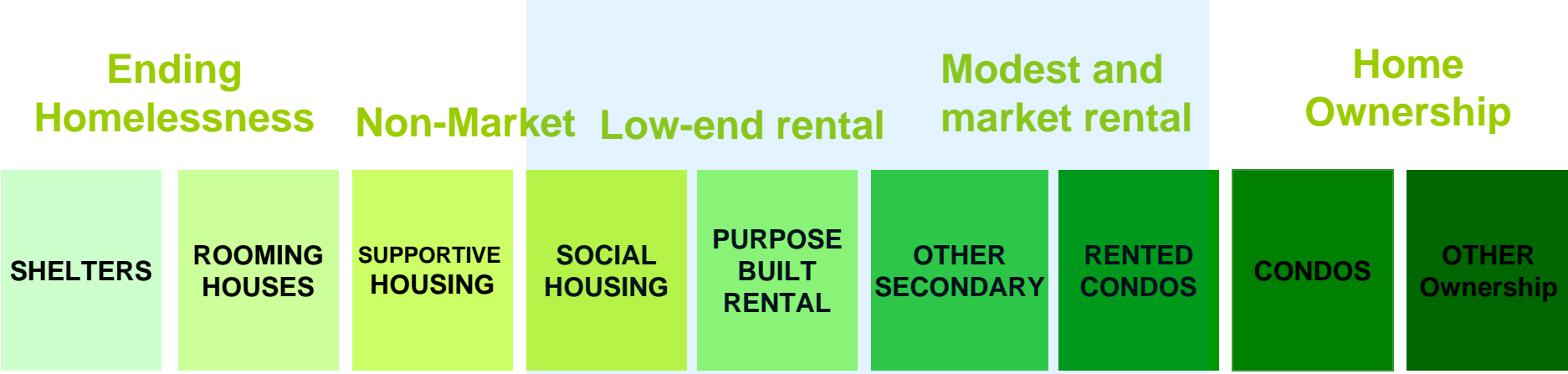


Doug Storey Residence
789 Richards Street

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



Increase and Protect Rental Housing

Rental Housing - Context

Different types of Rental Housing

Non-Market Rental

coops, social housing



Market Rental

Purpose-built



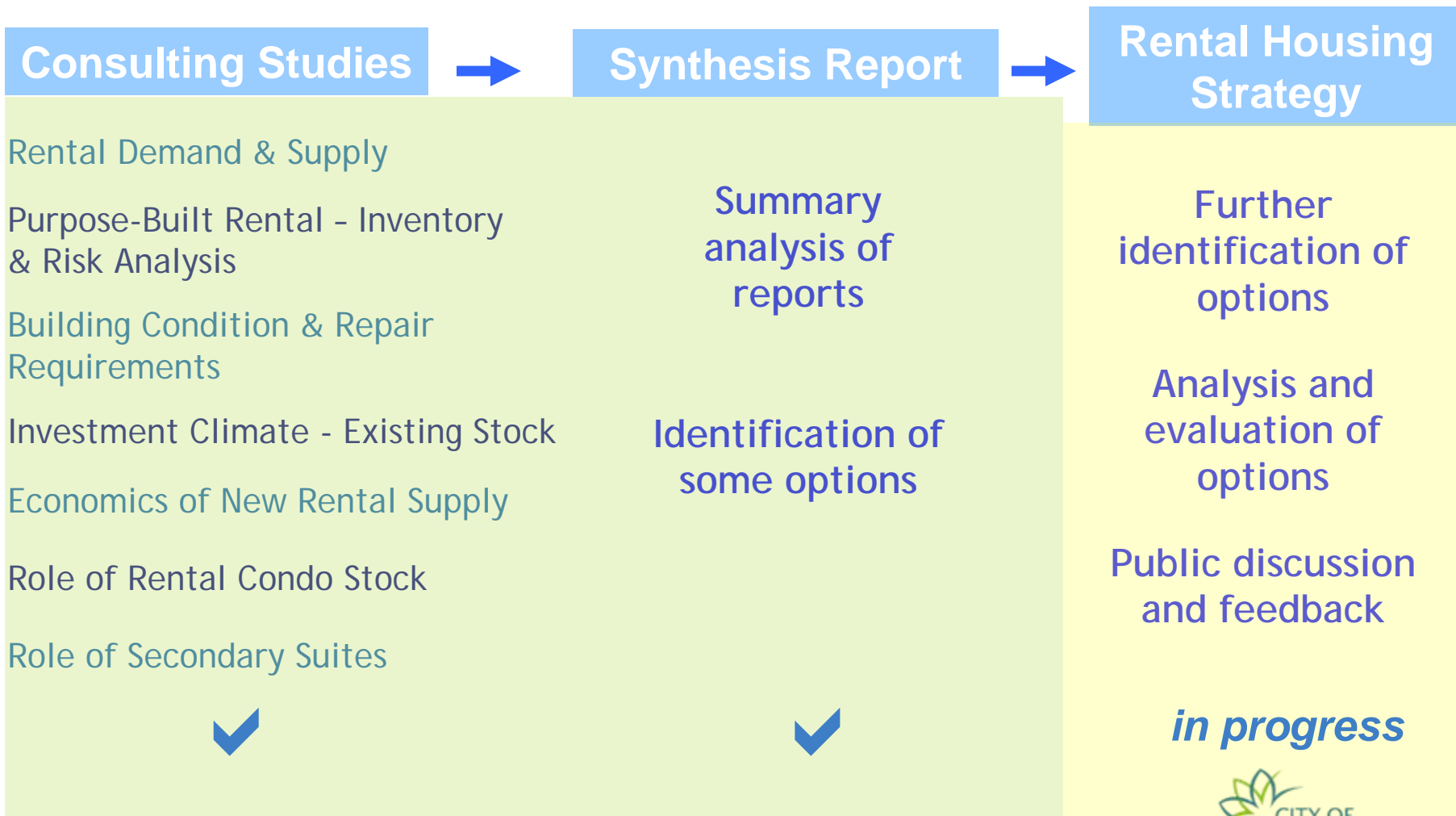
Rental condos



Secondary suites
Laneway houses

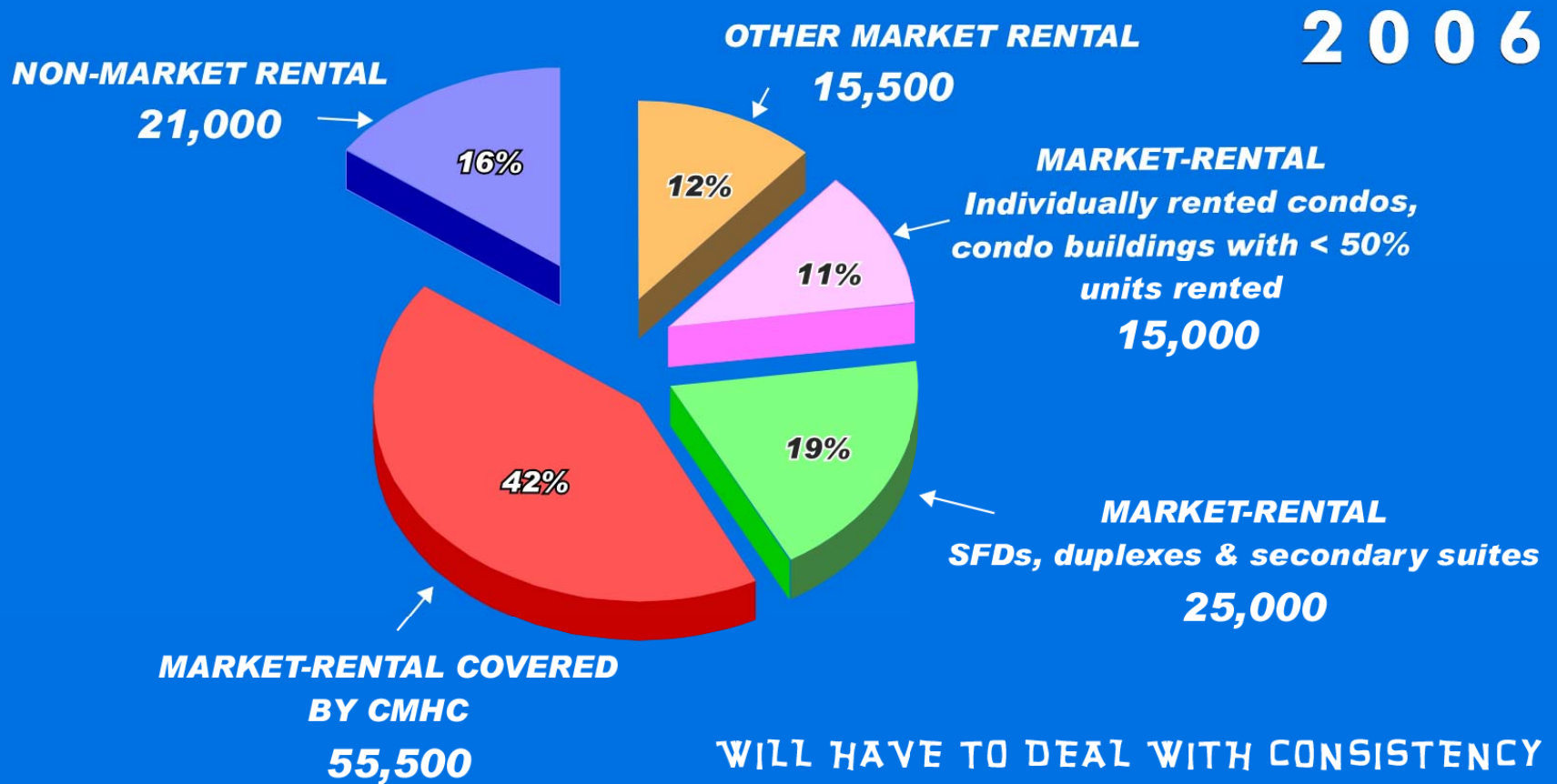
Overview

Recent work - Rental Housing Strategy



Rental Housing Context

Stock Characteristics



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%)**

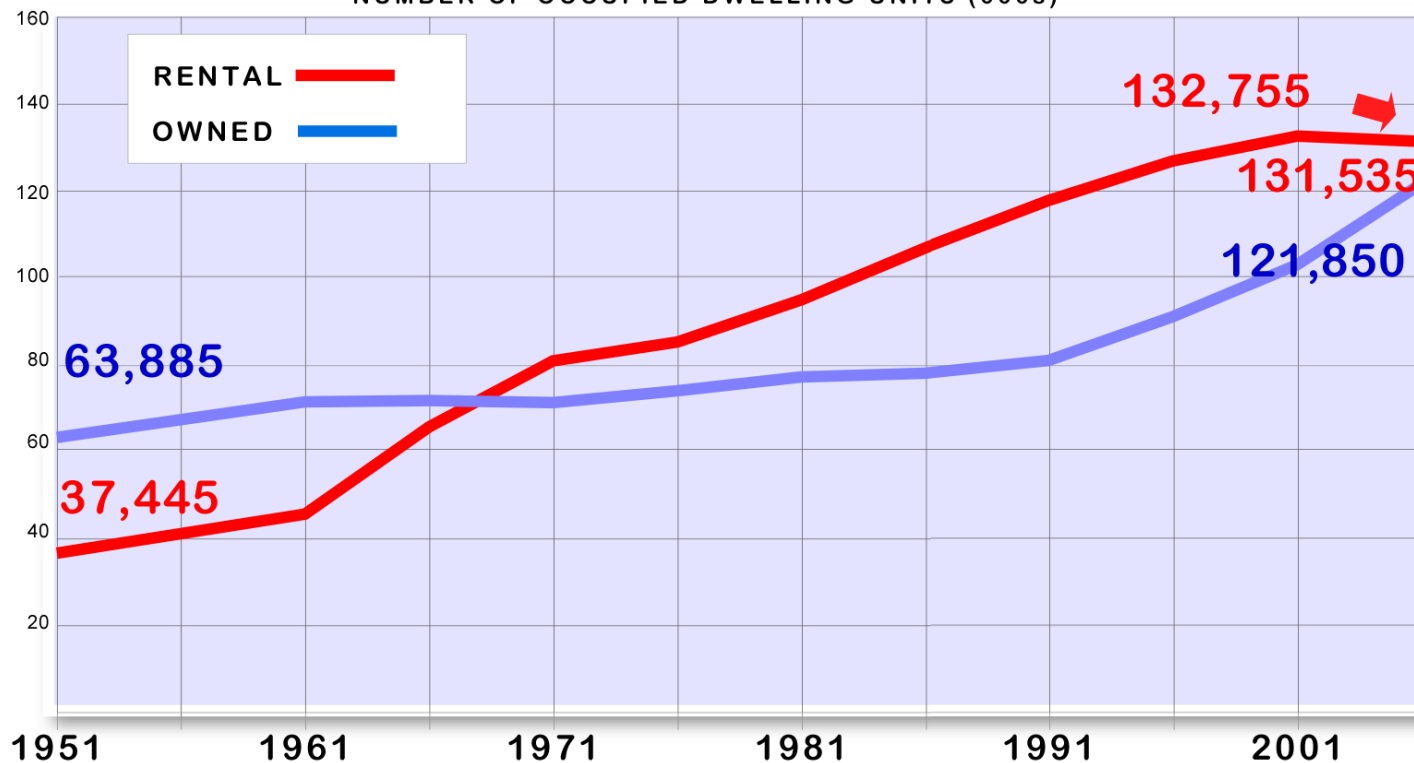
Rental Housing Context

Declining share of city's housing

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

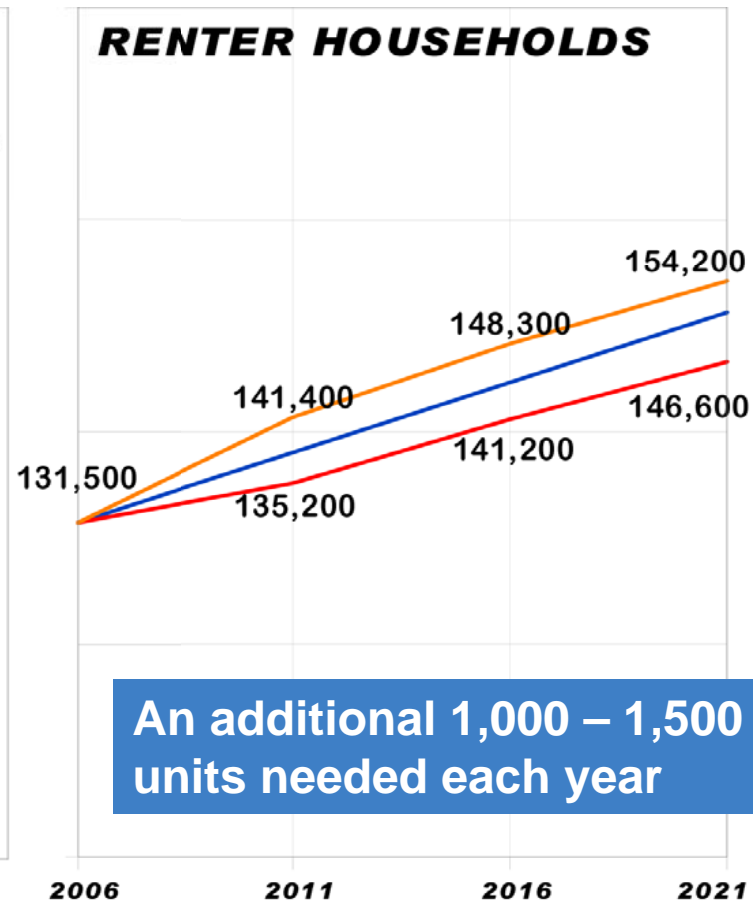
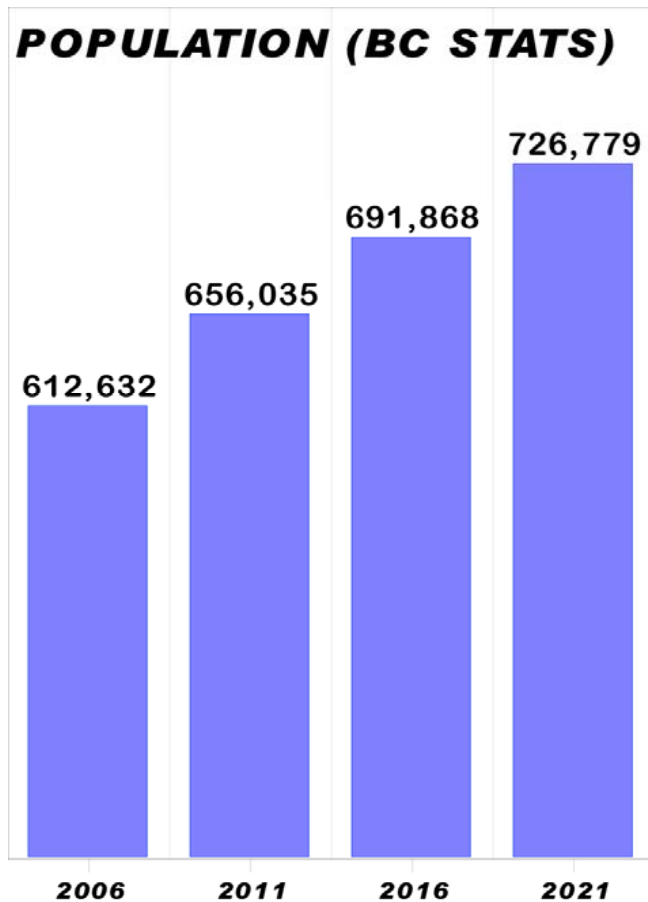
OWNER-OCCUPIED & RENTAL HOUSING, 1951-2006, CENSUS

NUMBER OF OCCUPIED DWELLING UNITS (000s)



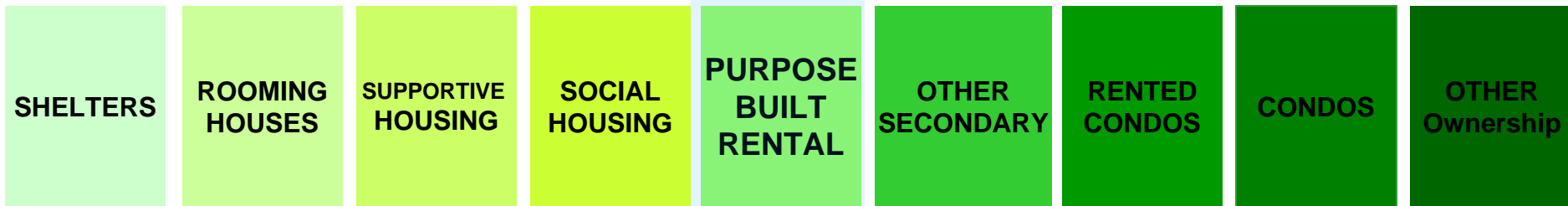
Rental Housing Future Demand

Projecting Demand 2021



**An additional 1,000 – 1,500
units needed each year**

Rental Housing New Supply

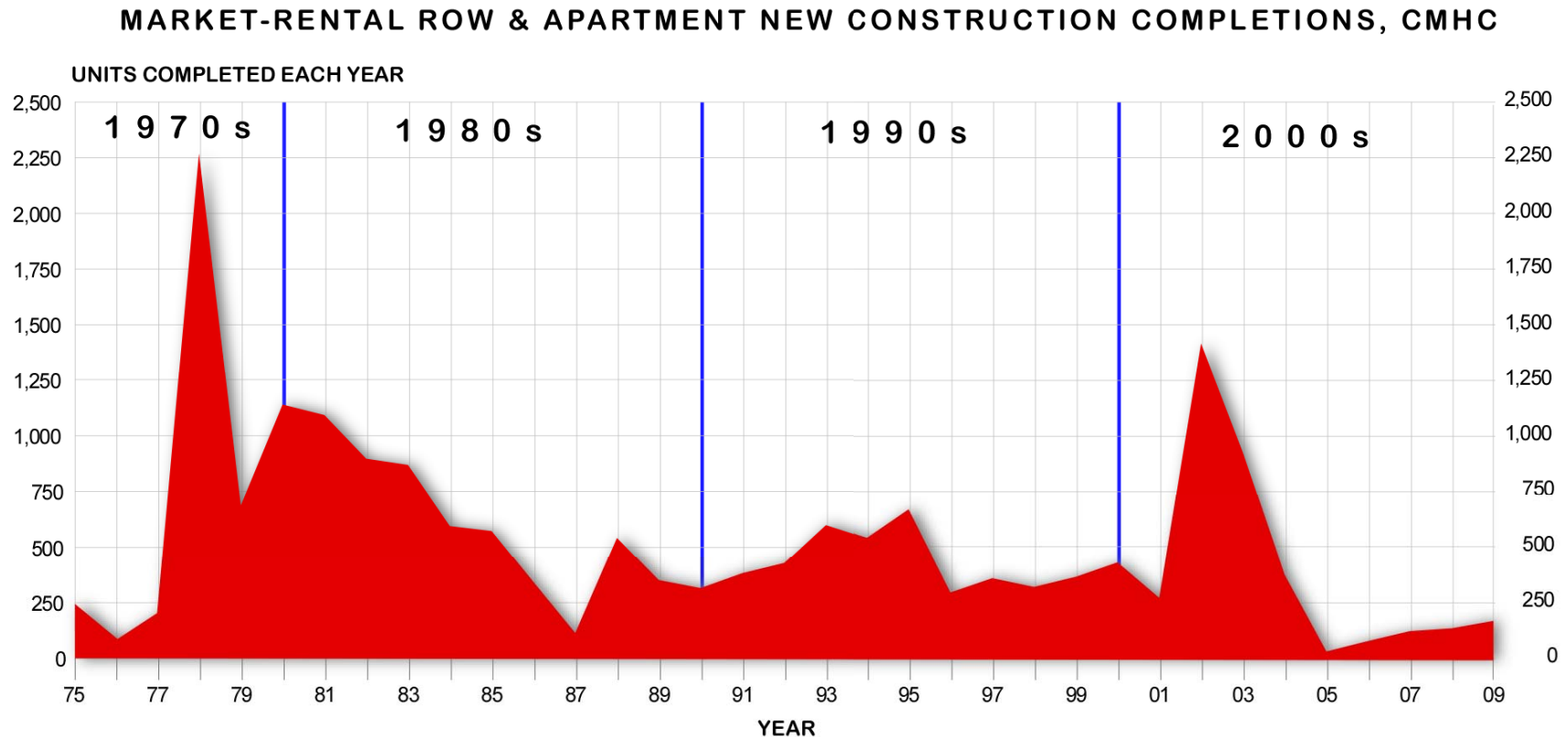


Purpose-Built Market Rental Housing

Rental Housing

New Purpose-Built Market Rental

- Relatively little new supply in recent decades

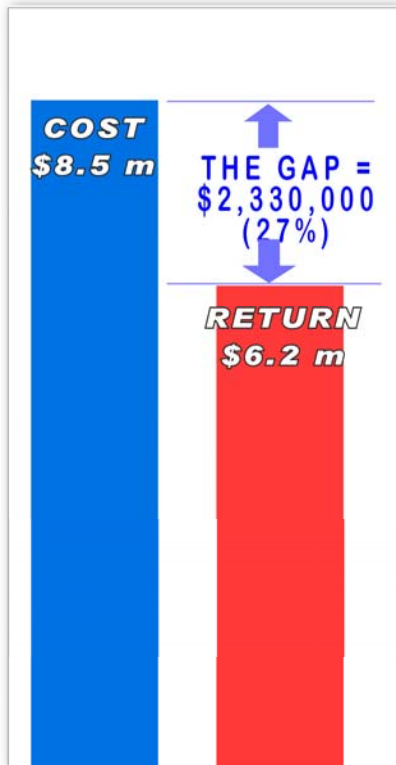


Rental Housing - New Supply

New Purpose-Built Market Rental Challenges

Cost of Development Condos vs. Rental

NEW 26-UNIT RENTAL 3-STOREY
WALK-UP IN KITSILANO;
ASSUMING RM-4 ZONING WITH-
OUT RATE-OF-CHANGE



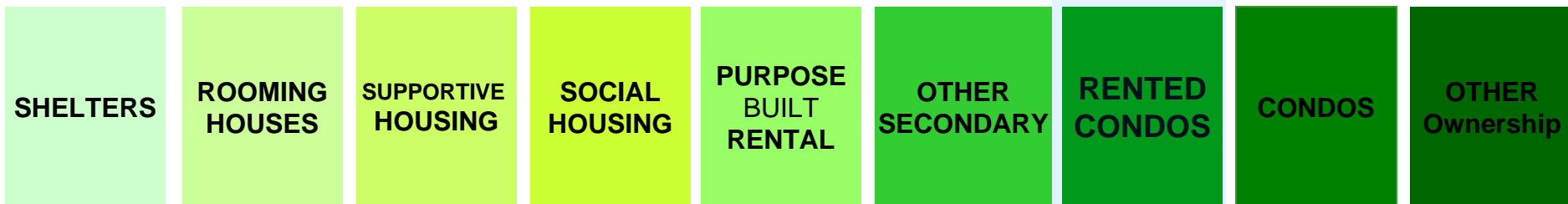
ECONOMICS OF NEW PURPOSE-BUILT CHALLENGING

- 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



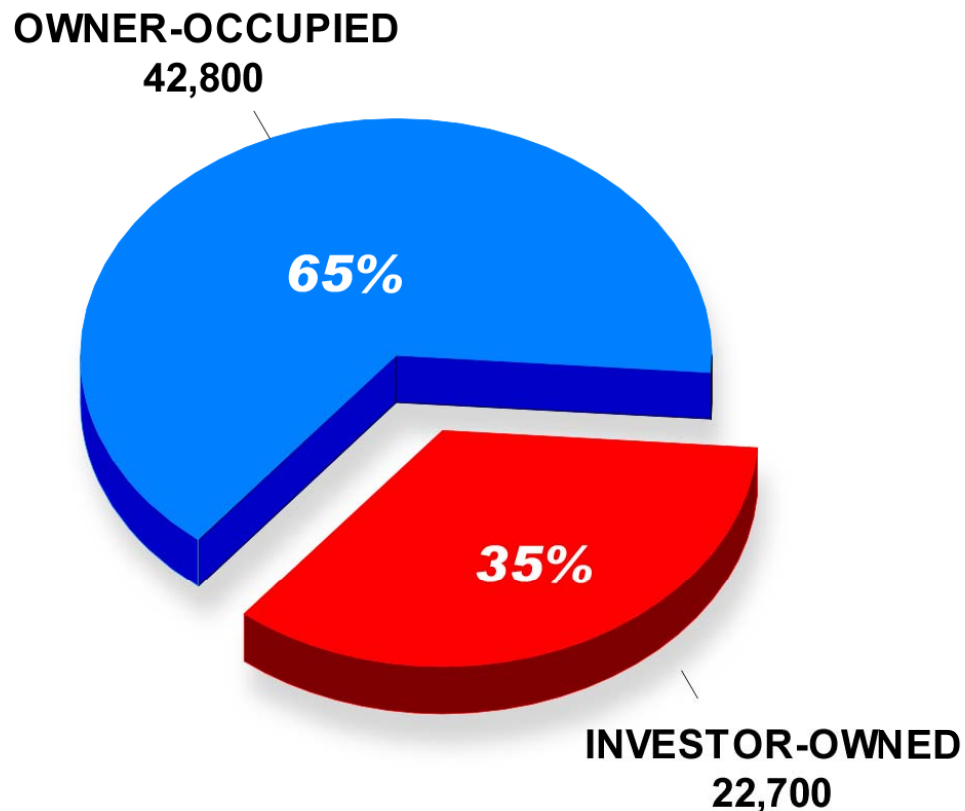
Rented Condos

Rental Condos - New Supply

How many Rental Condos?

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

CONDOMINIUM APARTMENT STOCK, JANUARY 2009

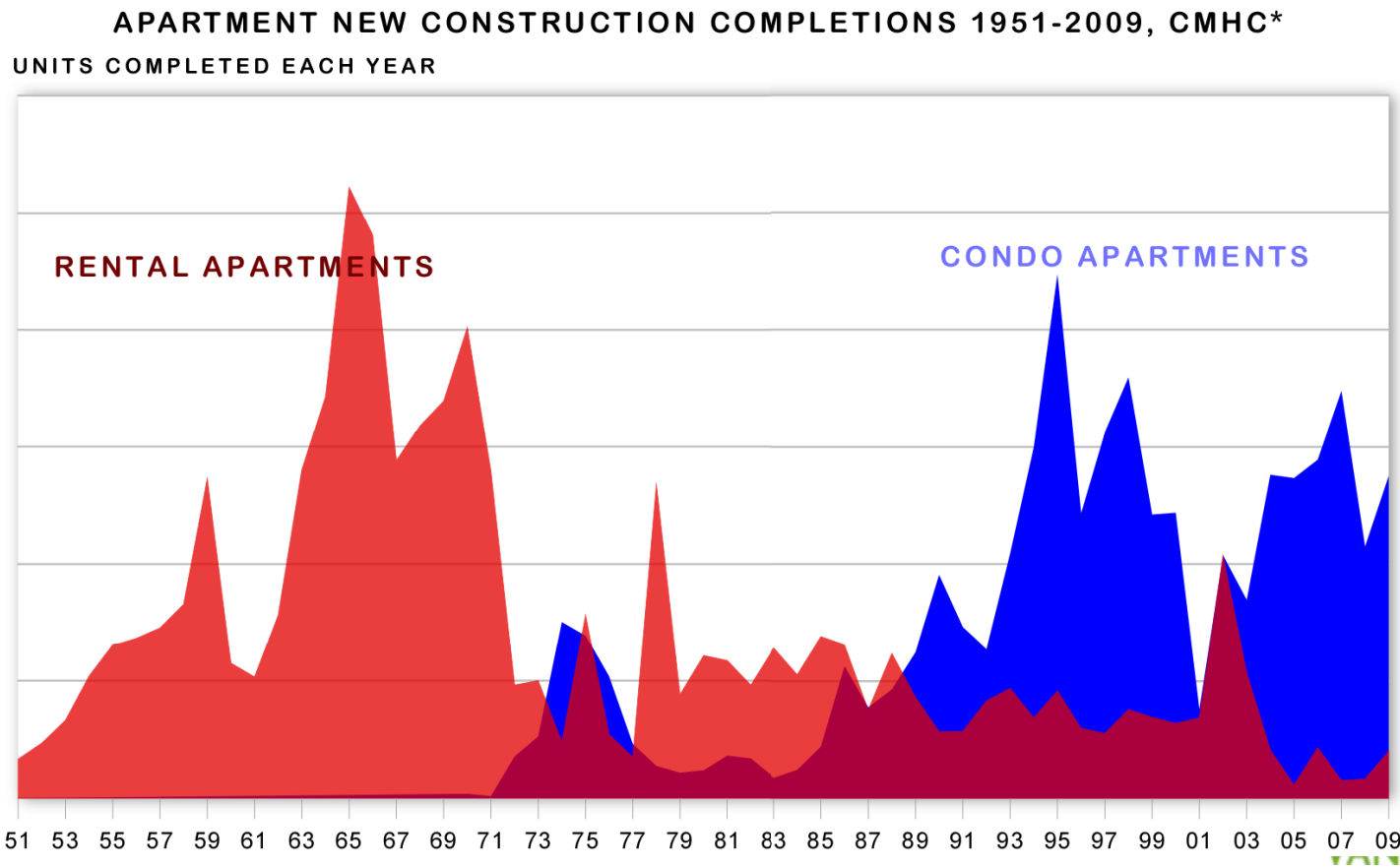


Rental Condos - New Supply

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**

Rental Condos – New Supply

Rental Condos Challenges

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

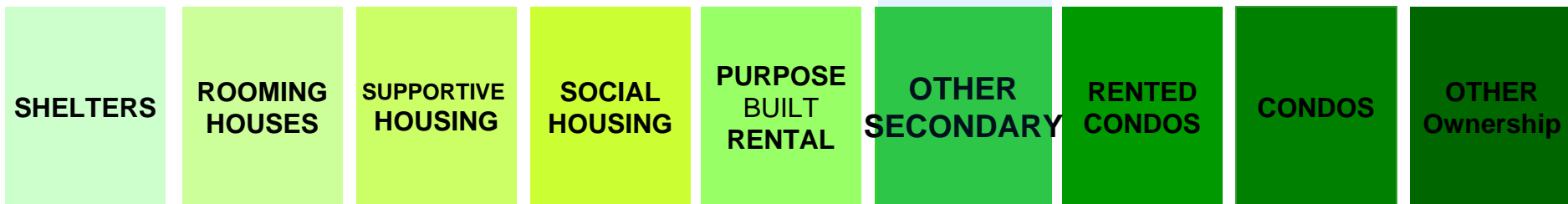
Rental Restrictions is challenging

- 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

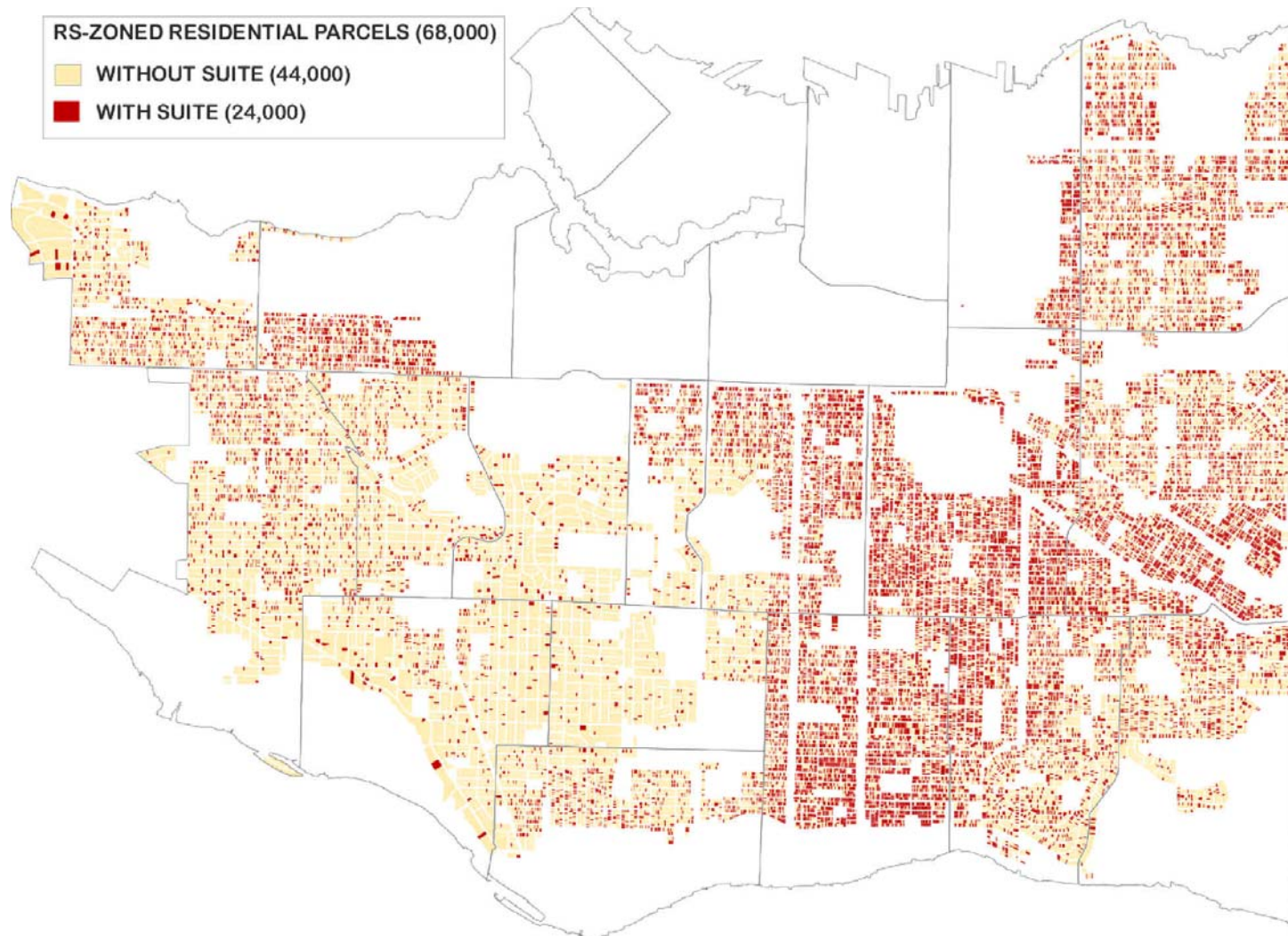
Rental Housing - New Supply

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**



Rental Housing - New Supply

Secondary Suites

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*



Rental Housing - New Supply

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



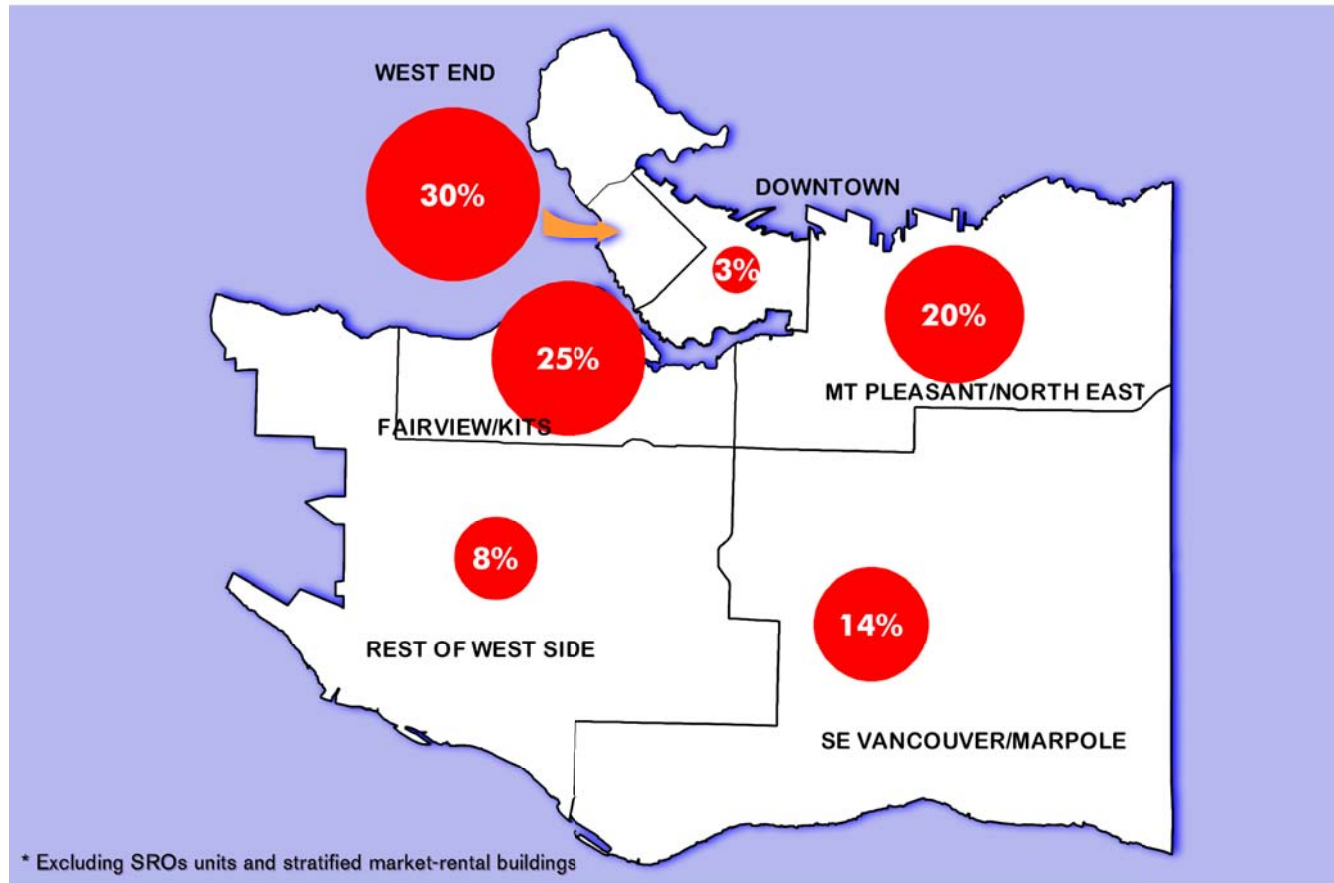
PRESERVATION



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
Stores or less)

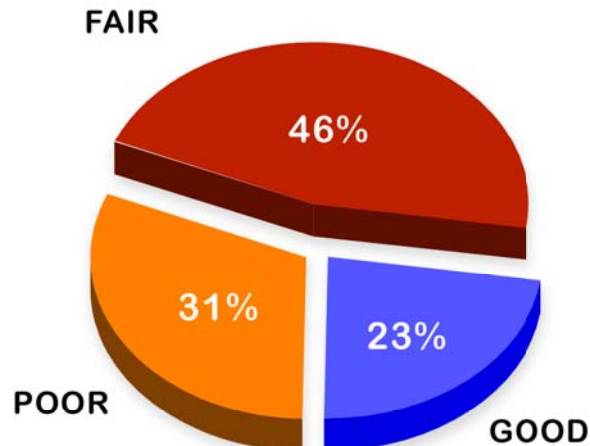
Rental Housing - Preservation Building Maintenance

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

BUILDING “CONDITION”

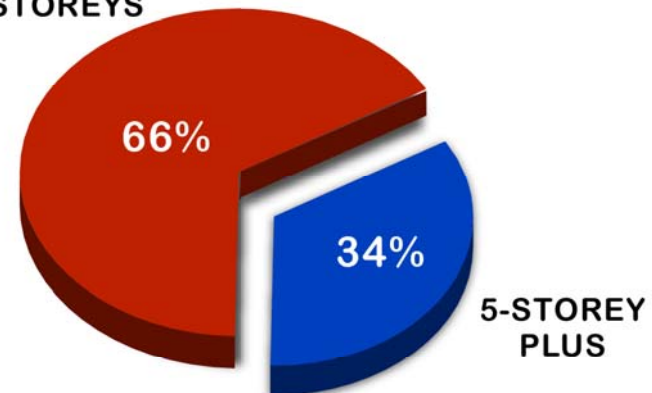
SAMPLE - 36 BUILDINGS



UNITS BY BUILDING TYPE

STOCK AS OF JANUARY 2009

LESS THAN
5 STOREYS

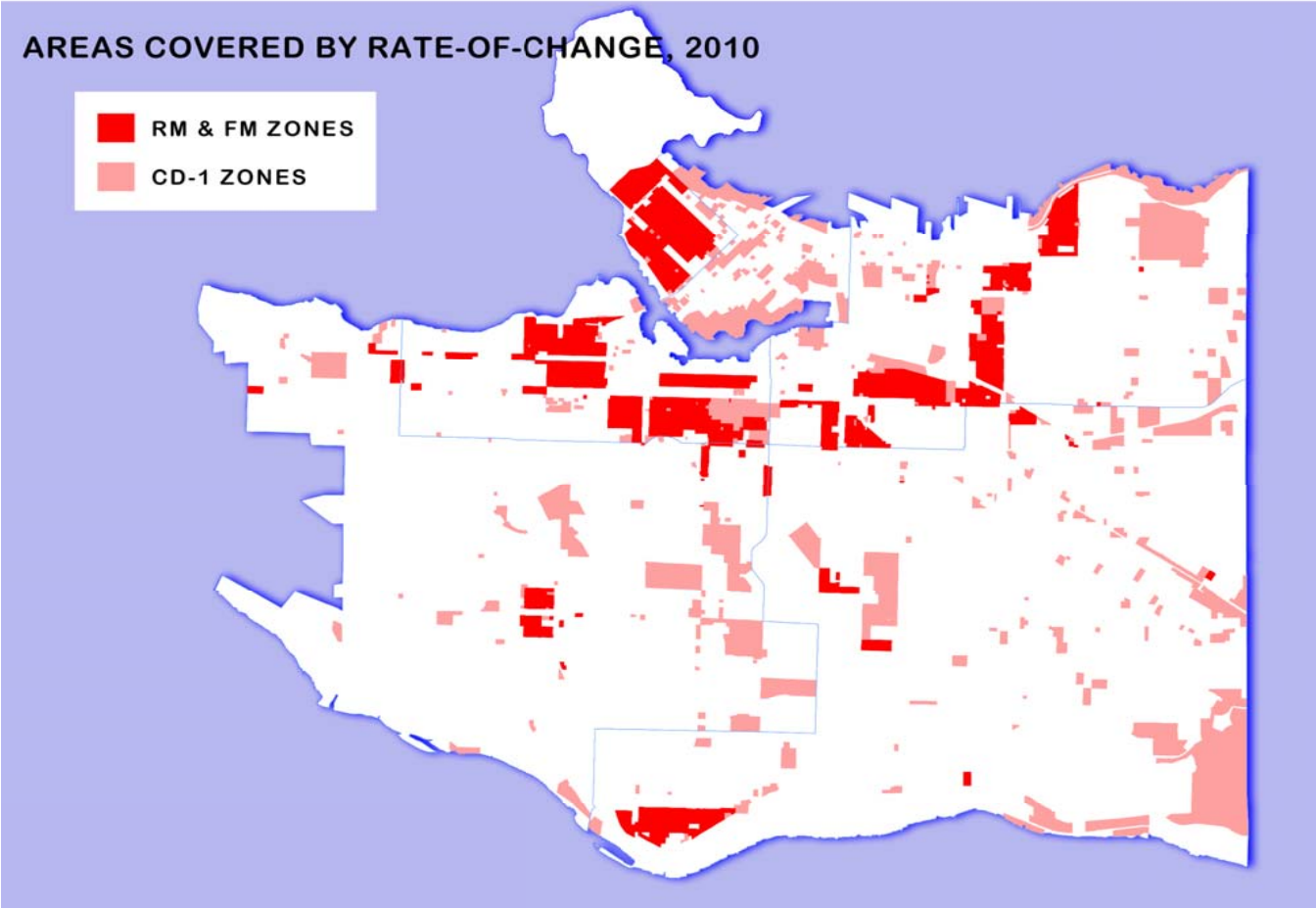


Rental Housing - Preservation Challenges

Loss of Existing Purpose-Built Market Rental



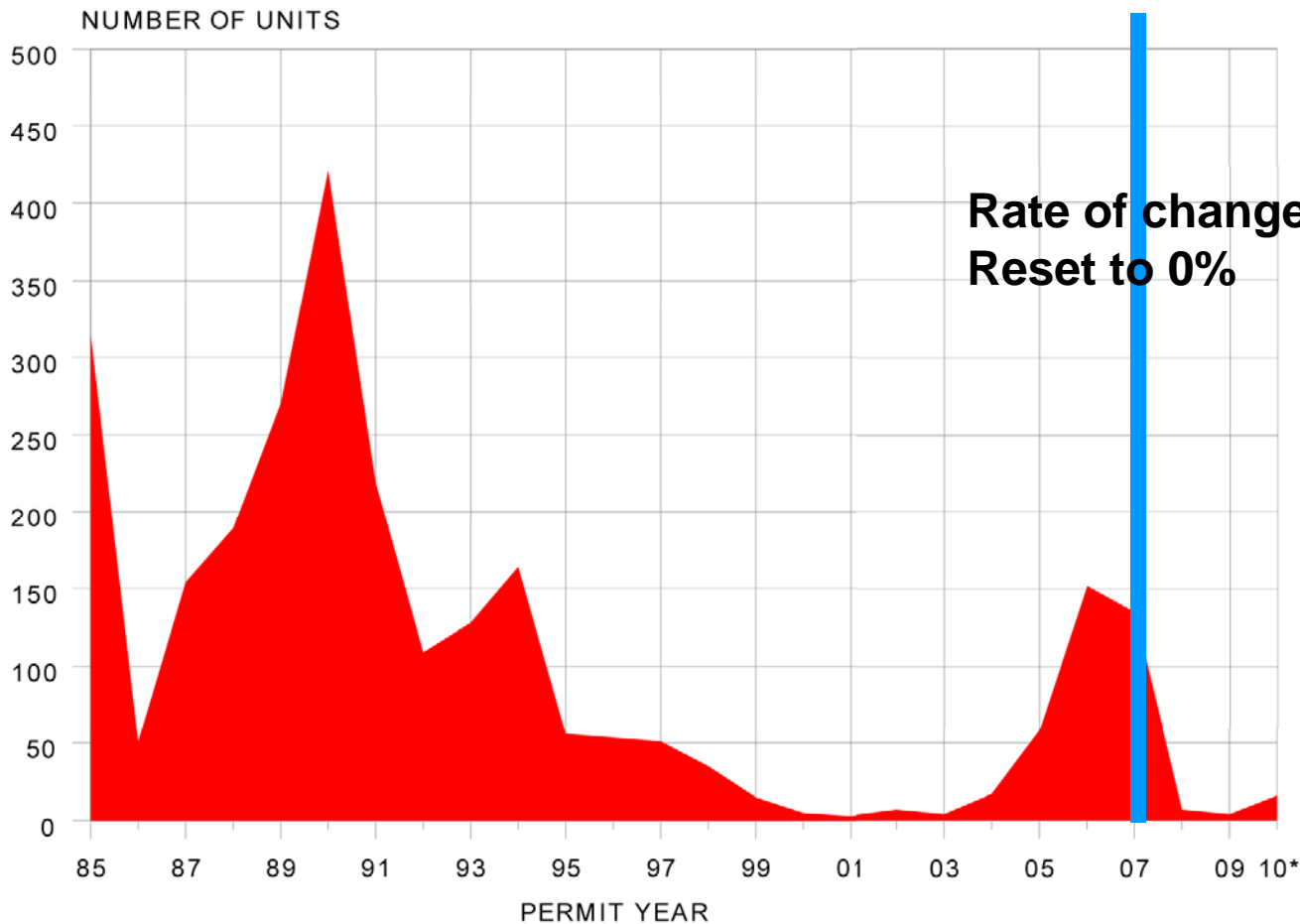
Rate of Change Regulations



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**



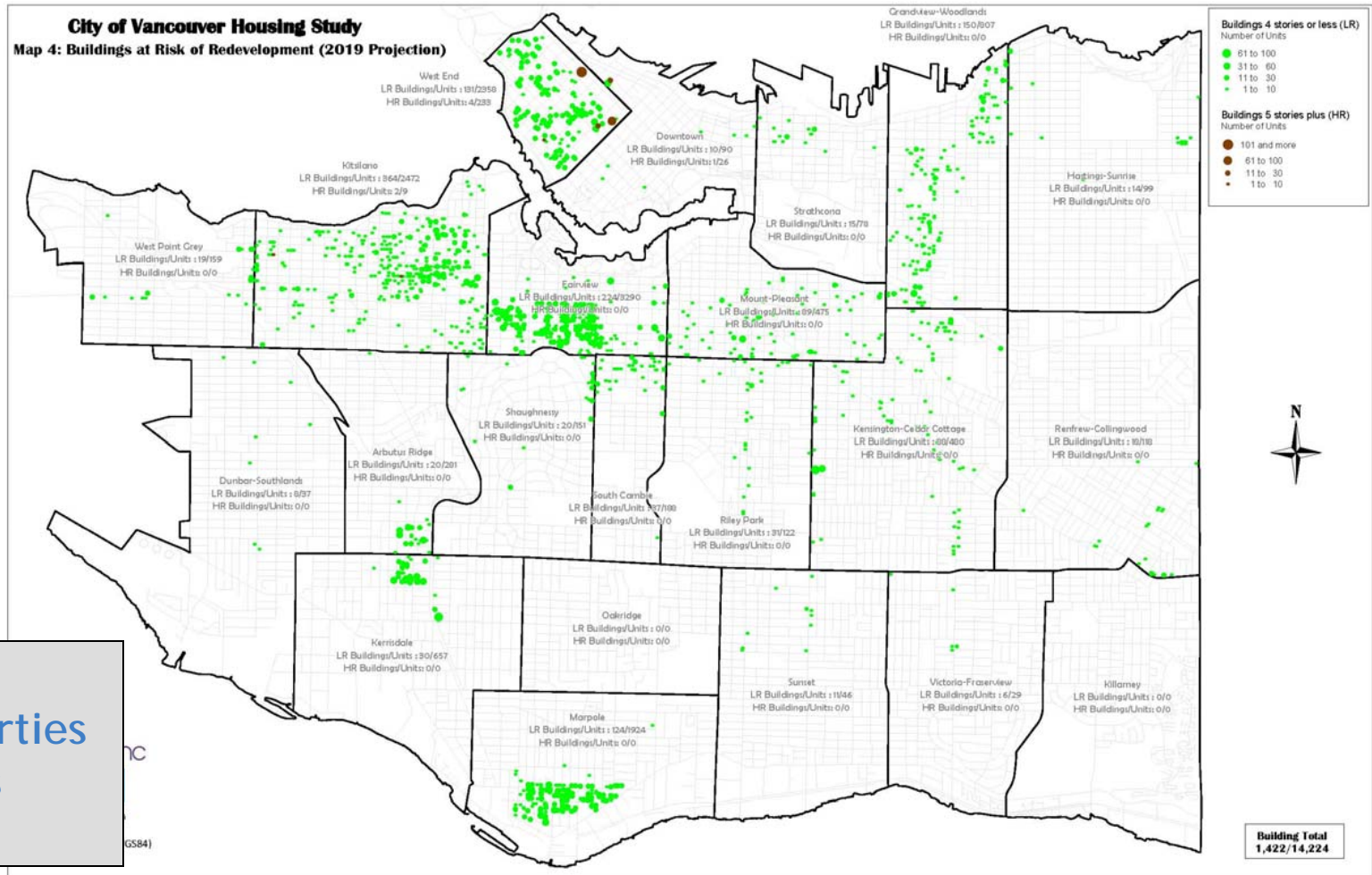
Rate of Change
has been effective
in **protecting**
rental housing

* JAN-SEPT 1 2010

Rental Housing - Preservation Challenges

Loss of Existing Purpose-Built Market Rental

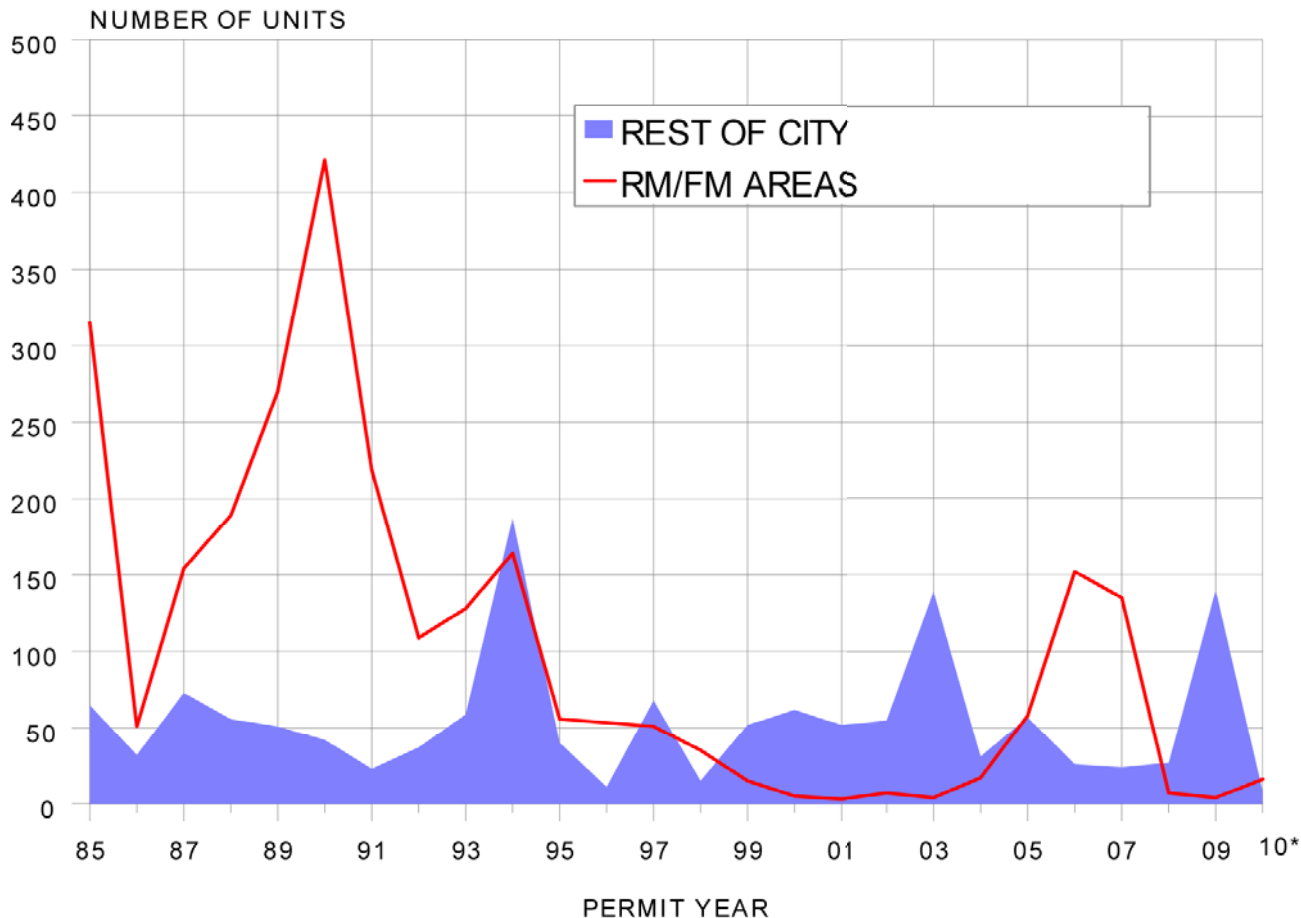
Properties estimated to be at Risk of Development by 2019 without Rate of Change Regulations



Rental Housing - Preservation Challenges

Loss of Existing Purpose-Built Market Rental

MARKET-RENTAL DWELLING UNITS DEMOLISHED EACH YEAR,
PERMITS FOR 3 OR MORE UNITS

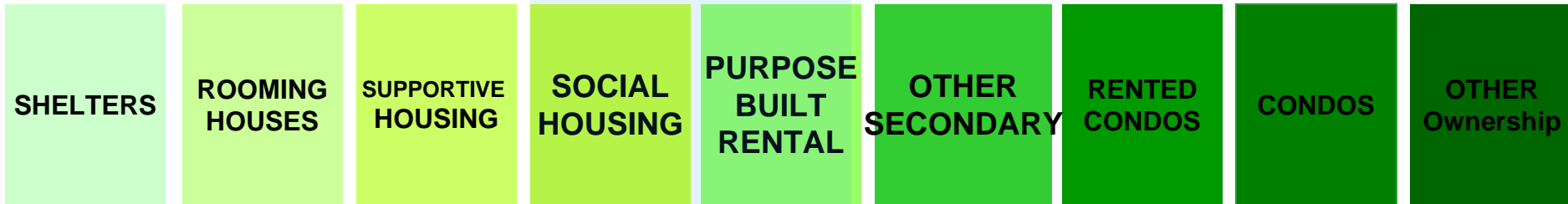


Challenges with Existing Rate of Change policy

- 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



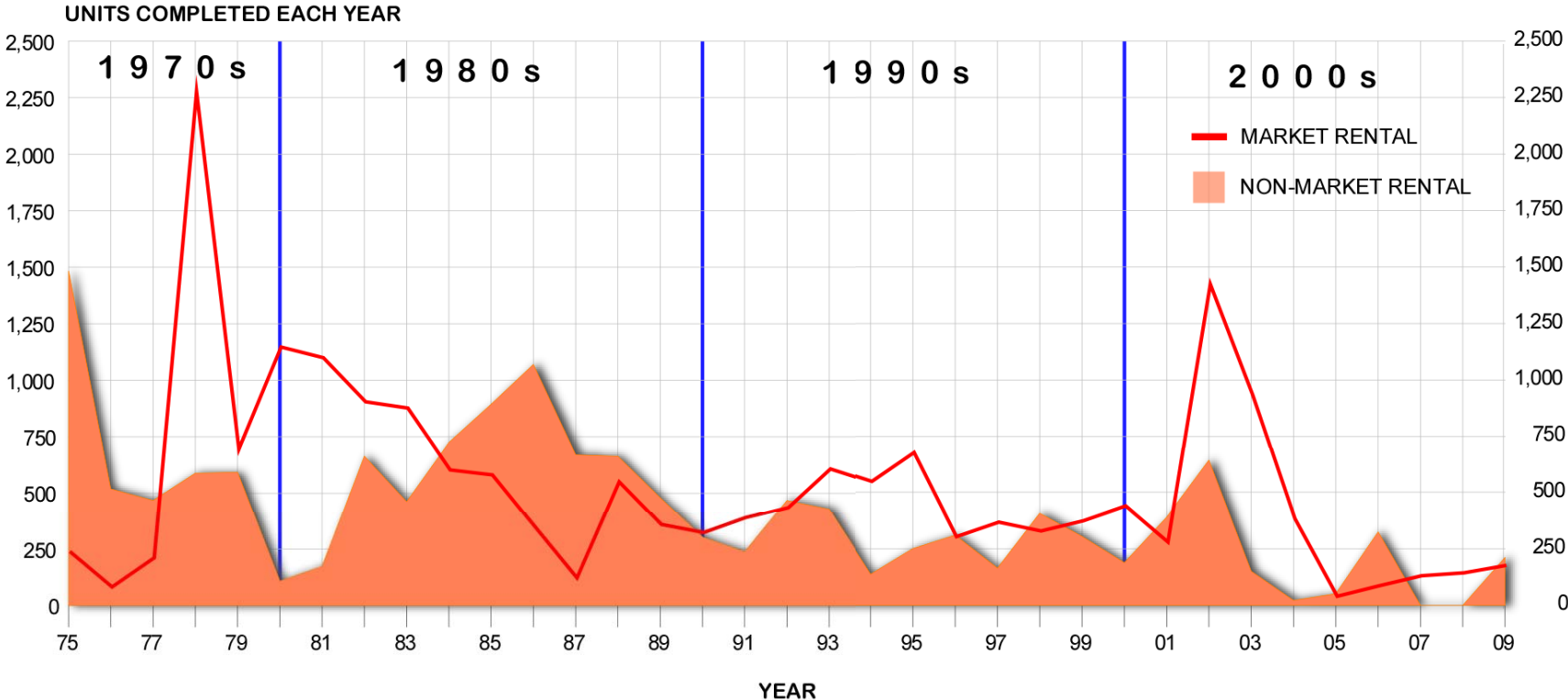
Low-end of Market and Non-Market housing

Rental Housing - Challenges

Low-end of market and non-market rental

Non-market housing production in decline

ROW & APARTMENT NEW CONSTRUCTION COMPLETION, CMHC

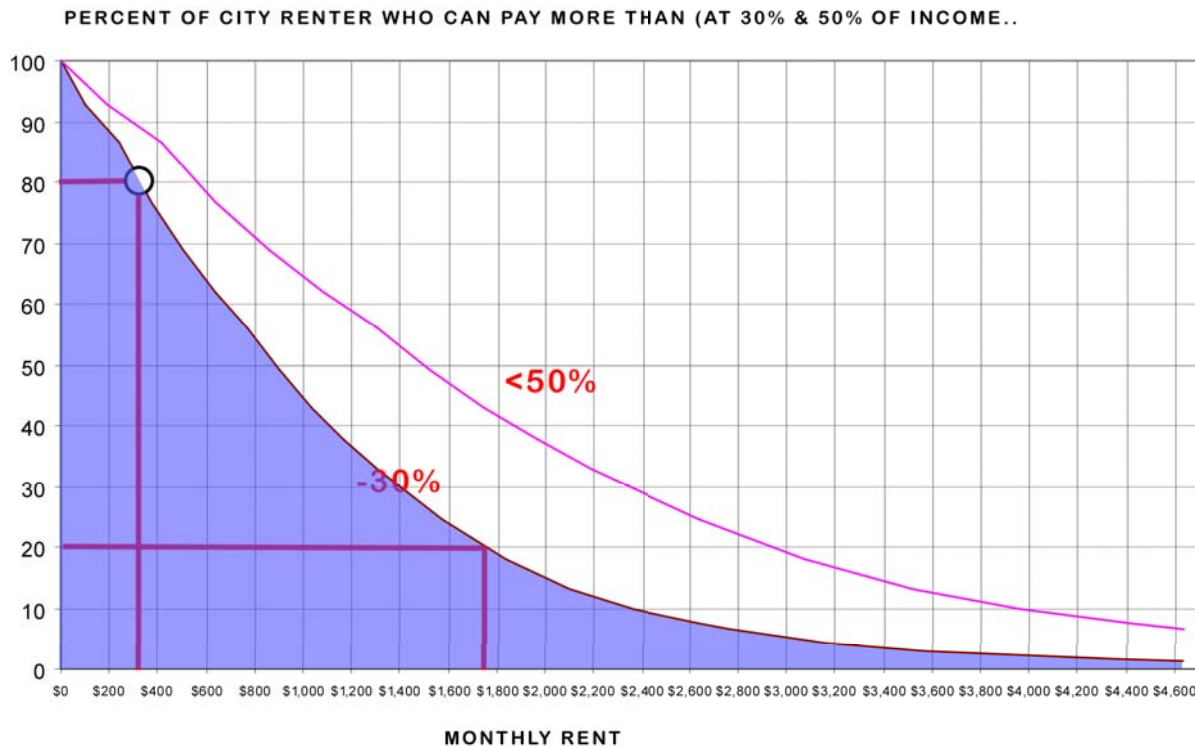


Current stock: 22,000 units in 2010

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?

VANCOUVER'S HOUSING STRATEGIES

SHELTERS

**ROOMING
HOUSES**

**NON MARKET
RENTAL
HOUSING**

**MARKET
RENTAL
HOUSING**

**HOME
OWNERSHIP**

**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?