



City of Delta
COUNCIL REPORT
Regular Meeting

To: **Mayor and Council**

File No.: **P15-03**

From: **Community Planning & Development Department**

Date: **April 10, 2019**

Housing Action Plan Terms of Reference

The following report has been reviewed and endorsed by the City Manager.

▪ **RECOMMENDATION:**

THAT the Terms of Reference for Delta's Housing Action Plan (Attachment A) be endorsed.

▪ **PURPOSE:**

The purpose of this report is to present for Council's endorsement Terms of Reference (Attachment A) to develop a Housing Action Plan for the City of Delta.

▪ **BACKGROUND:**

Delta's Official Community Plan contains the following housing objectives and policies to encourage housing options for a wide range of people from young families to seniors, and for a wide range of income levels:

- 2.1.2 Encourage and facilitate the production of housing that meets the needs of residents of different income levels.
- 2.1.3 Encourage seniors' and special needs housing in town centres, close to shops, services, transit and other amenities.
- 2.1.4 Consider incentives, such as a bonus density, to encourage the provision of seniors' rental or special needs housing.
- 2.1.5 Monitor new housing stock to determine whether it is meeting the needs of Delta residents.

While Delta has strong policies about housing, to date Delta has not had an action plan to help set priorities and an implementation framework. A Housing Action Plan will build on these policies and Delta's related research and commitments undertaken in recent years:

- Delta's Regional Context Statement within the Official Community Plan contains a commitment to complete a Housing Action Plan that would include standard content as required by Strategy 4.1 in the *Metro Vancouver 2040 Regional Growth Strategy* (Attachment B).

- From 2008 to 2010, Delta established a Housing Task Force to provide advice on options and initiatives for increasing housing choices and affordability in Delta. A summary report and ten recommendations from the Housing Task Force were endorsed in April 2010, the majority of which were implemented.
- In 2016, Delta introduced a new Corporate Social Planner position to focus on social needs of the community. Both the 2017 Social Profile and 2018 Social Action Plan identified housing affordability and seniors housing as significant social issues.
- In 2018, the Province introduced two new pieces of legislation to address housing issues throughout the province – residential rental tenure zoning authority and a regulation requiring all municipalities to produce housing needs reports which will come into effect in 2019.
- In 2018, BC Housing awarded funding for several housing programs (Community Housing, Supportive Housing, Transition Housing, Women's Housing, Indigenous Housing, Housing First, and Community Partner Initiatives).
- Mayor George V. Harvie's inaugural address on November 5, 2018 highlighted the need to promote housing options for seniors and young families.

▪ **DISCUSSION:**

The infographic below presents the six categories of housing. Delta's housing needs encompass all six areas of the housing wheel, from emergency shelter to attainable homeownership.



Credit: City of Kelowna

Detailed research into all six categories will be conducted as part of the Housing Action Plan, but the following issues have already been identified:

Lack of Diversity in Housing Choice

The single detached house was the predominant housing option during Delta's growth boom in the 1960s and 1970s. While housing starts over recent years have seen an increase in townhouse and apartment development, Delta's housing stock remains

predominantly single detached homes (59 percent of Delta's total housing stock). Delta lacks the spectrum of housing options and tenures needed to accommodate the projected demographics and needs of residents, particularly young adults and seniors wishing to stay in their community.

High Housing Prices Relative to Income

A significant influx of housing has been built in Delta in recent years, but this additional supply is not curbing the rising unaffordability of housing prices in the region. Reviewing the number of affordable sales¹ between 2012 and 2017, the Real Estate Board of Greater Vancouver reported that, in Delta, affordable apartment and condo sales fell from 79 percent of total sales in 2012 to 56 percent in 2017; affordable townhouse sales fell from 22 percent to 6 percent; and affordable single detached house sales fell from 1 percent to 0.5 percent. This barrier to attainable ownership also places additional strain on the rental housing market as those who would otherwise own continue to need rental housing.

Lack of Rental Housing

Ownership is not always an option for low and moderate income households, making the continued availability of purpose-built rental housing important. The Canada Mortgage and Housing Corporation (CMHC) reported that Delta's rental vacancy rate in 2018 was 1.3 percent, whereas a healthy residential rental market typically has a 2 percent to 3 percent vacancy rate. Very little purpose-built rental has been added over the last 10 years and Delta's purpose-built rental stock comprises only 5 percent of the overall housing stock, much of which is non-market. Meanwhile, Delta's average rental price saw a 5 percent jump in 2017, as available vacancies continue to become less affordable.

Need for Lower-Income Rental Opportunities

Metro Vancouver's projected housing needs for 2016 to 2026 estimate that Delta will need to introduce 800 new rental units over the next ten years, 640 of which should serve households earning under \$50,000 annually. Delta does not currently offer incentives to encourage below-market rental housing builds. Lower income households include vulnerable populations such as youth transitioning out of foster care and persons with disabilities; the rental rates for market-oriented rental and secondary rental will likely not be affordable to these populations.

Rising Need for Supportive Housing

The waitlists for short- and long-term supportive housing in Delta have doubled over the last five years. Of the 226 households placed on BC Housing waitlists in 2018, 102 were family households, 70 were seniors and 29 were persons with disabilities. These residents who have lost secure housing but cannot find supportive housing typically become the "hidden homeless" while on the waitlist; they stay with family or friends, couch surf, live in vehicles, and use emergency shelters when available.

¹ affordable being defined as 30 percent of the region's median household income with 10 percent down payment and a 25 year mortgage

Insecurity of the Secondary Rental Market

A large component of Delta's rental market is secondary rental (secondary suites or the renting out of individually owned condos and townhouses). Secondary rentals are popular as revenue generators and mortgage helpers but they cannot be considered secure long-term housing options nor are they necessarily affordable. Short-term rentals (AirBnB, etc) may also place additional strain on the secondary rental market.

Impact of Transportation Costs

The cumulative costs of both housing and transportation burdens those living in housing that is not built near transit and services. While infill density provides more supply generally, it does not necessarily capitalize on the opportunities for affordability that are offered by developing housing near town centres and transit nodes.

Seniors Housing

Many Delta seniors look forward to retiring in the community where they raised their families; however, limitations in the type, accessibility and affordability of housing in Delta present challenges for those who may no longer wish to live on a large single detached lot. Seniors have particular housing needs that differ from other multi-family developments and these design features should be encouraged in order to provide Delta seniors with quality housing.

Inclusive and Accessible Housing

There is a need for housing that is affordable, close to community amenities, physically accessible and welcoming of people of all abilities, including those with developmental disabilities. Ninety percent of respondents surveyed by the Housing Be Mine Society expressed the desire to continue to live in Delta where they have established social support systems. Currently, the majority of individuals living with disabilities live with family members in order to remain in the community; however, data provided by Community Living BC suggests that over 400 Delta clients will be in housing need within the next ten years. Rental housing and semi-independent housing are the most appropriate options for adults with intellectual disabilities as well as for seniors with disabilities, reiterating the ongoing need for secure rental and supportive housing options in Delta.

Expiring Operating Agreements for Social Housing

Most non-profits operating a social housing development do so with funding (predominantly mortgages) from the Province of British Columbia with an operating agreement. When an operating agreement expires and the mortgage is paid off, the organization may be expected to bear all operating expenses; this is also the time these housing complexes can be redeveloped. In Delta, operating agreements have recently expired for 131 housing units and agreements are set to expire over the next ten years for another 362 housing units.

Potential Displacement of Existing Tenants

Renovations and redevelopments of existing purpose-built rentals can lead to the displacement of existing tenants, either temporarily or permanently. There are a number of current development applications that will involve tenant relocation. Delta currently does not have a municipal tenant relocation policy, but instead relies on the regulations set out in the Province's *Residential Tenancy Act*.

Staff expect to learn more about these and other possible housing issues as this project unfolds.

Housing Action Plan

A Housing Action Plan Terms of Reference (Attachment A) has been prepared based on requirements in *Metro Vancouver 2040 Regional Growth Strategy* and the requirements of the Bill 18 Amendment to the *Local Government Act* requiring local governments to produce housing needs reports.

Preparation of the Housing Action Plan will entail two phases over an approximately twelve-month period:

1. Phase One will involve the production of a Housing Needs Assessment of the current situation including quantitative analysis, stakeholder engagement, and the identification of current and future housing gaps.
2. Phase Two will involve the drafting of the Housing Action Plan including goals and action items to address gaps identified in the housing needs assessment.

The proposed Terms of Reference (Attachment A) outline details and deliverables for each phase. Council will be kept apprised of the progress on this project at key milestones.

Related Initiatives

Over the next year, planning staff will prepare a Housing Action Plan that identifies actions and planning tools to improve Delta's provision of all six categories of housing. Concurrently, work will continue on related projects such as the Secondary Suites review, the Short-term Rentals review, and joint work with Corporate Services to pursue opportunities for supportive housing.

Implications:

Financial Implications – The Housing Action Plan will be funded through the Community Planning and Development Department budget. The Housing Action Plan project will be undertaken by in-house staff with external services for community consultation, facilitation and research support.

Interdepartmental Implications – The Housing Action Plan will be prepared jointly by the Community Planning and Development and the Corporate Services departments as an action item for both the Regional Growth Strategy and the Social Action Plan.

Advisory Committee Implications – Development of the Housing Action Plan will include input and feedback from the Community Livability Advisory Committee and other relevant advisory groups.

▪ CONCLUSION:

While Delta has consistently aimed to offer high liveability to its residents, further work is needed to establish a strategic approach to increasing the diversity and affordability of housing in Delta. The Housing Action Plan will identify Delta's housing needs, and will leverage Delta's policy and development resources in order to better provide its residents with housing choices and security.



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This report has been prepared in consultation with the following listed department.

Concurring Department		
Department	Name	Signature
Corporate Services	Mel Cheesman	

▪ ATTACHMENTS:

- A. Housing Action Plan Terms of Reference
- B. Regional Growth Strategy, *Metro Vancouver* 2040 – Strategy 4.1

Terms of Reference - Housing Action Plan

Purpose

To identify goals and prepare action-oriented strategies to provide for the housing needs of the community now and into the future.

Context

The Regional Growth Strategy, *Metro Vancouver 2040* requires municipalities to prepare and implement Housing Action Plans that:

- a) assess local housing market conditions, by tenure, including assessing housing supply, demand and affordability;
- b) identify housing priorities, based on the assessment of local housing market conditions, and consideration of changing household demographics, characteristics and needs;
- c) identify implementation measures within the jurisdiction and financial capabilities of municipalities, including actions set out in Regional Context Statements;
- d) encourage the supply of new rental housing and where appropriate mitigate or limit the loss of existing rental housing stock;
- e) identify opportunities to participate in programs with other levels of government to secure additional affordable housing units to meet housing needs across the continuum; and,
- f) cooperate with and facilitate the activities of the Metro Vancouver Housing Corporation to increase the number of affordable housing units in Metro Vancouver.

Delta made a commitment as part of the Regional Context Statement adopted by Council in 2013 to undertake a Housing Action Plan that addresses Delta's specific housing needs.

Scope

The Housing Action Plan will assess community demographics and housing needs in the community as well as provide goals and strategies to respond to these needs. It will cover the complete housing continuum ranging from social housing, which provides social service support, to market housing which requires no public funding.

Process and Milestones

Phase 1 – Research and Analysis (Housing Needs Assessment)	Task	Resource	Milestone
	Finalize Terms of Reference & Consultation Program	CPD, Council	Endorsement
	Request for Proposal & selection of Engagement Consultant	CPD	Contract
	Backgrounders, including: - Housing inventory, inc. rental - Demographic analysis and trends - Projections - Housing Affordability in Delta - Housing Supports in Delta - Transportation and Housing - Delta policies and local practices - Inventory of local resources and assets (funding, land, etc.)	CPD & Communications	Documents Website
	Housing Workshop - Targeted for all those interested in spending 3 hours discussing topic 1 in North Delta, 1 in South Delta	CPD, Corporate Services, & Consultant	Workshop and Summary Document
	Follow up Stakeholder Consultation: Meet with external agencies and impacted stakeholders	CPD, Corporate Services, & Consultant	"What We Heard" Summary
	Broad Consultation - Coordinate with summer festival events - Access community grants and other incentives - Online engagement - Multiple avenues to participate	Lead: Consultant Support: CPD and Communications	
	Draft Phase 1 Report - Housing Needs Assessment including identified housing gaps and priorities, and projected housing requirements	CPD & Consultant	Housing Needs Assessment
	Comment on Draft Phase 1 Report	CPD	Presentation to Liveability Committee
	Final Phase 1 Report	CPD	Council Report
Phase 1 Deliverables : - Facilitation of Housing Workshop including development of workshop materials and workshop summary - Housing backgrounders that will form situational analysis in Phase 1 report - Phase 1 Report (Housing Needs Assessment)			

Phase 2 – Affordable Housing Strategy (Drafting and Refining)	Task	Resource	Milestone
	Present : - Draft Principles/Goals - Focus action areas (priorities) - Possible tools to encourage affordable housing	CPD	Council Workshop
	Develop Options - Focus areas for action - Barriers to affordable housing	CPD	Working Document
	Working Session with Stakeholders about options	CPD, Corporate Services	Workshop, Summary
	Produce Draft Plan	CPD	Draft Document
	Public Consultation on Housing Action Plan	CPD, Communications	Consultation, Summary
	Refinement of Housing Action Plan	CPD	Final Housing Action Plan
	Housing Action Plan	CPD	Presentation to Council
Phase 2 Deliverables : - Principles / Goals for Housing Action Plan - Policy Options Working Document - Summary of Consultation on Policy Options - Housing Action Plan			

The Housing Action Plan will include:

- A summary of current housing and demographic profile for Delta
- A summary of housing gaps, needs and priorities
- A set of goals to meet housing needs in Delta
- Action-oriented strategies to attain the goals (short, medium, long term)
- An implementation time frame identifying priorities for the medium and long term actions



STRATEGY 4.1

Provide diverse and affordable housing choices

Metro Vancouver's role is to:

4.1.1 Pursue the strategies and actions set out in the Metro Vancouver Affordable Housing Strategy.

4.1.2 Assist municipalities in developing Housing Action Plans in accordance with Metro Vancouver's Affordable Housing Strategy, by providing analysis on regional demographics, household characteristics and market conditions, and work with municipalities to review and refine municipal housing priorities, policies and future demand estimates in the context of this analysis.

4.1.3 Monitor and report on the success of municipal Housing Action Plans in achieving regional housing demand estimates.

4.1.4 Advocate to the federal government and the province for incentives to stimulate private rental supply and capital and operating funds to support the construction of affordable, supportive and transitional housing across the region.

4.1.5 Support the Metro Vancouver Housing Corporation in increasing the number of affordable housing units in Metro Vancouver and assist municipalities in the management of units acquired through municipal processes.

4.1.6 Accept Regional Context Statements that achieve diverse and affordable housing options, and that meet or work towards Actions 4.1.7 and 4.1.8.

The role of municipalities is to:

4.1.7 Adopt Regional Context Statements which:

- a) include policies or strategies that indicate how municipalities will work towards meeting the estimated future housing demand as set out in Appendix Table A.4, which:
 - i) ensure the need for diverse housing options is articulated in municipal plans and policies, including neighbourhood and area plans;
 - ii) increase the supply and diversity of the housing stock through infill developments, more compact housing forms and increased density;
 - iii) in collaboration with the federal government and the province, assist in increasing the supply of affordable rental units for households with low or low to moderate incomes through policies, such as density bonus provisions, inclusionary zoning or other mechanisms, particularly in areas that are well served by transit;

- iv) encourage and facilitate affordable housing development through measures such as reduced parking requirements, streamlined and prioritized approval processes, below market leases of publicly owned property, and fiscal measures.

4.1.8 Prepare and implement Housing Action Plans which:

- a) assess local housing market conditions, by tenure, including assessing housing supply, demand and affordability;
- b) identify housing priorities, based on the assessment of local housing market conditions, and consideration of changing household demographics, characteristics and needs;
- c) identify implementation measures within the jurisdiction and financial capabilities of municipalities, including actions set out in Action 4.1.7;
- d) encourage the supply of new rental housing and where appropriate mitigate or limit the loss of existing rental housing stock;
- e) identify opportunities to participate in programs with other levels of government to secure additional affordable housing units to meet housing needs across the continuum;
- f) cooperate with and facilitate the activities of the Metro Vancouver Housing Corporation under Action 4.1.5.

Actions Requested of Other Governments and Agencies

4.1.9 That the federal government and the province and their agencies provide incentives to stimulate private sector investment in rental housing to help achieve market housing demand estimates as shown in Appendix Table A.4.

4.1.10 That the federal government and the province and their agencies provide capital funding to help achieve the low and moderate income housing demand estimates as shown in Appendix Table A.4.

4.1.11 That the federal government and the province and their agencies provide capital and operating funding for the development of supportive and transitional housing units.