

From: "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>

To: "[Direct to Mayor and Council - DL](#)"

CC: "[City Manager's Correspondence Group - DL](#)"

"Kelley, Gil" <Gil.Kelley@vancouver.ca>

"Singh, Sandra" <Sandra.Singh@vancouver.ca>

Date: 12/14/2020 5:00:40 PM

Subject: Annual Progress Report Q3. 2020 Update - Memo and Dashboard

Attachments: Memo to Mayor and Council - Housing Vancouver Dashboard – Q3 2020 Update.pdf

Annual Progress Report 2020 Q3. Dashboard - November 18.pdf

Dear Mayor and Council,

Please find attached the Housing Vancouver Annual Progress Report Q3 Update Dashboard and accompanying memo. The dashboard reports on progress towards Housing Vancouver targets to September 30, 2020.

Should you have any questions, please contact Gil Kelley at Gil.Kelley@vancouver.ca

Best,
Sadhu

Sadhu Aufochs Johnston | City Manager
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Pronouns: he, him, his



The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the Musqueam, Squamish, and Tsleil-Waututh peoples.

MEMORANDUM

December 14, 2020

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Gail Pickard, Acting Civic Engagement and Communications Director
Rosemary Hagiwara, Acting City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Sandra Singh, General Manager, Arts Culture and Community Services
Andrea Law, Director of Development Building and Licenses
Dan Garrison, Assistant Director, Housing Policy and Regulation
Celine Mauboules, Acting Managing Director of Homelessness Services
Ryan Bigelow, CEO Vancouver Affordable Housing Agency

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Housing Vancouver Dashboard - Q3 2020 Update

This memo provides relevant background on the *Housing Vancouver* monitoring framework as well as highlights and key observations on progress toward targets as of Q3 2020 drawn from the attached Q3 2020 Housing Vancouver dashboard update. Full reporting on progress towards targets for all of 2020 will be presented to Council in Q1 2021 through the annual *Housing Vancouver Progress Report*.

Progress Towards Targets as of Q3 2020

The *Housing Vancouver* targets are measured against incomes served, across a range of building types, unit sizes, and household tenures to indicate whether new housing is being delivered as the "right supply," with a focus on shifting new supply toward rental and housing affordable to households earning less than \$80,000 per year. The annual targets are important benchmarks against which to measure progress each year, however it is recognized that due to the unevenness of development cycles it is unlikely that the exact unit targets will be reached each year, but should be looked at as an aggregate of multiple years.

This is why monitoring progress over time is important in order to identify any emerging trends and adjust our approaches accordingly to meet targets. Generally, we are on track to meet targets for new housing across most categories after nearly four years of monitoring, with the exceptions of purpose-built rental housing, including below-market rental housing, and coach houses. Affordability, particularly for households in the lowest income segments, continues to be the most significant challenge.

From January 1, 2020 to September 30, 2020, Vancouver approved¹ 4,873 units (68% of the overall annual target for 2020), including:

- 771 social and supportive housing units approved (64% of the annual social and supportive housing target)
 - Includes 358 units delivered as inclusionary housing through the West End and Downtown Eastside Community Plans, and over 400 units in projects led by non-profit housing providers
- 1,323 purpose-built rental units approved (66% of the annual purpose-built rental housing target)
 - The majority (70%) of these units were approved through the Moderate Income Rental Housing Pilot program delivering 708 market and 178 below-market rental units

Overall between January 1, 2017 and September 30, 2020, the City of Vancouver has approved a total of 25,698 housing units (36% of the overall target) toward the *Housing Vancouver* targets. Key characteristics of these new homes include:

- Approximately 34% serve household incomes earning less than \$80,000, below the target of 48%
- Nearly half of the units (45%) are for renters², though still below the target of 50%
- Approximately 52% are family-sized units (2- or 3-bedrooms), above the target of 42%
- Approximately 86% of new housing approvals delivered as apartments, 8% delivered as low-density infill (including laneway and coach houses), and 6% delivered as townhouses

Social/Supportive and Purpose-Built Rental Housing Completions as of Q3 2020

Social and supportive and purpose-built rental housing completions from January 1, 2020 to September 30, 2020 totalled 726 units, including:

- 301 social and supportive housing units
- 425 purpose-built market rental housing units

2020 completions are lower than the previous 2 years, since 2018 was a record year for social and supportive and purpose-built rental housing completions. However, the numbers are more in line with the average trend for the past 10 years.

¹ 'Approved' means when the rezoning application is approved at Council through a Public Hearing or, if the project is proceeding through the development permit process, when the project is approved by the Development Permit Board or the Director of Planning.

² Counting secured rental stock which includes non-market rental housing (social and supportive housing) and purpose-built market rental housing.

Key Observations on Progress Towards Targets

The *Housing Vancouver* targets are stretch targets in response to the ongoing housing crisis facing our city, achievable only with coordinated action among all partners including senior governments, the community housing sector and the private development industry. Continued examination of trends over time provides Council with insights into the state of Vancouver's housing market and context for setting policy going forward. Key observations regarding trends and progress towards targets include:

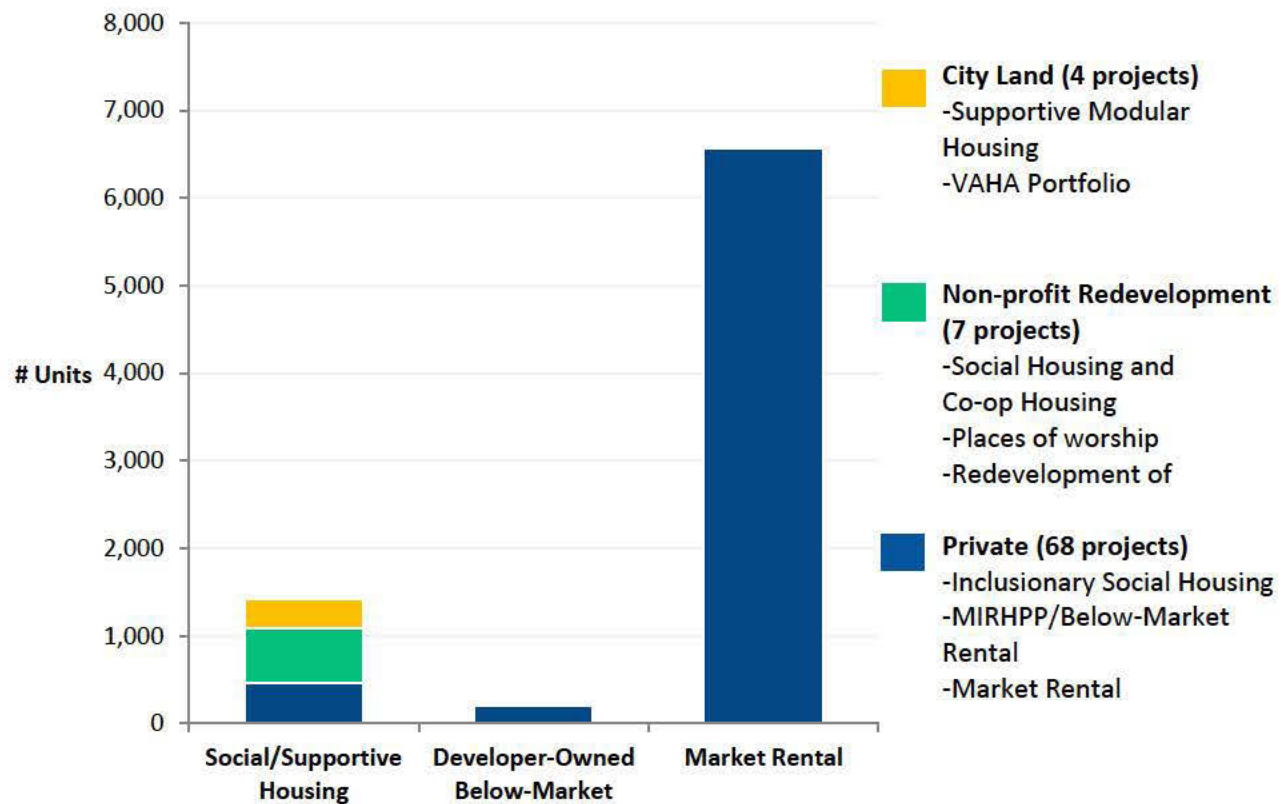
- Purpose built market rental approvals continue to fall behind annual target; however, rental housing approvals have steadily been increasing since the beginning of the Housing Vancouver Strategy due to uptake of the Secured Rental Program and Moderate Income Rental Housing Pilot. In 2020 as of quarter 3, 1,323 rental units were approved, which was 22% higher than the annual average over the last 4 years.
- There have been limited social and supportive housing approvals during the last 2 years compared to the 2 record-setting years prior when a significant number of units were approved on temporary modular or major project sites. Continued inter-governmental and non-profit partnerships will be needed to improve this trend.
- We are not meeting targets for units affordable to households earning under \$80,000 per year. This level of affordability is difficult to achieve and will require partnerships both with other levels of government and the non-profit and private development sectors.
 - In 2020 as of quarter 3, 6 MIRHPP projects were approved bringing a total of 9 MIRHPP projects approved since the program was established creating 226 below-market rental units affordable to incomes ranging from \$30,000-50,000 for singles and \$50,000-80,000 for families.
- Townhouse approvals for the first three quarters of 2020 were 1/3 of the total townhouse approvals in 2019. These numbers are driven by the implementation of the Cambie Corridor Plan and the new RM-8A/RM-8AN zoning. Staff will continue to monitor movement in the ownership market.
- Condominium approvals over the last 2 years were much lower than the two years prior. This may be due to uncertainty in the pre-sale market in 2020.

Anticipated Programs and Projects Working Towards Housing Vancouver Targets

There are a number of policy programs and development projects anticipated in the coming months which will work towards Housing Vancouver targets, including:

Projects In Application:

Graph 1. Pipeline of Affordable Rental Housing Units In-Application By Delivery Streams as of September 30, 2020



Source: CoV Development and Building Permit Processing System and Rezoning Centre

- Approximately 1,400 social and supportive units and 6,900 purpose-built rental (market and below-market rental) units are currently in-application
- Implementation of the Moderate Income Rental Housing Pilot Program (MIRHPP), with 3 projects in applications that will deliver a combined total of 97 market rental 25 below-market rental units. An additional 5 projects are in-application that are anticipated to deliver approximately 180 below-market units through the Affordable Housing Choices policy and Cambie Corridor Plan.

Major Projects:

- Major Project sites with rezoning applications in process to deliver additional social and below-market and market rental housing, including Heather Lands and the Oakridge Transit Centre

City Investments in Affordable Housing:

- Additional city land sites to be developed in partnership with the Community Land Trust for social and co-operative housing
- Launch of newly approved Community Housing Incentive Program (CHIP) which will provide capital grants to non-profit housing providers developing their land with a focus on deepening affordability in social housing projects

On Going Community Plans and Zoning Changes:

- Broadway Planning process to explore opportunities to enable more social, market and below-market rental housing close to transit and amenities
- DTES Plan Policy Review, including options to improve delivery of social and market rental housing
- Proposed zoning changes to streamline the development process for new non-profit housing in zoning districts covering select low-rise apartment areas across the city in RM-3A, RM-4, and RM-4N zones

Coordination with Senior Government Housing Programs:

- BC Housing's Community Housing Fund and Housing Hub programs are creating numerous opportunities for City and community-led housing projects. The next Co-operative Housing Federation proposal call closes on January 15th, 2020. The City, through the Vancouver Affordable Housing Agency (VAHA), will submit several proposals in response to this call. PDS and ACCS staff are also working with non-profit housing societies to support their submissions to BC Housing.
- In addition to the Co-Investment Fund and Rental Construction Financing Initiative, CMHC recently introduced the \$1 Billion Rapid Housing Initiative, which must be fully allocated within a 12-month period. The funding is allocated through two streams. Through the Major Cities Stream, Vancouver has received an allocation of \$51.5 million to implement rapid housing responses. A staff team led by VAHA is coordinating the delivery of projects through this stream. Through the Projects Stream, cities and non-profit organizations have the opportunity to submit proposals for rapid housing projects. City staff are supporting the work of non-profit societies in Vancouver to submit proposal through this stream.

Reporting on Progress towards *Housing Vancouver* Targets

Housing Vancouver includes a commitment to report back annually on progress towards targets which has been done through the annual *Housing Vancouver Progress Report and Data Book*. The first Progress Report was released in June 2018 reporting on 2017 data and was a transition year between the previous *Housing and Homelessness Strategy (2012-2027)* targets and the new *Housing Vancouver* targets.

A full version of the *Housing Vancouver Strategy (2018-2027)* and all Progress Reports to date are available on our website: <https://vancouver.ca/people-programs/housing-vancouver-strategy.aspx>.

Staff will also be evaluating existing data on development, growth, and demand in order to inform revised housing targets as part of the Vancouver Plan Process. This will include coordination with the Metro Vancouver Regional Growth Strategy (*Metro 2050*), consultation with an Academic Working Group, and assessment of key development, need, and affordability indicators. Work on revised housing targets is set to begin in early 2021, with an initial report on progress to accompany the Housing Vancouver Annual Progress Report and Data Book in spring/summer 2021.

If you have any questions or require further information, please contact me or Dan Garrison, Assistant Director of Housing Policy, at 604-673-8435 or dan.garrison@vancouver.ca.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line extending to the right.

Gil Kelley, FAICP
General Manager, Planning, Urban Design & Sustainability

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PROGRESS REPORT DASHBOARD 2020

Q3 UPDATE

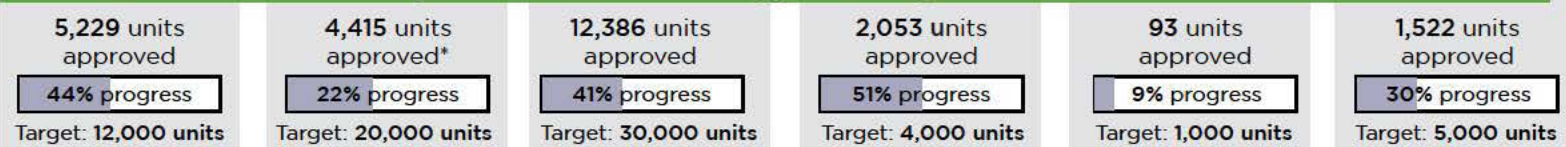
Housing Vancouver Strategy

Adopted in 2017, *Housing Vancouver* is the City's strategy to address Vancouver's housing crisis, targeting **72,000 new homes** over 10 years (2018-2027). The Strategy seeks to enable the 'Right Supply' of housing for people who live and work in Vancouver, which includes housing options that are affordable to local incomes and a shift to more social, supportive, and rental housing. Tracking for the Housing Vancouver targets began in 2017; by the end of 2020 the Strategy will be at the 40% completion mark.

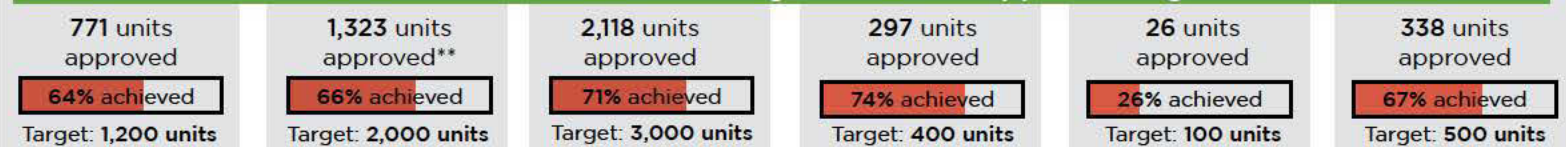
Progress Toward Housing Vancouver Targets**



Progress Toward 10-Year Approval Targets as of 2020 Q3



2020 Q3: Performance Against Annual Approval Targets



*Of the total rental approvals over the last 4 years, 253 units were approved as below-market rental housing achieving 6% of the 10-Year target of 4,000 units.

**Of the total purpose-built rental approvals in Q3, 2020, 70% of units were approved under the Moderate Income Rental Pilot Program delivering 708 market and 178 below-market rental units.

2017-2020 Q3: Diversity of Housing Options

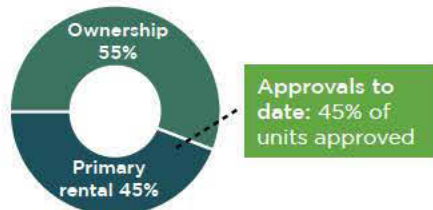
Income Diversity

Target: 48% of housing units approved affordable to incomes less than \$80k/year



Housing Tenure

Target: 50% of units approved to be primary rental housing*



Family Housing

Target: 42% of housing units approved to be family-sized, 2 or 3 bedrooms



Primary rental includes non-market rental housing (social and supportive housing), purpose-built market rental housing, and laneway homes.

Rental Completions 2015-2020 Q3

