

1.0 Mandate

The City of Vancouver (“City”) is undergoing an exercise to establish a Vancouver Affordable Housing Endowment Fund (“VAHEF”) comprised of over 200 non-market housing assets with an assessed value of approximately \$2 billion. VAHEF is aimed to optimize the long term viability and effectiveness of affordable non-market housing in Vancouver through a portfolio approach.

VAHEF’s mandate is to make an enduring contribution to meeting the housing and affordability needs of Vancouver residents, by sustainably managing and growing the City’s portfolio of affordable housing assets, contributing to meeting housing and affordability needs for current and future residents, and aligning with the City’s broader city-wide housing targets.

2.0 Background

2.1 Housing Vancouver

The Housing Vancouver Strategy, approved by Council in November 2017, included new objectives and targets for housing over the next 10 years to meet the needs of a broad range of household types and incomes. Over the next 10 years Housing Vancouver has an overall target of 72,000 new homes across a range of tenures, types and levels of affordability. This overall target includes 12,000 new units of social and supportive housing and 20,000 new purpose-built market rental units affordable to residents earning incomes of less than \$80,000 per year. Housing Vancouver responds to an ongoing housing crisis which has had and continues to have serious impacts on residents and the overall health, diversity and vibrancy of the city.

Housing Vancouver Key Strategies and Actions:

- Shift toward right supply – The new 10 year targets drive a significant shift toward rental housing along with aggressive social and supportive housing targets and new targets for ground-oriented housing forms.
- Action to address speculation – Introduce new approaches to address the impact of speculative demand on land and housing prices, including actions for both the City and senior governments.
- Protect existing affordable housing – Preserve affordability and retain the existing stock of rental and non-market housing while balancing the need to renew and expand aging buildings.
- Align city processes with housing targets – Housing Vancouver includes commitments to align city policies, processes, and tools in order to ensure City is best positioned to enable new supply and achieve targets.

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- Increase supports and protections for renters and those who are experiencing homelessness – Implement strategies to address affordability, security of tenure, determinants of poverty, and housing instability.
- Renew commitment to partnerships for affordable housing – Align with partners across all sectors, particularly non-profit, co-operative, and Indigenous partners, while working to build new partnerships.

2.2 Affordable Housing Delivery and Financial Strategy

The Affordable Housing Delivery and Financial Strategy (2018-2027), approved by Council in June 2018, sets out the City's strategic approach to delivering the revised housing targets contained in Housing Vancouver. The Affordable Housing Delivery and Financial Strategy aims to optimize the use of various City tools to deliver affordable housing across the spectrum of income needs, with a particular focus on achieving the 12,000 units of social and supportive housing target contained in Housing Vancouver.

Central to this Strategy is the creation of a new Vancouver Affordable Housing Endowment Fund (VAHEF) which will consolidate all city-owned non-market housing assets into a single portfolio with a mandate to preserve and grow the City's affordable housing stock in a sustainable way. This approach moves away from the City's current approach where non-market housing units are managed across a number of business units including the Capital Fund, the Property Endowment Fund and, to a lesser degree, the City of Vancouver Public Housing Corporation (VPHC). The non-market housing assets currently managed across these business units will be transferred to VAHEF upon the fund's creation. The anticipated benefits of this new fund is clarity of purpose and decision-making to enable deeper levels of affordability and enhanced social outcomes through potential economies of scale, portfolio optimization and additional leveraged funds from senior levels of government.

2.3 Vancouver Affordable Housing Endowment Fund (VAHEF)

In June 2018 Council approved the following motion in relation to the creation of VAHEF:

THAT Council instruct staff to advance the consolidation of the City's non-market housing assets into a single portfolio in the form of the Affordable Housing Endowment Fund with a clear mandate to preserve and grow the City's non-market housing assets into a single portfolio in the form of the Affordable Housing Endowment Fund with a clear mandate to preserve and grow the City's non-market housing portfolio in a sustainable way, with a report back on the implementation strategy by September 2018.

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In September 2018, as a first step in establishing VAHEF, staff reported back to Council with a Provisional Mandate and Guiding Principles.

Goals:

- **Affordability:** Create and maintain homes that are affordable to a diversity of Vancouver residents earning local incomes and for those living in poverty or are experiencing or at risk of homelessness
- **Growth:** Invest in new affordable housing in line with the demand for affordable homes by Vancouver residents
- **Health and Safety:** Strategically manage the portfolio of affordable housing assets through appropriate operation, maintenance, renewal, development, and redevelopment to ensure safe and healthy homes for residents
- **Community and Security:** Provide long-term homes that support resident's participation in the community and increases their sense of social inclusion and security
- **Financial Sustainability:** Maintain the financial sustainability of the endowment to continually contribute to meeting housing needs in the city, serving current and future residents of Vancouver

Guiding Principles:

1. Decisions made today should ensure that current and future residents will be served by a well-managed and diverse portfolio of affordable homes
2. VAHEF will contribute to the development of complete communities, which include a diversity of incomes, backgrounds and household types, while optimizing for asset specific characteristics and the ability to attract partner investment
3. Partnerships are necessary for achieving financial sustainability, to grow the number of homes available to residents, and to ensure the depth of affordability of those homes can meet local needs
4. Alongside the need to grow the portfolio of assets managed by VAHEF, the City and housing partners must responsibly reinvest in existing affordable housing over time to maintain affordability, condition and safety

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5. VAHEF will manage the City's affordable housing assets in a financially sustainable way, serving all Vancouver residents, such that the revenue generated from its activities and any operating subsidies from external parties must be sufficient to preserve the endowment, allowing for dedicated funding streams (e.g. CACs, DCLs) to be invested in growth of the portfolio

The Initial VAHEF portfolio includes approximately 200 buildings and over 14,600 units in a mix of stand-alone non-market rental projects and housing co-operatives on city-owned land and social housing air space parcels. Work is underway on a number of activities to further advance the creation of VAHEF with the expectation that staff will report back to Council in 2020 with the following:

- VAHEF objectives and targets
- Current state portfolio assessment and optimization strategy
- Delivery model(s) for new projects
- Financial strategy
- Governance structure and legal construct options
- Final VAHEF mandate and guiding principles

3.0 Stakeholder Engagement Panel

3.1 Purpose

The purpose of the VAHEF Stakeholder Engagement Panel ("Panel") is to provide feedback to City Staff on key issues, options and directions for the creation of an endowment fund focused on affordable non-market housing and to participate in engagement and information sharing through affiliations and networks.

3.2 Scope

The Panel will not be a decision-making body but rather will be consulted on key matters to meet the objectives of the VAHEF project which may include but is not limited to:

- Performance measures and portfolio targets
- Governance and reporting model
- Partnership strategy
- Delivery model

The Panel will provide input on findings, issues, and opportunities. This engagement will follow the *Consult* level on the IAP2 Spectrum, the Council adopted framework for public participation. This level of engagement includes the commitment to participants that the project team will:

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- Listen and acknowledge their feedback, including concerns and areas of disagreement both within the group and with city proposed direction; and
- Collect this feedback in a final summary report which will be appended to the VAHEF Strategy Council Report.
- Participants will be invited to speak at the Council meeting where the VAHEF report is being considered

INCREASING IMPACT ON THE DECISION

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and identification of the preferred solution.	To place final decision making in the hands of the public
Promise to the Public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influences the decision. We will seek your feedback on drafts and proposals.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will work together with you to formulate solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

3.3 Engagement Approach

The Panel meetings will be conducted in workshop-format led by a 3rd-party facilitator and attended by the VAHEF Project Manager and other project team members as needed to provide relevant background and technical information. City Staff will be responsible for designing the workshops as well as creating and circulating any supporting material ahead of time to participants.

Individual Panel members will be invited to participate based on their experience and involvement in the relevant sectors to affordable housing. A referral method will be used to solicit alternative members should one be unable to commit to the process. Each participant will be asked to identify an alternate who can attend workshops on their behalf in the event of a conflict.

3.4 Term and Workshops

The Panel will be formed in September 2019 and the term will run until March 2020. Over this period, City Staff will schedule approximately six (6) workshops.

- Workshop 1 – Introduction and background
- Workshop 2 – Performance measures and portfolio targets

- Workshop 3 – Governance and reporting model
- Workshop 4 – Partnership strategy and delivery model
- Workshop 5 – Draft directions
- Workshop 6 – Summary and Next Steps

3.5 Membership Composition

Members of the Panel will include a cross-section of external housing industry-familiar individuals to form a panel with interests in affordable non-market housing and specific knowledge of the Vancouver housing landscape. The Panel will be comprised of twenty (20) to thirty (30) members.

Panel composition should include a breadth of stakeholder groups with memberships within housing-related entities (e.g. boards, associations, agencies, etc.) including those from non-profit, government, community housing, and private sectors.

3.6 Membership Responsibilities

Panel members must participate in good-faith to provide advice and guidance to advance the VAHEF project. Members must be open and transparent with regard to any private, commercial, or institutional interests or biases which may prejudice their participation on the Panel. Panel members will maintain confidentiality of information shared during the committee meetings unless otherwise advised and members will be asked to sign a non-disclosure agreement to this effect. Members will serve as representatives of their organization and/or sector.

3.7 Key Considerations

- The creation of VAHEF may have material impact (e.g. development opportunities, new policies and approaches) on participants, requiring careful management of feedback to avoid the perception of undue influence by those who stand to gain from any change in City policy. All information reviewed by the Panel, as well as Panel feedback, will be made publically available to ensure members do not have any information advantage relative to potential competitors who have not been selected for participation in the Panel as well as to ensure transparency in the process to the public. While feedback from panel members will be made available to the public, all comments will remain anonymous.

3.8 Required Activities

Panel members will be required to perform the following:

- Attend meetings prepared to participate in discussions;
- Provide feedback on findings, issues, and opportunities as it relates to the strategy and implementation of VAHEF; and
- Stay up-to-date and knowledgeable about the VAHEF project and related Council directions

4.0 City Staff

5.1 Responsibilities

Staff will be responsible for:

- Coordinating the Panel;
- Administrating the meetings, which includes setting up meetings, preparing agendas and circulating them, documenting and distributing meeting materials and minutes;
- Chairing meetings
- Circulating communications as needed
- Coordination and payment for food and beverage for meetings

5.2 Primary Liaison

The City's VAHEF Project Manager, Ryan Bigelow, or alternate, will be the primary liaison between City Staff and the Panel, and will provide administrative support as needed.