

# Canadian Case Study - Vancouver



# Common Ground, Shared Purpose



Case Study: Vancouver

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For more information about the Vancouver case study, please contact the authors:

Cameron Gray  
Manager, Housing Centre  
City of Vancouver  
3rd Floor, 555 West 12th Avenue  
Vancouver, BC V5Z 3X7  
(604) 873-7207

OR

Shayne Ramsay  
CEO  
BC Housing  
601, 4555 Kingsway  
Burnaby, BC V5H 4V8  
(604) 439-4712

## INTRODUCTION

Affordable housing is a long-standing issue in BC and particularly in the Vancouver region. This case study explores the social housing partnership between the City of Vancouver and the Province of British Columbia that evolved over the past decade, describes four illustrative projects, and explores lessons learned and looks forward to a new and uncertain future.

## The Economy

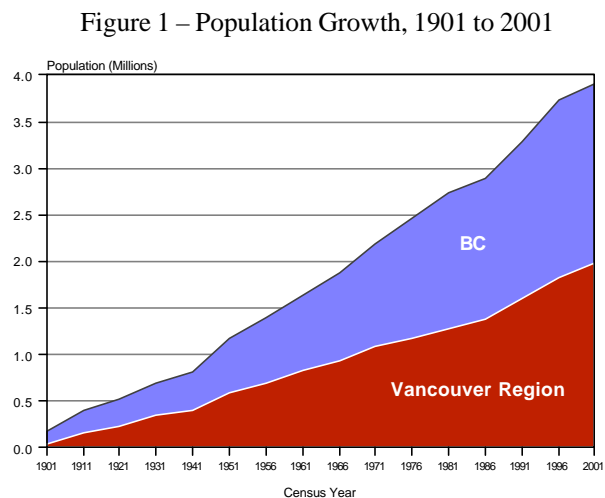
BC was first settled by non-natives in the early 19th century with gold seekers following fur traders, but it was not until the Canadian Pacific Railway reached the Pacific in 1885 that development of the Province began in earnest. BC's economy is rooted in resource industries, primarily forestry. While resources continue to dominate the provincial economy, their importance has declined. Easily accessible and high-grade resources such as first-growth timber have been depleted, and BC must now compete with third world producers.

Since 1961, the goods production sector has declined from 37 percent to 26 percent of the economy. As in much of the developed world, the service sector is increasingly dominant. BC is changing from a primary/secondary economy to a quaternary (service/knowledge-based) economy with little tertiary (manufacturing) industry. The provincial economy is suffering the double stress of the continued dependence on cyclical and declining resource industries and the transformation to a non-resource/service based economy. This is not an easy transformation. Over the past decade productivity growth has declined in BC, as have real incomes, and the savings rate is currently negative.

Founded in 1886, a year after the arrival of the CPR as its Pacific terminus, Vancouver started as a resource town in its own right, but quickly grew to be the service centre for the Province and the port for most of its exports. While the resource towns in the Province's hinterlands have suffered from the decline of the resource economy, Vancouver has grown with the increasing prominence of the service sector. It is a high amenity city with the mildest metropolitan climate in Canada. Whether it remains a regional service centre or grows into a continental or global centre remains to be seen.

## Population

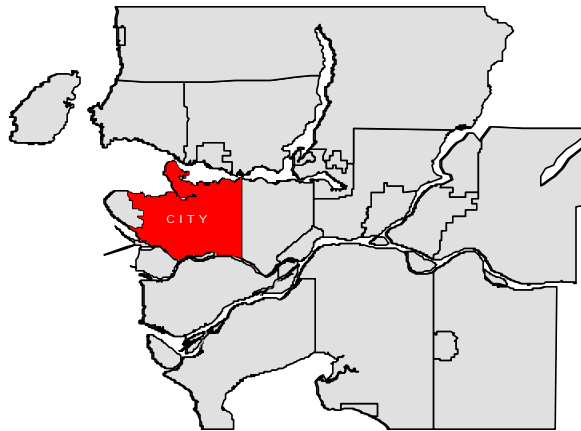
As BC grew from frontier and Vancouver from pioneer settlement, the population of the Province and city grew rapidly. As Figure 1 illustrates, the annual population growth of BC and Vancouver has averaged three percent over the past century. Population growth has been a dominant factor in shaping BC's and Vancouver's economies and social conditions. When population growth slows, as it did in the late 1990s, the economy experiences a demand-driven recession. As a result the resource industry cycles are exaggerated by population growth cycles. When demand for the Province's resources is slack, immigration, and interprovincial migration in particular, drops as well. For the past five years, interprovincial migration to and from BC has been negative, with most of BC's population growth coming from international immigration.



Vancouver is increasingly cosmopolitan. Over one-third of Vancouver residents (45 percent in the city) were not born in Canada; ten percent came to Canada in the last five years, and 22 percent speak a language other than English or French at home.

Long isolated from the economy and society that has dominated BC for the past century, the three percent of the provincial population that is aboriginal/First Nations have accumulated needs and aspirations that increasingly demand a response - economically, socially and politically. Increasingly they are moving to the urban areas.

The City of Vancouver, with a population of 546,000 in 2001, is the central municipality within a metropolitan region, consisting of twenty-one municipalities and a total population of two million. This is half the Province's population, and this dominance is expected to continue. The 2001 Census indicated that 95 percent of the population growth in BC since 1996 has been concentrated in the lower mainland (the Vancouver region and the suburban sprawl to the east) and southern Vancouver Island. BC is typical of the rest of Canada and the world in that larger urban areas are growing at the expense of the hinterlands.



## Housing Stock

In 1996, there were just over 1.42 million private dwellings in BC - 15 percent located in the city and one-third in the rest of the Vancouver region. As the central municipality in the region, sometimes called 'Downtown BC', the housing stock in the City of Vancouver is considerably older than in the rest of the region or the Province as a whole (over a third of the pre-1946 housing stock in the Province is in the city) – see Appendix A. It also has a substantially higher proportion of higher density housing stock (48 percent of BC's high-rise units are in the city and another 39 percent are in the rest of the region).

BC's rental housing is concentrated in the Vancouver region, with 57 percent of the Province's rental stock. Within the region, the rental stock is concentrated in the city. The city's rental stock of 127,000 units represents 45 percent of the region's stock (the city has 22 percent of the region's owner-occupied stock), and 58 percent of the city's housing is rental compared to 33 percent in the rest of the region.

## Housing Need in Vancouver

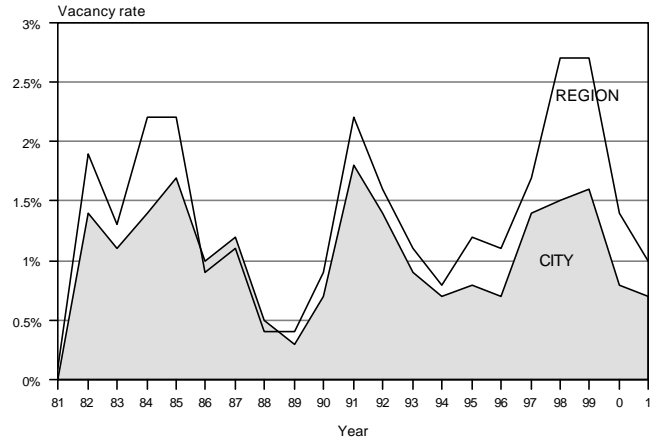
Since the end of World War II Vancouver has experienced a prolonged housing affordability crisis. Rents and house prices have been consistently high, vacancy rates low, and new supply has persistently lagged demand. Constricted by mountains to the north, the ocean to the west, the US border to the south, and the most valuable agricultural land in BC to the east, the supply of developable land in the Vancouver region is limited, and what is available is expensive. Coupled with the steady growth of population, the outcome is intense competition for single-family housing (the preferred housing form in North America especially in the west), higher density development for those

who cannot afford single-family homes, and a high level of housing stress. Table 1 sets out average rents and median sale prices for homes in the city and the region (in Canadian currency), and Figure 4 shows vacancy rates over the past twenty years.

Table 1 – Average Rents and Median Sale Prices

Average Rents (Oct. 2001)	City	Region
Studio	\$639	\$621
1 bedroom	\$761	\$726
2 bedroom	\$1,059	\$919
3 bedroom	\$1,477	\$1,022
Median Sale Prices (1st Quarter 2002)	West Side of City	East Side of City
Condo	\$227,000	\$149,000
Single-Family House	\$575,000	\$295,000

Figure 4 – Rental Apartment Vacancy Rates



As the central municipality in the region, the City of Vancouver has felt this housing stress for longer and more acutely than others. With the advent of condominium tenure in the early 1970s, many renters who could not afford to buy a single-family house purchased apartments and townhouses, leaving the average renter with lower incomes and less effective demand, restricting the ability of landlords to raise rents, and limiting the viability of new rental construction. The city has 39 percent of the region’s households in core housing need.<sup>1</sup> Table 2 sets out estimates of core housing need in the city and the region in 1996.

Table 2 - Proportion of Households in Core Need, 1996

TYPE OF HOUSEHOLD	CITY		REGION	
	TOTAL	RENTERS	TOTAL	RENTERS
All Households	25%	36%	20%	36%
Seniors	25%	46%	22%	50%
Under 30 years	35%	38%	31%	37%
Lone-Parent	38%	52%	37%	54%

SOURCE: *Housing in Canada Electronic Data Series*, CMHC 2000. Includes only non-native households with positive incomes. Households headed by full-time students are assigned to “not in need” regardless of income or shelter expenditures.

A consequence of the steady population growth in the region are longer commutes to ever more distant suburbs. Increasingly, households are buying apartments in the city rather than single family houses in the suburbs. This has resulted in most of the redevelopment of the remaining older single-family homes located in the city’s apartment districts, many of which had been converted into rooming houses. As well, many households have bought houses in what were once less desirable single-family neighbourhoods or have renovated older rundown homes in better areas. Many of these were rooming houses as well. This gentrification has been going on for the last couple of decades. Since 1971, the

<sup>1</sup> Households that must pay 30 percent or more of their gross household income to rent a market unit that is of appropriate size and in a reasonable state of repair.

city has lost most of its old rooming house stock outside the downtown peninsula to redevelopment and renovation. Even in the core SRO (Single Room Occupancy) areas of the city close to downtown, the stock of residential hotels and rooming houses have declined from 13,400 in 1971 to 6,400 in 2001.

The city's rooming house/SRO (Single Room Occupancy) stock is the least expensive housing in the city and the region, and the only housing affordable to singles on welfare. For persons unable to afford a room in an SRO, homelessness is one of the few alternatives. As well, many of the city's homeless suffer from mental illness or drug addictions. In theory they can afford an SRO room but in reality either their problems are too demanding even for an SRO, or they are victimized in the SROs and forced onto the streets. Vancouver's homeless has hovered around 600 (winter) to 1,000 (summer) for some time, including those in the 400 shelter beds throughout the city.

## THE DEVELOPMENT OF SOCIAL HOUSING TO 1993

The return of World War II veterans initiated the development of social housing in Vancouver. Migrants flocked to Vancouver causing prices and rents to soar. Funded by the federal government, housing for veterans and their families was developed on land purchased from the City. In 1953 the first social housing project for non-veterans was developed in the city. This was a family project jointly funded by the federal and provincial governments, and operated as public housing by the Province on a site purchased from the City. Since then, several iterations of social housing programs have followed.

### 1950s and 1960s

The period saw the continued development of public housing. These were mainly large projects involving urban renewal and redevelopment in the classic modernist form of large abstract communities, along with the scattered development of seniors housing by non-profit housing societies. Public housing is owned and funded by the federal and provincial governments, and almost all of it is operated by the Province. The City operates a small portfolio of 818 units.

*In 1967, BC Housing, a provincial crown agency, was established to manage the provincial government's commitment to social housing. Like every other province, BC set up a structure whose primary function was the development and management of public housing. BC Housing's role has evolved over time and now is primarily focussed on a facilitation and oversight role in delivering government's social housing agenda. See Appendix B for a timeline on the evolution of social housing in BC.*

### 1973 - 1986

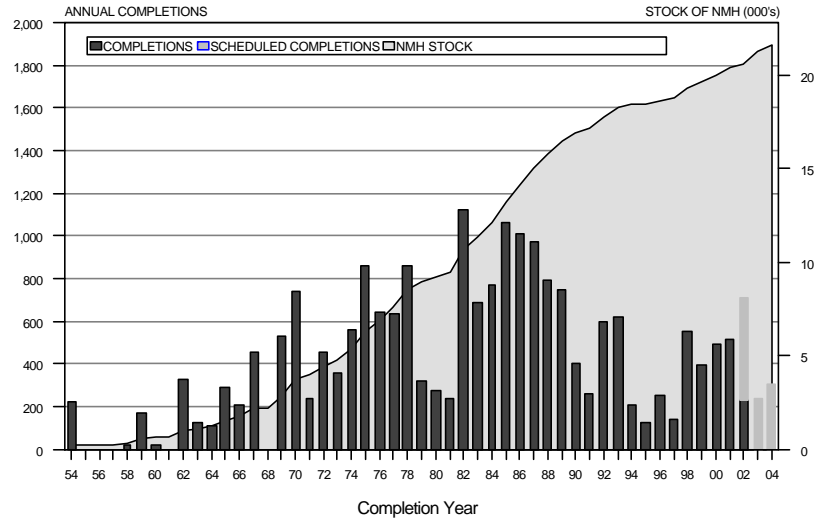
During the 1970s there was a major shift in policy with the end of public housing and the introduction of non-profit co-operative mixed-income family housing. This was housing that was intended to offer ownership security without capital gains potential (housing as consumption, not as investment). Non-profit rental housing for seniors continued to be developed. Government's role shifted from operating housing to overseeing the flow of subsidies to private non-profits societies and co-operative that took on the operation of the housing. The federal government became the primary funder of social housing during this period.

This period also saw a major shift in the City's policy as well. Prior to 1972, the City had sold sites for social housing, but since then the City's policy has been to lease sites. The City realized that its land bank would soon be depleted as it commenced the development of two of the last large properties it owned. (Areas 4 and 5 on Figure 6). The City sought to retain consolidated ownership of these properties and to preserve the long-term opportunities provided by the public ownership of land. There was also a shift in City priorities to low- and modest-income families with children who otherwise could not afford to live in the growing city. Half of the units in the City's developments were built under one or another of these social housing programs.

### 1986 - 1993

In 1986 the federal government handed management of new social housing programs to the provinces. The federal government provided two-thirds of the funding (the provinces provided the final third) and restricted its funding to households in core housing need. From 1986 to 1993 almost all of the social housing funded in BC and Vancouver was strictly targeted to core need. The City continued to buy sites and lease them to non-profit housing sponsors. Since 1988, the standard lease has been 60 years with a prepaid rent equal to 75 percent of the freehold market value of the site, which is considered the fair market value for a 60-year lease.

As Figure 5 reveals, the production of social housing has varied from year to year and from program to program. By 1993, when the federal government ceased funding new social housing, over 17,000 units of social housing had been developed in the city, almost half for seniors, slightly less for



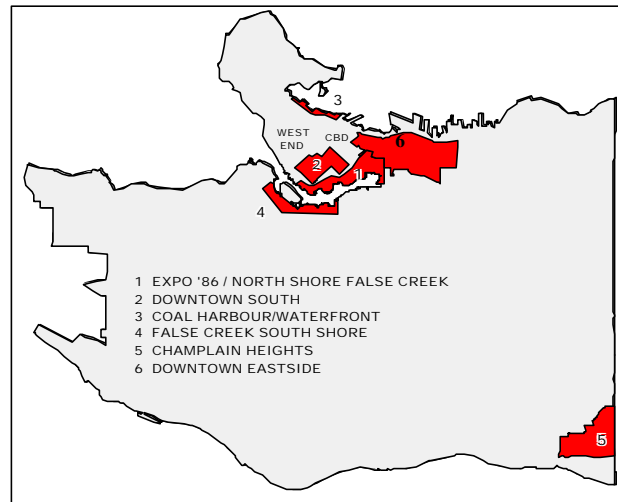
NOTE: ANNUAL COMPLETION FIGURES ARE GROSS ADDITIONS; STOCK IS BASED ON NET ADDITIONS EACH YEAR

families, and the remainder targeted to special needs such as the mentally ill or the physically disabled. Up to 1993, the City’s contribution had been to sell or lease land at a discount but not to provide any other equity. The City’s role had been more as a facilitator and enabler than a funding partner. This was soon to change.

### City Responds to Late 80s Housing Crisis

Following a deep recession in the early 1980s, the Vancouver economy rebounded in the wake of Expo ‘86, the 1986 World’s Fair. Available development sites were scarce, and housing prices and rents soared. Vacancy rates dipped below 0.5 percent. The oxymoron of affordable housing became a major political issue, and the City responded with both market and affordable housing supply initiatives.

The **market supply initiative** focussed on the redevelopment of under-utilized industrial or commercial districts for high-density residential uses. There were several areas in the downtown, well situated either near or on the waterfront that were ripe for comprehensive redevelopment, such as the former rail yard located on the north shore of False Creek that was the site for Expo ‘86. With the build out of the West End over the previous decades, the downtown peninsula had established itself as a desirable residential location. The City rezoned large areas of the downtown peninsula (areas 1, 2, and 3 in Figure 6) for high-density development that would add 35,000 new residents, doubling the downtown population.



The **affordable housing supply initiatives** focussed on incorporating social housing into these redeveloping neighbourhoods. The City's earlier developments on the south shore of False Creek and Champlain Heights had proven that mixing social housing and market housing worked. When the provincial government sold the Expo '86 site on the north shore of False Creek, as a condition of rezoning the City imposed on the purchaser/developer not only the usual servicing conditions such as parks and utilities, but also a requirement that 20 percent of all the units be developed as social housing to serve core-need households. At that time (1988) new social housing was restricted to core-need households, and 20 percent of the region's households were in core need. As well, 20 percent of the residents of the City's False Creek South Shore development would have been in core need if they were not living in social housing. This '20 percent policy' was applied to a number of comprehensive developments in the city, creating a capacity of 2,500 social housing units. As the City's priority was to provide opportunities for families with low and modest incomes to live in the city, at least half of the social housing generated by the 20 percent policy had to be designed for families.

For the redevelopment of industrial or commercial sites in fragmented ownership, in 1990 the City sought and received approval from the Province to impose levies on new development that could be spent to replace affordable housing that might be lost as a result of redevelopment. Many of these areas included older rental housing, much of it affordable. For example, Downtown South included a thousand SROs that were likely to be redeveloped or converted to tourist hotels. The development levies range from \$2 to \$8 per sq. ft. of buildable floor area.

Through these initiatives, the City generated opportunities and potential funding for social housing. It also generated a City commitment to deliver social housing, especially in the rapidly redeveloping downtown.

## **Devolution to the Province**

Throughout the late 1980s and early 1990s, constitutional and fiscal issues dominated federal politics. Provinces demanded more control while the federal government struggled with mounting deficits. Following the 1993 federal election, the new Liberal government proceeded to download a number of services to the provinces, most prominently welfare and health costs. Less prominent was the federal announcement that funding for new social housing was being cancelled; it would maintain funding for existing social housing but not provide any new funding. The provinces would henceforth be fully responsible for the creation of new social housing. Along with this added responsibility, the federal government also planned to devolve its funding and responsibility for the administration of existing social housing to the provinces. BC is one of four provinces, where discussion continues and an agreement with the federal government has yet to be concluded.

In response, the Province set up the Commission on Housing Options (COHO) to determine whether its funding for new social housing should continue in the absence of federal funding, and if so what the priorities should be, and what other initiatives to address affordable housing issues should be undertaken. The Commission concluded that the Province should maintain its funding for social housing, but should focus its resources primarily on low-income families and those at risk of homelessness. The Commission also recommended that municipalities take a larger role in the development of affordable housing, for instance through the leasing of land and bonusing through rezoning.

As a result, the Province committed to maintain the funding it had provided through the previous federal/provincial program which had generated approximately 1,800 units of new social housing for families, seniors and people with special needs each year, and in 1994 the Province introduced the *HOMES BC* program. This program provides self-contained rental housing operated by non-profit

housing societies and housing co-operatives for low and moderate-income families and people at risk of homelessness, with seniors and peoples with disabilities being served to a lesser extent. The construction of new housing under this program is managed by the non-profit housing societies and housing co-operatives and built by the private sector, with the Province providing proposal development funding, long-term financing through mortgage bulk tendering, interim financing during construction and on-going operating subsidies to bridge the gap between the operating expenses and what the tenants can pay. The site is usually owned by the Province and leased to the non-profit housing society or housing co-operative for 60 years, but may be owned by municipalities or by the non-profit society or housing co-operative if they provide equity contributions. See Appendix B for a description of the *HOMES BC* delivery model.

Through this program, the Province made a commitment to continue to provide at least the same amount of funding as it had under the previous federal/provincial program where the Province paid one-third of the cost. By maintaining this level of funding the Province has been able to support at least 600 new social housing units per year. Program guidelines ensure that a mix of core-need (60 percent) and market rent (40 percent) tenants would be accommodated. However, the homeless-at risk component of the program is 100 percent core-need to ensure that those with special needs and very low incomes are accommodated.

*HOMES BC, the 1993 to 2002 provincial housing delivery program, helps fund non-profit and co-op developments that provide safe, secure and affordable housing for some of the Province's most vulnerable citizens including frail seniors, people at risk of homelessness, people with disabilities, First Nations people and low-income families. HOMES BC is administered by BC Housing.*

In response to the new *HOMES BC* program, the City amended its 20 percent social housing policy for new neighbourhoods so that mixed income projects that included market-rent tenants as well as core-need tenants could be approved. Recognizing that funding for seniors was a lesser priority, the City allowed the sites set-aside for non-family projects to be converted to family projects where this was feasible.

In parallel with it's *HOMES BC* program, the Province introduced legislation to empower municipalities to undertake affordable housing initiatives. In BC, the municipalities are not required to undertake affordable housing initiatives or to provide funding or offer resources. The legislation only provides the tools, such as providing grants and leasing land below market value, and providing bonuses to and entering into housing agreements with developers in return for affordable housing, so that municipalities can participate if they choose.

## EVOLUTION OF PROVINCE/CITY SOCIAL HOUSING PARTNERSHIP

The stage was set for a closer partnership between the City and the Province. The funding available for new social housing was a third of what it had been, and the Province needed partners if it was to come close to previous levels of production. The City's need for social housing had increased because of the 20 percent requirement for the new neighbourhoods and the need to replace affordable housing lost through redevelopment. The City was not legally obliged to provide or fund social housing, but a broad consensus had developed that City should take a proactive role in the development of affordable housing.

The partnerships that evolved built on the previous City and Province roles. The City's focus was on identifying social housing priorities, and the leasing of sites and provision of capital grants for social housing projects. The Province maintained its roles as developer and administrator of housing programs, and provider of on-going operating subsidies for completed social housing projects. Similarly, the non-profit sector continued to take ownership and the on-going operation of the social housing projects.

By 1995, it was clear that the City would need to do more than just provide lease discounts of 25% of land value if it was to secure the *HOMES BC* allocations it needed to achieve its objectives. The City's social housing priorities were downtown, and downtown projects are big and expensive. The City wanted to develop a 100 unit project on Coal Harbour and BC Housing was reluctant to allocate so many units to one site. To make the project attractive, the City offered to lease three small sites to BC Housing for 'free'. Though a couple of the 'free' sites proved difficult, all the projects, including the 100 unit project (Coal Harbour Housing Co-operative shown on the right), were successfully completed and the foundation for subsequent partnerships was laid.



*Coal Harbour Housing Co-operative provided the foundation for subsequent partnerships between the City and the Province.*

Of course, partnerships mean the merging of different agendas which is not always easy. In 1996, the outgoing provincial Premier decided that a 200 unit social housing project in a boarded up former department store (Woodwards) would be his legacy. It would consume most of the *HOMES BC* funding the City could expect to receive that year. The Province wanted the City to partner in the project, but it was not a City priority. In the end, the City agreed to fund a 50 unit youth housing project nearby as its contribution to the partnership.

If 1996 was a difficult year, 1997 saw the partnership bloom. BC Housing had introduced a new component for the *HOMES BC* program to serve low-income singles, many of whom were living in the City's Single Room Occupancy (SRO) hotels and rooming houses. Providing safe and secure housing for these singles, many of whom were mentally ill, HIV/AIDS afflicted, or drug addicted, was a City and Province priority. The City made two downtown sites available at no cost to the Province for 230 low-income singles units, and in addition negotiated a substantial discount in the cost of a 100 unit family project on a 20 percent site in one of the new downtown neighbourhoods.



*The Sunrise Hotel, one of the two single room occupancy (SRO) hotels purchased in 1998 by the Province in co-operation with the City and other partners. The renovated main floor includes a dental centre, amenity space and a co-op radio station.*

Partnerships attract other partners, and later that year, an additional partnership with the Vancouver Richmond Health Board (now the Vancouver Coastal Health Authority) and CMHC to purchase and renovate two SROs (photo to left) with 150 units (and to close a notorious pub) was approved.

This set the stage for a ‘longer-term’ partnership. The City wanted certainty as to what its financial contribution might be and the Province was looking for a sustained commitment from the City. A three year partnership was negotiated for 1998-2000. The longer term partnership allowed several larger projects to proceed, one or two per year, that might otherwise have competed with each other for *HOMES BC* allocations, along with a number of smaller projects. It provided a framework that allowed a mix of family, singles, and homelessness projects to be undertaken.

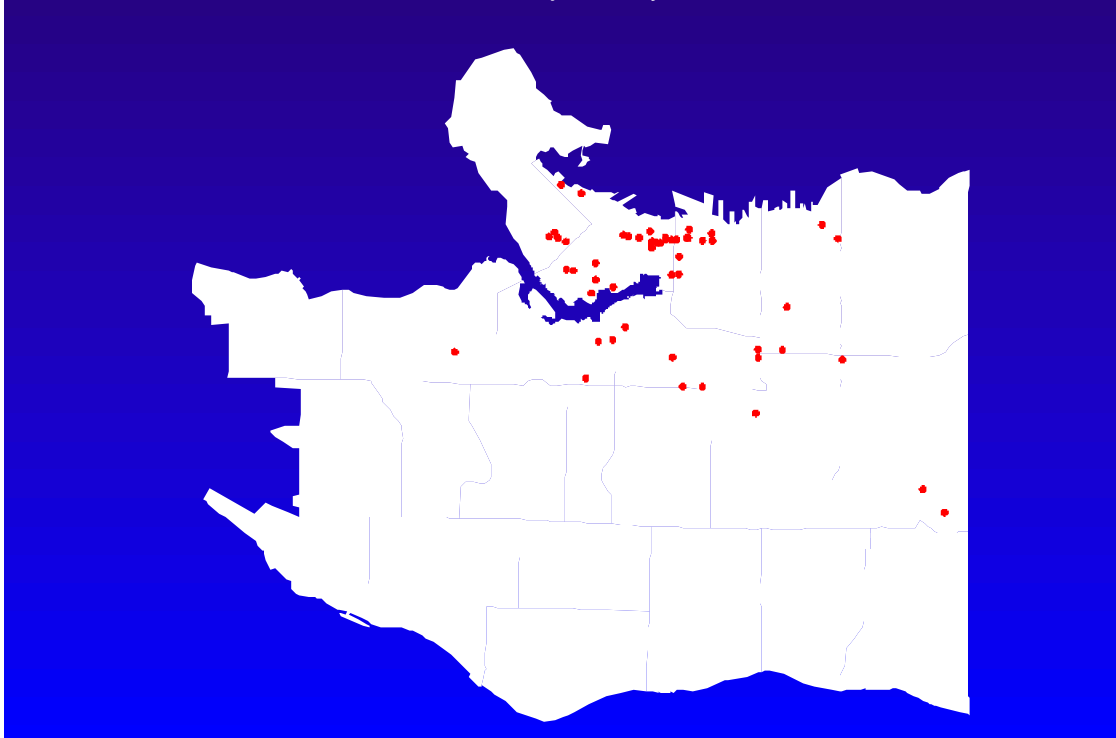
Within the longer term, partnerships were a couple of sub-partnerships. One related to projects that furthered the goals of the Vancouver Agreement, which is a joint federal, provincial and City initiative to address the issues (disinvestment, high rates of drug use and property crime, a concentration of the mentally ill and others with special needs) that confront the Downtown Eastside. The Downtown Eastside is one of the poorest neighbourhoods in Canada and the neighbourhood in the city (and region) where most of the services and housing to serve low income singles is located. Another involved a federal initiative to deal with the increasing levels of homelessness that the larger cities in Canada were experiencing. Both of these sub-partnerships evolved out of, and found a home in, the 1998-2000 Province/City Social Housing Partnership.

A 2001 partnership was drafted but with the election of a new provincial government did not proceed. The new government allowed 700 of the 2000 units that had already been approved but were not under construction to proceed and cancelled the rest. 2001 was the last year of the *HOMES BC* program. Table 4 summarizes the Province/City social housing partnerships from 1994 to 2001.

Table 4 *Province/City Projects.*

FUNDING YEAR	ALL PROJECTS		ON CITY OWNED LAND			ANNUAL PROV. SUBSIDY	CITY GRANTS	CITY LAND WRITEDOWN
	PROJECTS	UNITS	PROJECTS	UNITS	PROVINCIAL GRANT			
1994	8	479	5	410	\$13,026,378	\$3,679,717	\$312,742	\$2,454,526
1995	8	330	6	291	\$301,000	\$2,210,412	\$1,183,093	\$2,064,572
1996	2	64	2	64	\$18,872	\$223,836	\$2,150,500	\$387,500
1997	7	520	3	327	\$4,416,459	\$3,262,428	\$4,877,428	\$1,650,525
1998	4	192	3	108	\$224,800	\$1,530,160	\$1,100,000	\$1,249,973
1999/2000	19	1,147	15	986	\$150,000	\$13,605,000	\$17,107,145	\$9,650,402
2001	3	255	1	12		\$1,073,443	\$1,570,000	\$60,800
TOTAL	51	2,987	35	2,198	\$18,137,509	\$25,584,996	\$28,300,908	\$17,518,298

Figure 7 - Map of City/Province Partnership Projects in the City



## FOUR PARTNERSHIP PROJECTS

The projects developed through the City/BC Housing social housing partnerships range from family housing in the new downtown neighbourhoods, to housing for low income singles and housing for people with special needs, such as the mentally ill or physically disabled. The following four projects illustrate the City/BC Housing social/non-market housing partnerships.

### 1) New Portland Hotel: 20 West Hastings Street

The Portland Hotel Society was established in 1993 to provide housing for the most difficult residents in the Downtown Eastside, singles who could not be accommodated in traditional social housing because of their often-disruptive behaviour. They are the casualties of modern life: often mentally ill, drug addicted and/or afflicted with HIV/AIDS, on welfare and largely unemployable. The Portland Hotel Society leased a vacant 72-room SRO and with funding from BC Housing and other provincial agencies and ministries, such as Health, proceeded to provide no eviction housing for those who would otherwise be evicted from housing of any kind.

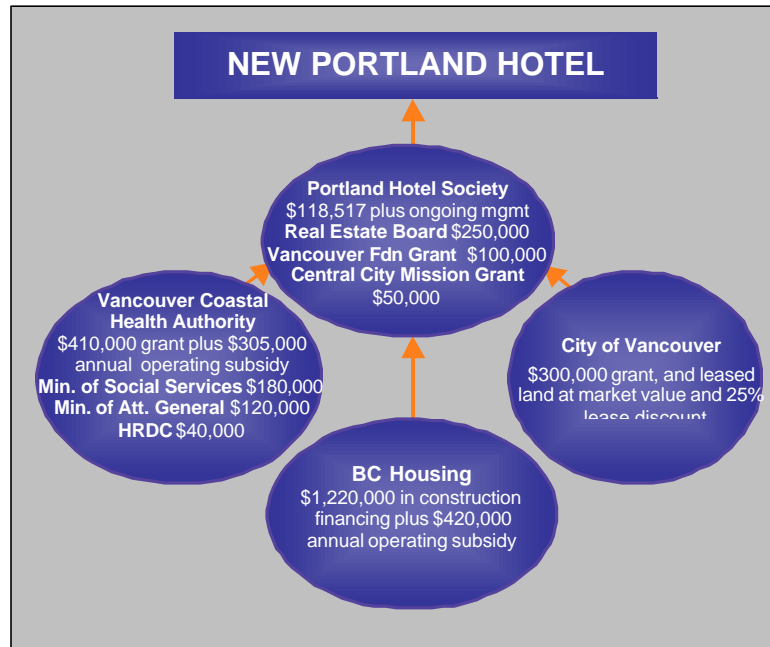
In 1995, the Portland Hotel Society sought funding from BC Housing to develop a new building for this clientele on a City-owned site half a block from their leased SRO. The City had bought the site for future social housing a couple of years before. The Portland was having difficulty with its landlord and their lease was set to expire in 1997. BC Housing agreed to fund the housing, with the extensive on-site services required to support this difficult clientele to be funded through the Health Board, the Ministry of the Attorney General and the Ministry of Human Resources. The City reduced the land lease from its standard 75 percent of market value by a further \$300,000.

The total cost for this project was \$8,773,000. The project incorporates a number of unique features for social housing in Vancouver - a café on the ground floor that serves both residents in the building and those living nearby, communal kitchens on every floor, built-in furnishings such as beds, and 'Dutch' doors so that personal space can be maintained while allowing residents to participate in hall life. The 87 units are small, ranging from 275 sq. ft. for a studio to 525 sq. ft. for a one-bedroom suite, and cooking facilities in the units are limited (only 12 units are self-contained). One of the two-bedroom units is used as an emergency shelter/hospice. The project was designed in the high modernist style as it provided a durable form, concrete finishes, and so on, but without the institutional feel. The project was occupied in June 2000 at which time the original Portland was vacated.



- *The New Portland Hotel provides 87 units, 12 of which are self-contained, in the Downtown Eastside.*
- *The development houses individuals who were homeless or at risk of homelessness, and most are clients of the Vancouver Coastal Health Authority.*

Since then the Portland Hotel Society has taken over the management of the two SROs purchased by the Province in partnership with the City and others in 1998. The Society has also purchased the original Portland Hotel that they are now renovating, with funding provided from the Province, the federal government, and the City.



## 2) Seymour Place: 1221 Seymour Street

Seymour Place is located in Downtown South, which was rezoned in 1990 from service/commercial to high density residential. The City purchased the site to replace some of the 1,000 SROs (old hotels and rooming houses) that were being lost in the area as it redeveloped. Though their problems are generally not as severe, the residents in these SROs are similar to those in the Downtown Eastside SROs, with many suffering from multiple problems such as addiction, mental illness and HIV/AIDS. In 1997 BC Housing introduced the Low Income Urban Singles (LIUS) component of *HOMES BC* to fund projects with small units of 300-340 sq. ft. and the City made the site available for LIUS funding.

In addition to housing, the area needed social services to support the low-income residents, so they would not be displaced as wealthier residents moved into the condominiums being built in the area. There were limited social services in the area and some were in older buildings that were likely to be redeveloped. One primary social service, a drop-in centre for the mentally ill, was already facing eviction.

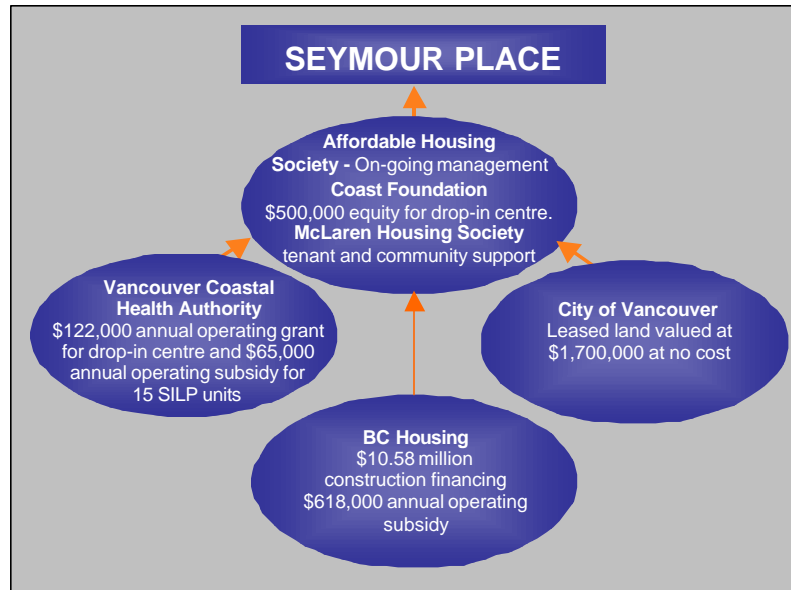
The total cost for Seymour Place was \$13,944,000, including \$1,935,749 for the 10,877-sq. ft. drop-in centre. It is a multi-level partnership:

- The basic partnership is between the City, BC Housing, and the Affordable Housing Society, with the City leasing the site to Affordable for 60 years at a nominal prepaid rent, BC Housing providing the on-going operating subsidies, and Affordable developing and operating 136 small units of housing for low-income singles. The standard studio units average 340 square feet in size.
- The second level partnership is between the City, Affordable, the Coast Foundation, a non-profit society that provides services for the mentally ill, and the Vancouver Coast Health Authority (VCHA). The bottom two floors of the building were developed to accommodate Coast's drop-in centre, which needed a new home. The drop-in centre is a sublease from Affordable. Coast contributed capital for the drop-in centre, and the VCHA funds the operating costs for the drop-in centre.
- The third level partnership is between Affordable, Coast and the McLaren Housing Society. In addition to providing services to the mentally ill, Coast also provides housing for the mentally ill. McLaren is a non-profit society that provides housing for those afflicted with HIV/AIDS.



- *136 self-contained units including 117 studio units, 9 wheelchair accessible suites and 10 one-bedroom suites for low-income urban singles.*
- *Includes a drop-in centre and 2,692 square feet of residential amenity area on the ground, second and twelfth floors.*

Housing for these two groups was needed in Downtown South, but the densities permitted created projects too large for a single special need. The solution was to give Coast the right to select tenants for 30 units in Seymour Place and McLaren the right to select 20. Affordable is the landlord for all the tenants, including Coast's and McLaren's. Coast and McLaren provide the support services to their residents.



### 3) C-Side: 1299 W. Hastings Street

C-Side is located in Coal Harbour, one of the new neighbourhoods close to the downtown that are being developed on former industrial waterfront. When completed, Coal Harbour will be home to 3,100 households, along with shops and offices. C-Side occupies one of four sites in Coal Harbour set aside for non-market housing through the City's policy of requiring that 20 percent of the units in new neighbourhoods be non-market.

The City prefers non-market housing projects in the 50 to 100 unit range, (smaller projects are preferred as funding becomes more difficult the larger the project), but was only able to secure three sites of that size in Coal Harbour - most of the development consists of 30-storey towers with townhouses at grade. With 284 units and 30 storeys (113 units for families in the lower 11 storeys and in 31 townhouses, and 171 for single and couples in the upper 19 storeys), C-Side presented a funding challenge. The singles and couples component presented a particular challenge as the *HOMES BC* program funding priorities were families and those at risk of homelessness, and 171 units would have absorbed all of the limited funding BC Housing had for seniors.

The Province was prepared to provide operating subsidies for the 113 family units (a mix of 60 percent core-need families and 40 percent able to pay low-end-of-market rent), and to provide financing guarantees for the 171 singles and couples units, but the City had to provide the equity required for the 171 units to be viable without operating subsidies.

The City's objective for the 20 percent policy is to accommodate households in these high amenity waterfront neighbourhoods that could not otherwise afford to live there. The City would prefer that low and modest income households be accommodated when a project is first occupied but it is prepared to create the opportunity for them to move in later if that is the only way an income mix can be secured. To achieve a future income mix, the City invested \$4,333,000 in equity so that the 171 unsubsidized units would be viable on standard market criteria, a Debt Coverage Ratio of 1.15. This equity was generated from Development Cost Levies charged to new development immediately south

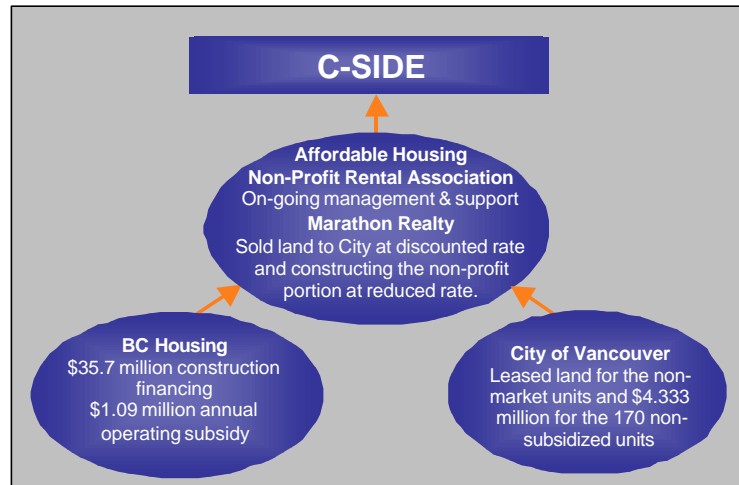


- *The development of 284 housing units will provide 113 one to four-bedroom units for singles and families plus 171 market-rental units.*
- *The City of Vancouver is providing the non-market component with leased land (25 percent write down), plus \$4.333 million in equity for the market-rental component.*

of Coal Harbour. Rents will be at low-end of market until a positive cash flow is developed, probably in 10 years, which can then be applied to internal subsidies or to other affordable housing projects in the city. Affordable Housing Society is the project's sponsor and will manage both the market and subsidized components.

The total cost of C-Side is estimated at \$45 million. The project brought together the following partners and contributions:

- A number of sites in the Coal Harbour neighbourhood were set aside for non-market housing as a condition of rezoning approval;
- The developer agreed to develop the non-market housing at 90 percent of the maximum budget allowed by *HOMES BC*;
- The City purchased the site at half of market value, and is leasing the site for 60 years. The City will receive a prepaid rent equal to 75 percent of the share of the land cost allocated to the family component subsidized by BC Housing;
- The City is investing \$4,333,000 in equity into the unsubsidized singles and couples component to ensure that component of the project was viable (the value of the non-family share of the land lease and a \$1.754 million contribution to construction costs);
- BC Housing is providing financing at its preferred rates and mortgage insurance at minimal cost for the entire project (a savings of approximately \$2 million over the course of the mortgage);
- BC Housing secured an assured interest rate for the takeout mortgage to reduce the risk on the market rental units;
- BC Housing will provide an operating subsidy for the 113 social housing units which is estimated at \$1.09 million annually for 35 years.



#### 4) Mole Hill/Dr. Peter: Thurlow St./Comox St./Bute St. /Pendrell St.



Mole Hill and the Dr. Peter Centre are two projects that share a block in the city's West End. Mole Hill (the historic name of the area) is a block of thirty-three houses, most of them built before WWI and the earliest in 1888, and a 1910 apartment building. Beginning in the 1950s, the City began to purchase residential properties on this and the adjacent block to redevelop for park and a school. In the early 1970s, the houses and apartments on the adjacent block were demolished (357 units) and Nelson Park and a school were developed. Acquisition of the Mole Hill block was never completed, and six of the houses and the apartment building are still privately owned.



The City rented the 167 units in the twenty-eight houses that it owned, but undertook only basic maintenance. By the 1980s the heritage value of the houses was competing with their value as future park, and by the 1990s a "Save Mole Hill" movement was in full swing. The problem the City faced was that the houses were not only valued heritage stock but also valued low-income housing stock. Many of the houses had been converted to rooming houses before the City bought them, and by the 1990s they were almost the only rooming house stock left in the West End. At the same

time the value of the land for redevelopment had soared to \$15,000,000.

After several years of debate and the exploration of several development options, BC Housing and the City put together a joint heritage/social housing proposal to renovate 27 of the City owned houses.

Twenty-six of the houses were leased to the Mole Hill Community Housing Society, which had led the preservation (heritage and low-income housing) movement. The development has two phases comprising 168 units and a mix of 128 units for singles and 40 family units. Sixty three percent of the residents will be core-need and 27 percent will pay a low-end of market rent.

The final house and an adjacent vacant lot were leased to the Dr. Peter Foundation for a drop-in centre plus 24 units of housing for persons with HIV/AIDS. The Dr. Peter Centre is a prototype for combining a day centre to provide medical and personal care for people with HIV/AIDS with second-stage housing for those who can live independently if they have the appropriate support services. It is anticipated that through this model, hospital stays will be reduced by 98 percent, the cost of care will be 80 percent less than hospital care, and 11 hospital beds will be freed up.

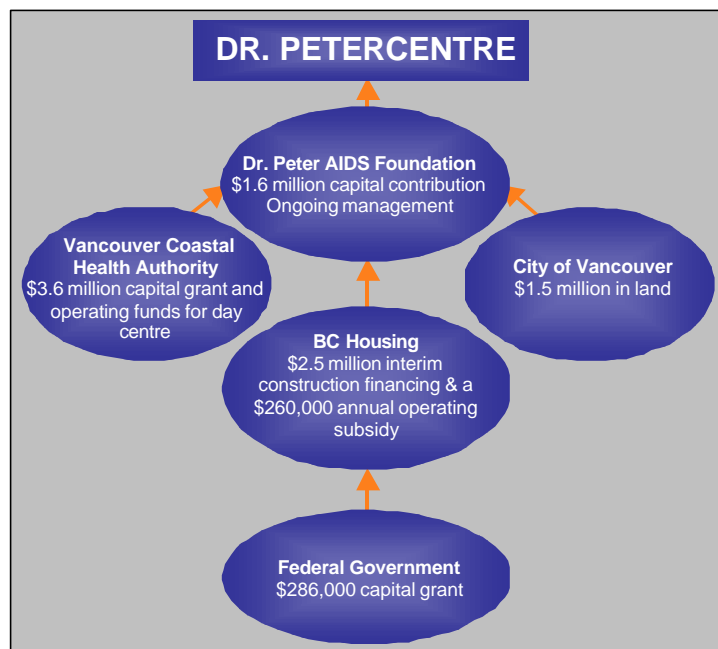
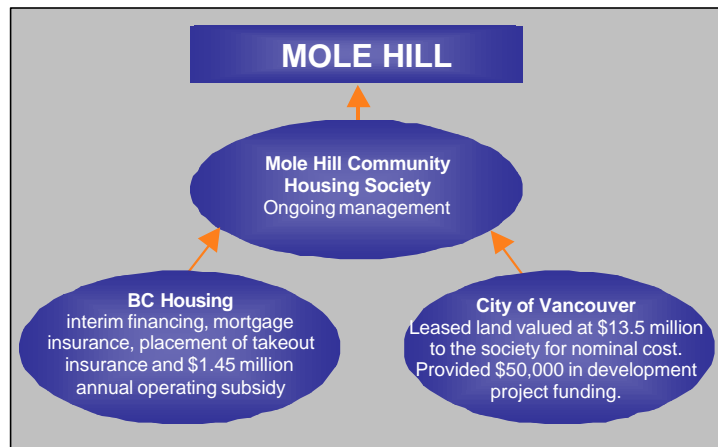
The City leased the houses for 60 years at no cost, and the Province agreed to invest the full budget allowed for non-market housing, including the land component, into the project in recognition of the higher costs imposed by heritage retention. In addition to the housing and the Dr. Peter's drop-in centre, the project includes a childcare centre that had been located in a portable on the block and which will have a new home in one of the heritage buildings. The project also includes community gardens and a public right-of-way through the block that will connect to Nelson Park.

The capital cost for the renovations of Mole Hill is \$38.9 million and includes contributions by the following partners:

- BC Housing provided the interim financing, mortgage insurance, placement of the takeout mortgage, and a \$1.45 million annual operating subsidy.
- The City of Vancouver leased the land valued at \$13.5 million to the society for a nominal cost.
- The Mole Hill Community Housing Society will provide on-going management.

The capital cost for the housing component of the Dr. Peter Centre is \$2.5 million.

- BC Housing will provide interim construction financing and an operating subsidy of \$260,000 annually (\$973/unit/month).
- The Ministries of Finance and Health Services have confirmed the provincial commitment of \$3,600,000 for the capital cost of the ground-floor day centre. The



Vancouver Coastal Health Authority has confirmed operating funding of \$1.5 million annually to operate the day centre's programs and the services for the housing residents.

- The society has raised over \$1.6 million in private donations.
- BC Housing will provide interim construction financing and an operating subsidy of \$260,000 annually (\$973/unit/month).
- The Ministries of Finance and Health Services have confirmed the provincial commitment of \$3,600,000 for the capital cost of the ground floor day centre.
- The Vancouver Coastal Health Authority has confirmed operating funding of \$1.5 million annually to operate the day centre's programs and the services for the housing residents.
- The City is leasing the land for 60 years rent free, a contribution worth \$1.5 million.

## WHAT WE'VE LEARNED

One lesson from the Province/City social housing partnership is that partnerships attract other partners. Other partners that emerged included the Vancouver Coastal Health Authority, other provincial ministries, the federal government (both Canada Mortgage and Housing Corporation and Human Resources Canada), and non-profit sponsors who raised substantial funds for the projects. The fact that the City and the Province were partnering gave other partners confidence to participate as well. Funding appears to attract funding, and partners, like misery, love company. Of course, additional partners bring additional agendas, and exponentially increasing complexity can become a problem. The more partners, the more each must be willing to be flexible.

Other partners included the federal government, other provincial ministries, the Vancouver Coastal Health Authority, other City departments, the non-profit housing sponsors and foundations. Many of the projects are mixed use developments with the social housing combined with social services facilities, shelters, ground floor retail, public parking, and childcare centres. A total of \$52 million was invested by other partners either in the housing or in other complementary uses within the developments.

A second lesson is that partners bring more than equity to the partnership - most bring specialized expertise as well. Over the course of the partnerships it became clear that the City was good at identifying local housing priorities, creating opportunities for social housing through zoning, and securing sites through its knowledge of the local real estate market. It was clear that the Province was good at facilitating partnerships, developing the programs, undertaking due diligence and monitoring operations. And it was clear that the sponsors were good at determining the building/unit design and the bundle of services appropriate to their residents, administering subsidies and the day-to-day management of the program and projects.

The importance of focussing on one's core expertise was brought home in 1996 when the City developed housing for street youth outside of the framework provided by the provincial housing programs. The intent was that substantial capital grants would allow the project to be viable without on-going subsidies. Without the Province, however, there weren't the operating subsidies available to address the higher than expected support costs the project experienced, or the due diligence necessary to ensure that the sponsor had the capacity to respond to the needs of homeless youth. Going it alone proved risky.

Another issue was the process for allocating funding. A single funder can allocate funding through a proposal call process and make decisions on its own. With multiple funding partners, who takes the lead becomes an issue. Should the City buy sites for social housing projects and the proposal call be restricted to selecting sponsors for those sites, or should BC Housing seek proposals for projects and then the City buy the sites once BC Housing has selected the successful proposals? Both of these approaches were followed, and over the course of the partnership a joint review of proposals and selection of projects evolved but it remained fluid from one year to the next.

Perhaps the prime lesson is that a willingness to balance the agendas of each partner yields benefits far in excess of any compromise that may be required. The City, the Province and their other partners all 'gave', and the result was a higher level of social housing production, a broader deployment of social resources, and a more rapid response to emerging housing and support issues than would otherwise have been achievable. The partnerships were recreated each year on a some-of-this-some-of-that basis, with all agendas being better served than if each had been independently promoted or defended.

## INTO THE FUTURE

In May 2001, a new provincial government was elected with priorities that are fundamentally different than those of the previous government. The focus of this government is on reducing the cost of government, eliminating regulation, reforming the public service and ensuring that government is affordable and sustainable. The goal is to create an attractive environment for investment and employment. It is the intent of the government, while meeting these objectives, to achieve a balanced budget by 2004/5. As a result, a radical and fundamental shift in housing policy is underway in BC.

The broad focus of *HOMES BC* cannot be sustained. The provincial annual subsidy budget for housing increased from \$103.3M in 1994 to \$181.9M when all the *HOMES BC* projects are completed. The provincial budget for social housing has increased to accommodate the subsidies required for *HOMES BC* projects soon to be completed, but not enough to avoid reductions in future production. The Province will fulfill its *HOMES BC* obligations, but a new approach is required that allows the private market to generate the maximum affordability possible, focuses the government's limited resources on the most vulnerable in society, and uses partnerships to deliver the government's housing programs to maximize their effectiveness. Underpinning the new approach is the acknowledgement that a healthy housing market is vital to the development of new affordable housing. At the same time, the Province recognizes the need to provide flexible housing choices to those most in need. The new provincial housing policy is under development and will be finalized later this year.

*There are currently 240,000 people aged 75 and over in BC and their number will grow to 408,000 by 2021.*

In April 2002, the provincial government announced a new housing-for-health initiative, *Supportive Living BC*. Through this program 3,500 supportive living spaces will be developed over the next five years. This is a partnership initiative between the Province through BC Housing, the Health Authorities, community-based non-profit sponsors and their partners including municipalities and the private sector. Supportive and assisted housing for seniors is needed across the Province, and the City of Vancouver is unlikely to receive as large a percentage of the funding and units as it has in the past.

BC has lagged behind other provinces and countries in creating supportive and assisted housing options for seniors. The experience in other countries and other Canadian provinces shows that most seniors can live in an assisted living environment right up until the last month or two of their lives. This will reduce the need for more costly institutional style care and provide a more comfortable environment for seniors. *Supportive Living BC* will enable low-income seniors to continue to live independently in their communities as long as possible. It incorporates support services such as housekeeping, emergency monitoring and response, laundry, meal services and recreational activity. The cost of supportive housing is half that of residential care, and it will be an essential component for any sustainable response to our aging society.

### ***The Cost of Delivering Health Care***

*Supportive housing units can be operated, on a subsidized basis, for \$50-\$75 per unit per day compared with \$150 per bed per day for care beds. This means that two supportive living units can be operated for the cost of operating one care bed.*

*See Appendix D for a breakdown of supportive living costs.*

What this fundamental shift in provincial focus means for the Province/City social housing partnership will only become clear over the next year or two as the new policies and the *Supportive Living BC* program are implemented. Supportive housing for seniors who cannot live completely independently is a City priority, and so the City may be willing to partner with the Province and the Vancouver

Coastal Health Authority in the development of supportive and assisted housing for low and modest income seniors. However, supportive housing for seniors is not the only City priority. Half the units set aside for non-market housing in the new downtown neighbourhoods through the City's '20% policy' remain undeveloped. Many of these are family sites that are a City priority but not a priority under the *Supportive Living BC* program. Another high priority for the City is the replacement of old SROs with better designed and operated social housing. While SRO residents are a vulnerable population that consume health and other public resources, they are frequent users of emergency services for example, there is not likely to be much funding available for them, at least for the next couple of years.

Independent of the new provincial direction in social housing, is the return of the federal government to funding new affordable housing through one time capital grants. In response to the growing social infrastructure deficit, made obvious by the increase of homelessness in Canada's major cities over the course of the 1990s, the federal government returned to funding services and shelter for the homeless in 1999 through the Supporting Communities Partnership Initiative (SCPI). The City and Province partnered with the federal government in funding and developing SCPI homelessness projects in Vancouver.

As well, in 2001, BC was the first province to sign an affordable housing agreement with the Government of Canada. Through this Agreement the federal government will provide \$88.7 million over the next five years to help increase the supply of affordable housing in the Province. The Province will match this federal funding through the provision of long term operating assistance to housing projects. Approximately \$26.2 million of this federal funding will be directed to *HOMES BC* projects. The remaining \$62.5 million will be invested in *Supportive Living BC*.

Both of the federal programs initiated in the past few years are time limited without any ongoing operating funding. It remains to be seen whether the federal government will go further and return to longer term funding of social housing for households such as low and modest income families and seniors that can live independently and don't need specialized services.

In October of 2001, Vancouver's City Council approved continued funding of \$2-3,000,000 per year for capital grants for social housing and lease discounts of the same amount for the next 3 years. There is a municipal election in November 2002, and in 2003 the new City Council will revisit the City's role in social housing. With the narrow focus of the new *Supportive Living BC* program, the City is likely to seek broader partnerships, assuming it decides to continue to be a partner in affordable housing. The Province will also remain an important partner outside of the *Supportive Living BC* program. Its ability to provide financial guarantees, through its status as a National Housing Act insured lender (BC Housing administers a mortgage portfolio of approximately \$1.3 billion) as it is doing for C-Side in Coal Harbour, will assist the City and other partners to develop non-profit rental housing that doesn't require operating subsidies. Both the City and the Province will continue to be interested in partnering with non-profit housing sponsors who have equity that can be invested in affordable housing.

Establishing partnerships to redevelop older social housing projects to higher densities will also be a priority for the City and the Province over the next few years. Much of the public housing stock built in the post-war decades is now dated, ill-suited for households currently on waiting lists, and fails to meet energy efficiency and other sustainability criteria. These projects represent important partnership opportunities, with the private, non-profit, and community sectors and all levels of government as potential partners.

There is no single solution or response to the increasingly diverse and complex nature of housing need

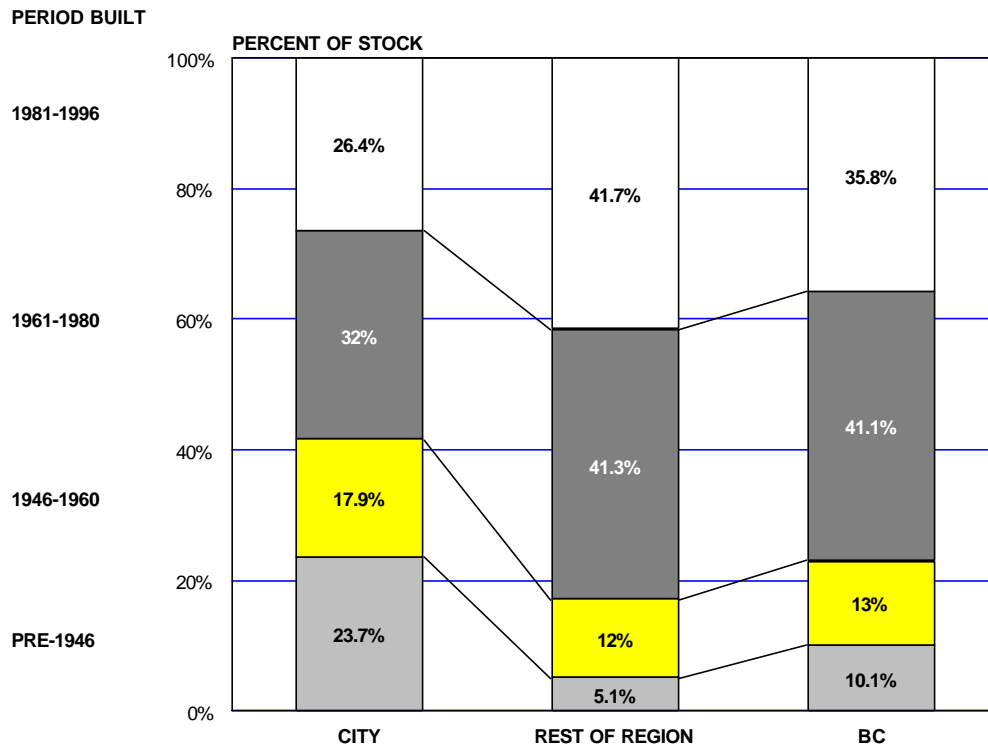
and demand. Not all older public and social housing should be redeveloped. While capital improvements are constrained by the availability of funding, there are opportunities to upgrade the existing stock to both modernize and add features that meet the needs of today and tomorrow, such as adding amenities and providing support services. Any improvements must be planned with redevelopment and regeneration in mind.

A partnership which sees the Province and the City working with the federal government to develop supportive living projects such as shelters, transitional housing for the homeless, and long term housing for those at risk of homelessness such as the mentally ill and the addicted, is an option that is being explored. Another possibility is a partnership with the Province, non-profit housing societies with equity, and Canada Mortgage and Housing Corporation's rehabilitation funding to buy and renovate older rental housing which can then become part of the non-market housing stock. Similarly, the City may consider grants to upgrade and secure the many illegal secondary (basement) suites in the single family neighbourhoods of the City, perhaps in partnership with CMHC or the Province.

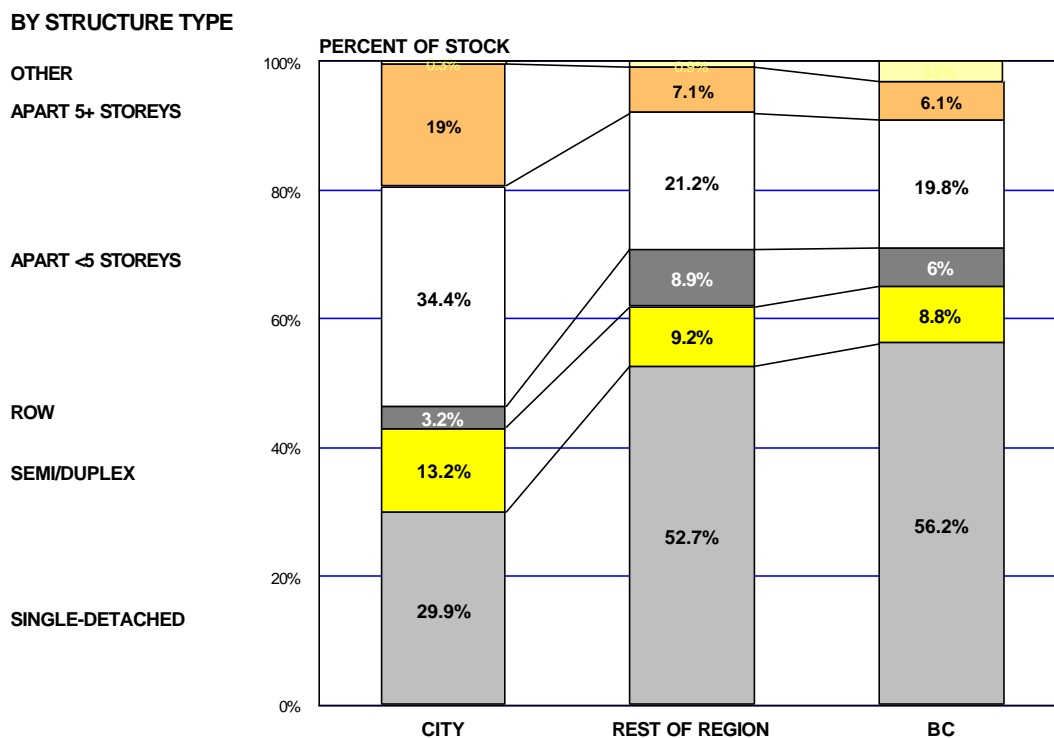
Whatever the future holds for affordable housing, it will be important that it be built on the foundation of the Province/City partnership that has been developed over the past decade. Different priorities may mean a restructured partnership, but it should not mean the end of the partnership. The City may have to support the Province in its immediate objectives of reducing health costs by providing less costly assisted and supportive housing for seniors who otherwise end up in high cost care, with the intent of broadening the Province's housing programs over time so that they can accommodate low and modest income families and the homeless and those at risk of homelessness who are also City priorities. There is more opportunity to affect policy change by working with the Province than in opposition. It has taken 50 years to develop 20,000 social housing units in the City, almost 8,000 on City owned land, and only long-term partnerships can sustain this achievement.

## APPENDIX A: HOUSING STOCK AND HOUSING COMPLETIONS

### HOUSING STOCK BY PERIOD OF CONSTRUCTION, 1996 CENSUS



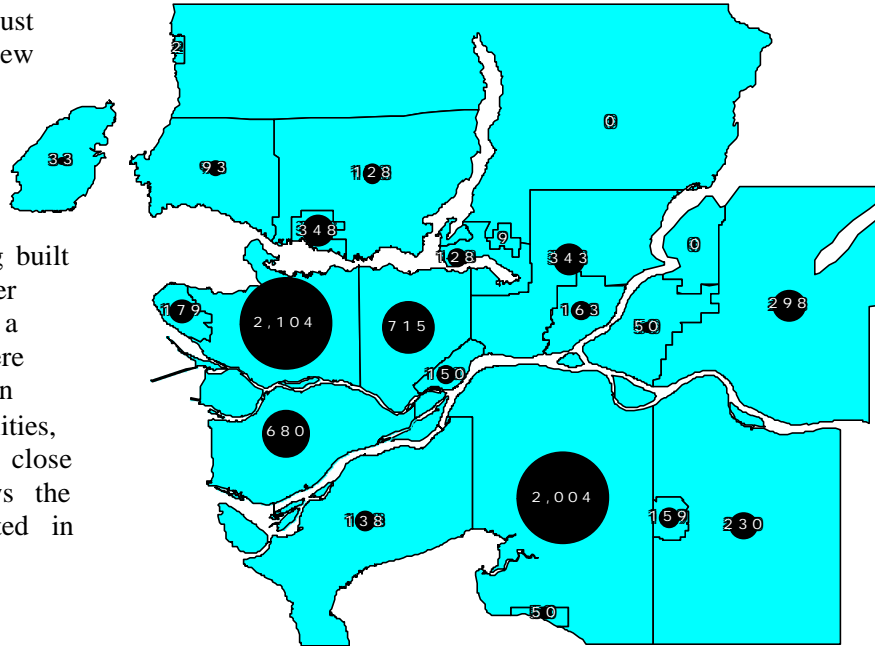
### HOUSING STOCK BY STRUCTURE TYPE, 1996 CENSUS



## APPENDIX A: HOUSING STOCK AND HOUSING COMPLETIONS (CONTINUED)

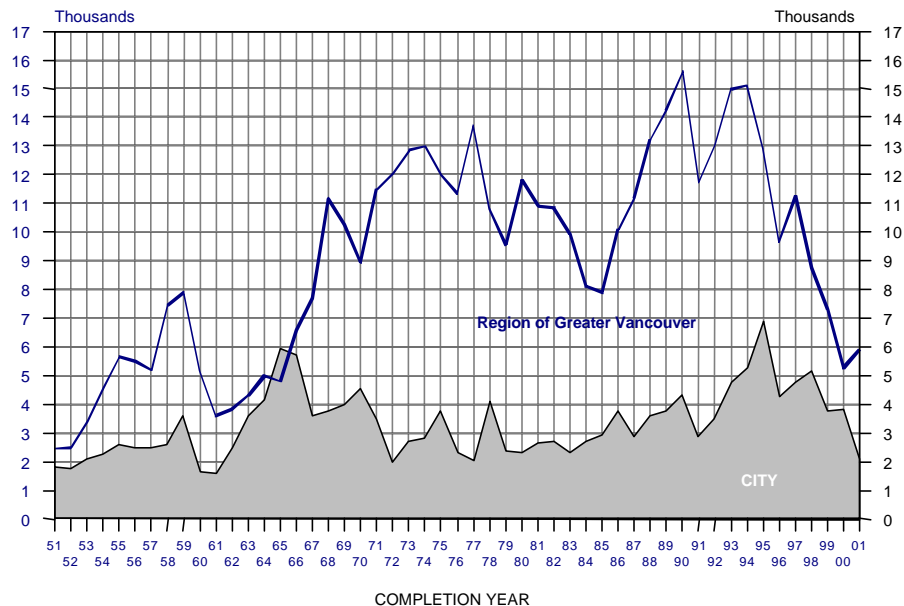
### COMPLETIONS IN 2001

According to CMHC, just over 2,100 units of new housing were completed in the city last year. This represents just over a quarter of the new housing built in the Vancouver metropolitan area as a whole. More units were completed in the city than in any of the other municipalities, with Surrey coming a close second. The map shows the number of units completed in 2001 in each municipality.



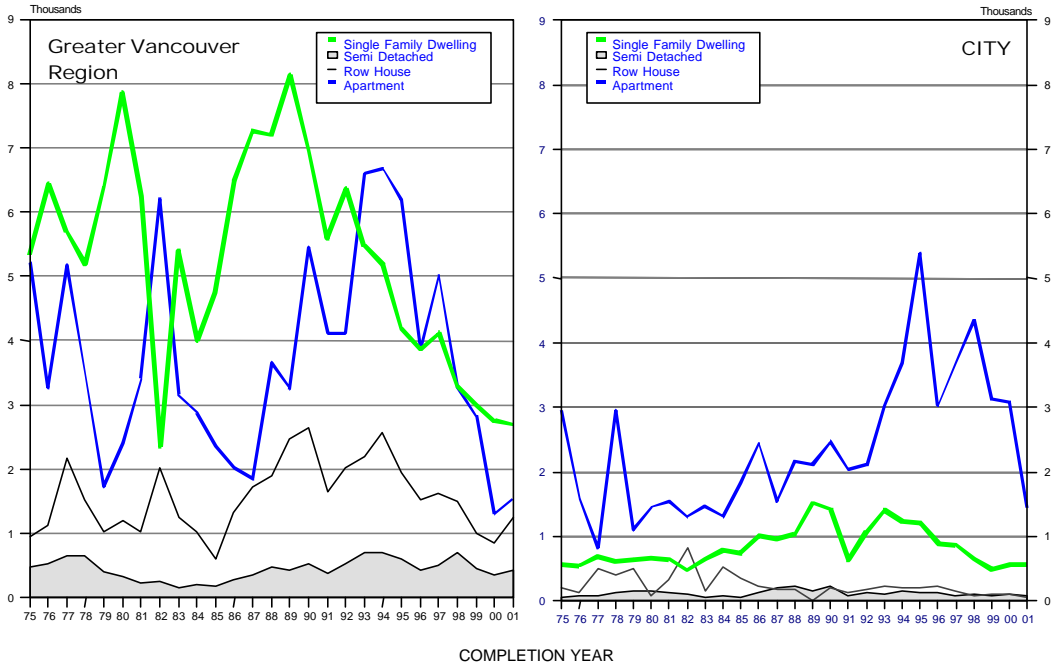
### CHANGE

In the Greater Vancouver Region as a whole, housing completions have been declining since reaching a peak in 1994. Last year, they reached their lowest level since 1963, falling to 39% of their peak level. This decline began later in the city than in the rest of the region, but last year completions fell by almost half in the city, bringing completions to 30% of their 1995 peak, while there was a slight increase in activity in the rest of the region.

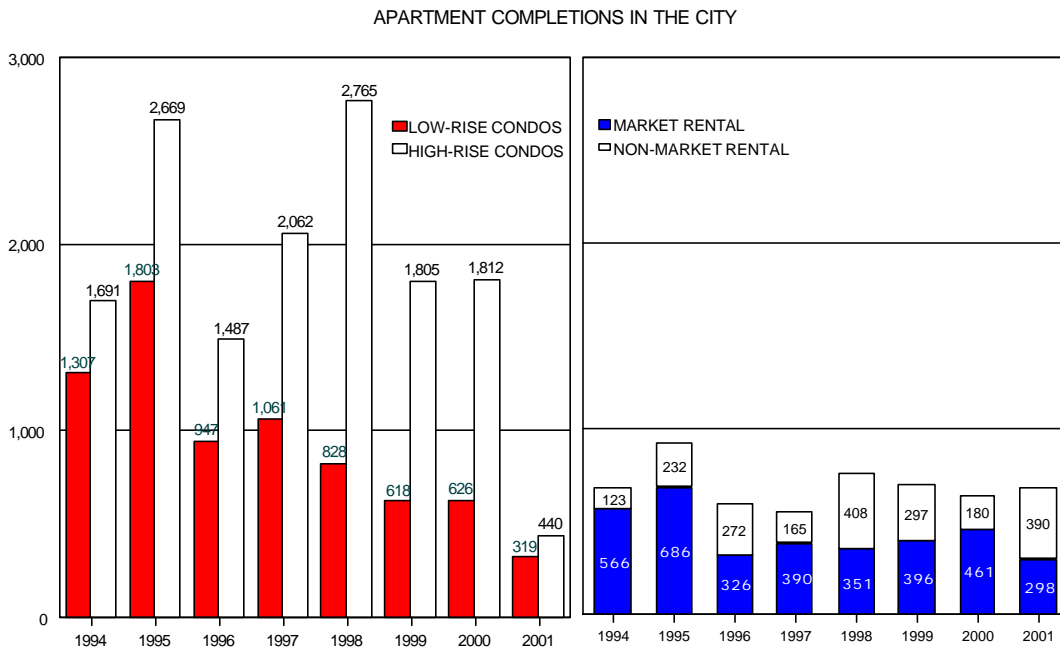


## APPENDIX A: HOUSING STOCK AND HOUSING COMPLETIONS (CONTINUED)

In the rest of the Greater Vancouver Region, the decline is partly the result of a steady and long-term decline in the number of single-family dwelling completions, from a peak of just over 8,100 units in 1984 to 2,700 last year. However, the second and more important factor over the last six years has been a decline in apartment condo construction – from over 6,000 units in 1995 to 795 in 2001.



In the city, single-family construction also declined in the 1990s, but it accounts for a smaller proportion of completions. The increase and decline in apartment construction, and in apartment condos in particular, has accounted for most of the volatility in total completions. The number of apartment condo units completed fell from almost 4,500 in 1995 to 4,438 in 2000 to 759 last year. The decline in condo completions brought the number of market and non-market rental apartment completions close to condo levels for the first time since the late 1980s.



## APPENDIX B: A BRIEF HISTORY OF SOCIAL HOUSING IN BC

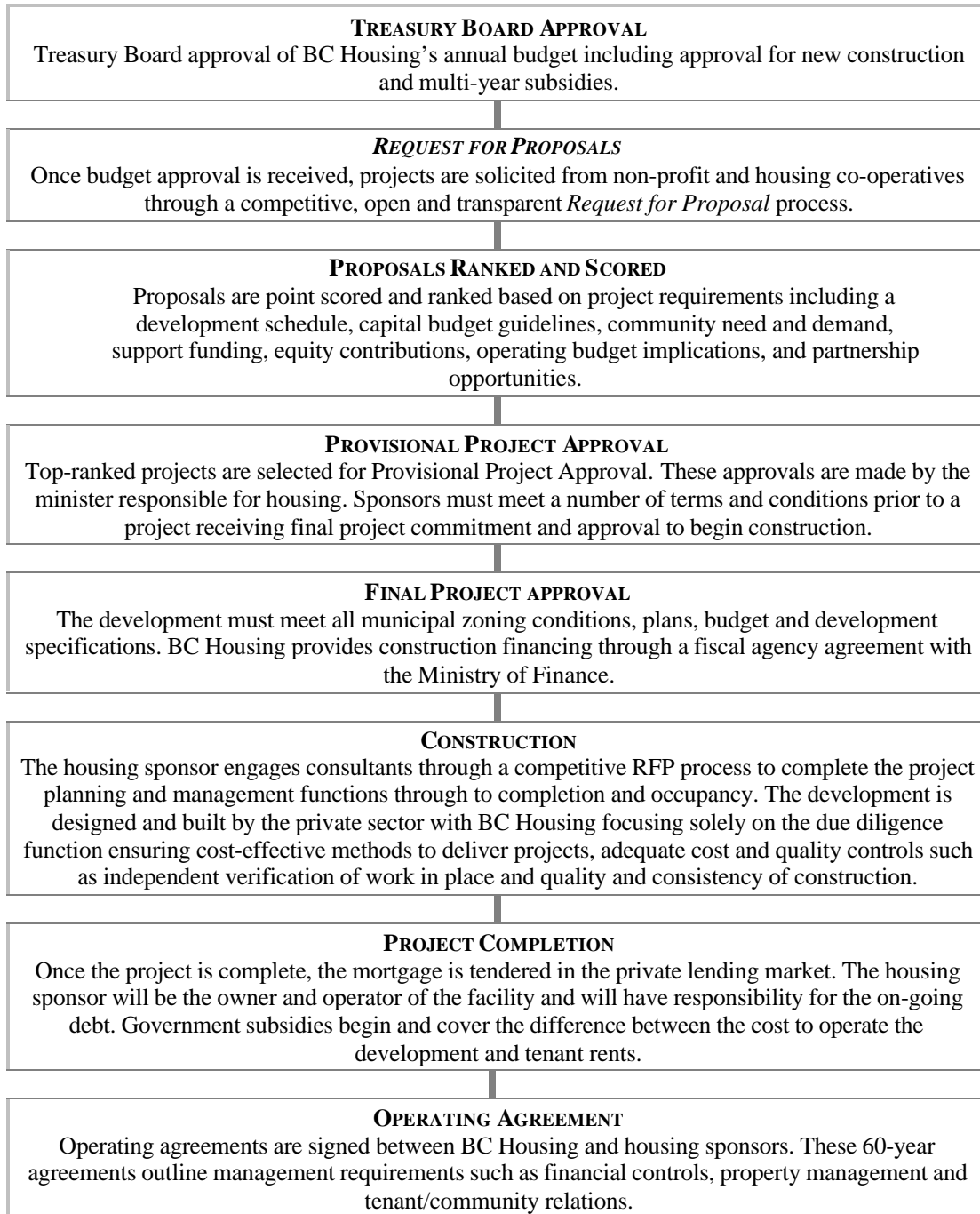
Social Housing in BC	Key Legislation/Events
	<b>1938</b> The first National Housing Act was passed.
First BC grant to a non-profit society for seniors' housing.	<b>1947</b>
Return of WWII veterans initiated development of large-scale public housing in Vancouver, mainly created by a capital cost-shared model (75% federal/25% provincial). All units were subsidized and in some cases developed on land purchased from the City.	<b>1949</b> The federal government introduces programs to promote the new supply of housing to meet rapidly growing needs, stimulate the economy through housing construction and promote home ownership.
First social housing project for non-veterans completed. This was a family project jointly funded by the federal & provincial governments and operated as public housing by the Province on a site that was purchased from the City.	<b>1953</b>
	<b>1967</b> BC Housing created under the Provincial Housing Act to manage public housing.
Focus shifted from public housing to a community-based model where projects were developed and managed by a variety of local sponsor groups including municipalities, co-operatives and non-profit organizations. City begins to lease rather than sell sites to social housing sponsors.	<b>1973 to 1978</b> National Housing Act is amended in 1973. 100% of government funding is now available for affordable housing projects. Prior to this, societies were expected to contribute 10% equity.
BC elects to take responsibility for the seniors housing program while the federal government continues to develop other types of housing.	<b>1978</b> The federal government offers to decentralize many of its programs to the Provinces. Federal government implements a new family housing program focused on mixed-income communities.
The program is 100% targeted to households in "core housing need". The Province assumes responsibility for family and seniors housing, excluding urban native housing and co-ops.	<b>1986</b> The federal government commits to building 1800 units per year in BC under a cost-shared arrangement (33% provincial and 67% federal). The federal government also introduces a new co-operative housing program (Index Linked Mortgage Program) under a cost-shared arrangement. A percentage of these units were rent-geared-to-income.
The City rezoned large areas of downtown for high-density development and imposed a requirement that 20% of all units be developed as social housing to serve core need households, at least half of which had to be designed for families.	<b>1988</b>
The City imposed levies on new development that could be spent to replace affordable housing that might be lost as a result of redevelopment.	<b>1990</b>
	<b>1993</b> Federal government withdraws funding for the development of new social housing, however, it continues operational support of committed projects.

## APPENDIX B: A BRIEF HISTORY OF SOCIAL HOUSING IN BC (CONTINUED)

Social Housing in the City of Vancouver	Key Legislation/Events
The City amended its 20% social housing policy to allow mixed-income projects.	<b>1994</b> Introduction of the provincial <i>HOMES BC</i> program with a commitment to unilaterally fund 600 units per year. The projects developed under this program are managed by the non-profit sector, built by the private sector, and the Province provides financing and on-going operating subsidies.
Province enacts legislation to empower municipalities to undertake affordable housing initiatives e.g bonusing, land leases, etc.	<b>1996</b>
City focus on the redevelopment of Downtown South and Downtown Eastside to replace converted SROs.	<b>1997</b> First Memorandum of Understanding between the City of Vancouver and BC Housing which identified the projects to be funded, allocated the number of units receiving City grants and addressed other issues.
A second housing-for-health partnership was developed that met the priorities of the Vancouver Agreement <sup>2</sup> .	<b>1999</b> The federal government announces the SCPI initiative, which is designed to support local, community-based efforts to identify priorities, plan and develop appropriate solutions to homelessness. SCPI is a cost-shared initiative.  <b>2000</b>  <b>2001</b> Canada-BC Affordable Housing Agreement signed, securing \$88.7 million over five years from the federal government to be matched by a provincial contribution of at least an equal value.  <b>2002</b> <i>HOMES BC</i> program is cancelled.  The provincial government announces the development of 3500 supportive living units through the <i>Supportive Living BC</i> program. This initiative will provide low and modest-income seniors and people with disabilities access to support services in an independent housing setting.

<sup>2</sup> The Vancouver Agreement is a joint federal/provincial/municipal initiative to address drug, crime and other problems in the Downtown Eastside.

## APPENDIX C: THE HOUSING DELIVERY MODEL



**APPENDIX D: EXPENDITURE ESTIMATES FOR EXISTING RESPONSES  
(COST ON PER DIEM BASIS)**

Type of Facility		Services	Per diem expenses		
			Residential Services	Supportive/Health Services	Total costs/day
<b>Private Rental Market</b>					
1	SRO/rooming house (private)	No supports	\$11	\$0	\$11
2	Supported Independent Living Program (SLIP)	Buildings or collection of privately operated units with visiting supports	\$12-\$18	\$9-20	\$21-\$38
<b>Non-Market Rental Housing</b>					
3	Supportive SRO hotels	Small hotel rooms, 24 hr staffing, 7 days a week	\$10-\$11	\$9-14	\$20-25
4	Emergency shelter (most support)	Emergency, assessment, meals, some services, referrals	\$10-\$31	\$49-\$64	\$60-85
5	Emergency shelters (some support)	Basic overnight accommodation and hot meal	\$10	\$21-\$28	\$31-38
6	Self-contained apartment	No supports	\$25-\$35	\$0	\$25-35
7	Enhanced apartments	Self-contained apartments – with supports on site and collective meal options	\$24	\$44-\$64	\$67-\$88
8	Homeless/At Risk Housing (HARH)	Self-contained – modest support services – daytime staffing	\$29-\$36	\$2-4	\$32-38
9	Supportive Housing (with assisted living)	Self-contained with supports on site	\$19-\$27	\$35-\$75	\$55-95
<b>Health Care/Residential Care Facility</b>					
10	Residential Care/Multicare	Bed with intermediate support		\$125	\$125
11	Psychiatric hospital	Psychiatric, assessments and referrals			\$200-600 Average \$380