

**To:** Chief Administrative Officer **Date:** August 21, 2023  
**From:** Mike Dickinson, Manager of Long Range Planning and Special Projects  
**Subject:** **Affordable Housing Strategy Quarterly Report – Q2 2023**

---

### **Recommendation(s)**

This report is provided for information. No staff recommendation accompanies this report and Council action is not required.

### **Purpose**

This report provides an update on the City's progress towards implementing the top 13 strategy areas of the City of Mission Affordable Housing Strategy (AHS) for the second quarter of 2023.

### **Background**

In accordance with Council's direction, staff have prepared quarterly reports to update Council on the progress of the AHS approved in 2022.

Of the 23 key strategy areas listed within the AHS, 13 priority strategies were identified as the most impactful for implementation over the first three years following adoption of the AHS. Given extremely low vacancy rates and lack of new rental supply in Mission, the City's 2020 Housing Needs Assessment (HNA) identified rental housing availability and affordability as the greatest housing need to be addressed.

Over 95% of existing residential units in Mission are ownership units. An unprecedented and increasing income and housing cost gap is pushing residents who could previously afford home ownership out of the ownership housing market. The HNA calls for the construction of 412 new units on an annual basis, of which 263 units/year (64%) need to be of rental tenure with the majority of these rental units (150 of the 263 units) being "affordable" rental units.

Given Mission's housing needs, the top 13 strategies in the AHS aim to increase new affordable rental units as well as to protect and improve the current rental stock. With sufficient resources made available by Council to fund year one of the AHS implementation work, the City is on track to meeting the AHS implementation timeline. This report provides an update on headway made on the 10 top strategies lead by the Affordable Housing Coordinator and the Affordable Housing Team. The top priorities addressed in depth for the second quarter of 2023 are shown in priority order, and as they will appear in the following section of this report.

- Strategy 3.1 Support SARA for Women in building more housing for women and children escaping family violence.
- Strategy 3.3 Foster partnerships between non-profit agencies with governments and developers for affordable housing and improve local non-profit capacity.
- Strategy 4.1 Develop a framework to support strong growth management.
- Strategy 2.1 Revise and clarify the density bonus program.

- Strategy 2.3 Create an Affordable Housing Reserve Fund.
- Strategy 5.1 Develop a Standards of Maintenance bylaw.
- Strategy 5.2 Develop a Tenant Relocation and Protection policy.
- Strategy 5.3 Provide information on landlord and tenant rights & responsibilities.

The City is currently providing significant contributions to increasing affordable housing units by providing land, staffing and consultant resources, which contribute to priority strategies by providing a range of services from policy development to GIS support and streamlining applications. The remaining strategies of the top 13, as listed below, are not part of this report as they are completed, proposed for completion in following quarters, or overseen by other City divisions with separate updates to Council.

- Strategy 1.1 Hire a Social Housing coordinator (completed).
- Strategy 1.2 Streamline the development approvals process (affordable housing projects are processed by staff as a top priority).
- Strategy 2.2 Revise the Community Amenity Contribution policy (completed in 2023 and the revised policy will inform preparation of the Affordable Housing Reserve Fund).
- Strategy 3.2 Build awareness of funding opportunities.
- Strategy 3.4 Complete an inventory analysis of public buildings and faith-based facilities and build affordable housing on identified sites.

## Discussion and Analysis

Approved in 2020, the HNA report projected that 750 rental affordable housing units would be needed by 2024, meaning that approximately 150 affordable units are needed to be constructed each year to address the cumulative shortfall. During the 2023 second quarter, 56 affordable housing units are being added to Mission's housing stock through issued building permits, as per the table below, with a running total of 178 "affordable housing unit starts" recorded to date since the introduction of the Density Bonus Program. This total includes a 50-unit supportive adult affordable housing project built at 7460 Hurd Street in partnership between BC Housing and the City.

Notwithstanding these building starts, an additional 572 new units are needed by end of 2024 to meet the HNA's housing target. With the exception of BC Housing funded projects, it is noted that under the provisions of most housing agreements executed by the City, all affordable housing units currently secured by the City could be removed from the housing stock within 10 to 21 years based on the terms of these time-limited housing agreements. With the potential loss of these affordable units, more replacement units will be needed to maintain HNA targets.

## Building Permits for New Affordable Housing Units

Year & Qtr	Address	Project	BP Issue Date	Tenancy Type	Total Affrdble Housing Units	Studio Units	1 BDRM Units	2 BDRM Units	3 BDRM Units	Running Total of Affrdble Units	Housing Agrmt Term (years)
2022 – Q1	33230 – 2 <sup>nd</sup> Ave.	92-unit apartment	Feb 24, 2022	Rental	92	32	32	28	0	92	21
2022 – Q1	7288 Maple St.	105-unit apartment	Mar 8, 2022	Rental	11	3	4	4	0	103	10
2022 – Q2	32690 – 14 <sup>th</sup> Ave.	103-unit apartment	Apr 21, 2022	Rental	11	0	11	0	0	114	21
2022 – Q2	32335 - Fletcher Ave.	105-unit apartment	Sept 8, 2022	Rental	8	3	3	2	0	122	21
2023 – Q2	7460 Hurd St.	50-unit apartment	Apr 25, 2023	BC Housing Project	50	0	0	0	0	172	No Housing Agrmt
2023 – Q2	33920 Best Ave.	54-unit apartment	June 23, 2023	Strata	6	0	6	0	0	178	10

### *What to Expect for the Remainder of 2023*

Currently, Building Division staff do not anticipate issuing building permits for any additional apartment units during the remainder of 2023. Typically, a lag of 1 – 2 years can occur between approval of rezonings/development permits and building permit approvals. Therefore, no additional affordable housing units are expected to commence construction in Q3 and Q4 of 2023.

A consultant, HelpSeeker Technologies, was recently hired by the City to support the submission of the CMHC Housing Accelerator Fund (HAF) grant application. HelpSeeker prepared housing projections as part of the data analysis and concluded that, “the community’s affordability constraints and the effects of inflation curbing home purchases will drive down housing building permit totals in comparison with previous years.” Given the limited number of affordable units under construction to date in 2023, and no projected affordable units for the remainder of the year, HelpSeeker’s projection on building permits is reasonable. However, in coming years, with the larger number of development permits approved for apartments, Mission is expected to see a greater number of affordable housing units being constructed. The increase in affordable housing units will be determined by the market, but will also be influenced through sound affordable housing policy with support from Council, senior government funding and community partner involvement.

### **Top AHS Strategies**

The following section summarizes the top strategies in the AHS addressed in depth by the Affordable Housing Coordinator and the planning team in the 2023 second quarter.

#### *Strategy 3.1 – Support SARA for Women in Building More Housing for Women and Children Escaping Family Violence*

There is an immediate need for housing for women and children exiting family violence. In 2022, 684 women and 374 children escaping domestic violence were turned away from transition homes due to a lack of capacity. As noted by SARA, these are unique numbers and do not

represent repeat inquiries. The 2020 HNA reported that in the next year, 100 units are needed. To date, no units for SARA have been built. But that situation will change as its initiated development proposal for the Santa Rosa site proceeds through City review processes. Staff initiated exploration of BC Housing funding for SARA on City-owned properties at Wardrop and 2<sup>nd</sup> Avenue, but due to technical site challenges and an unsuccessful CMHC grant submitted by SARA to redevelop the SARA Santa Rosa site, the project was put on hold by BC Housing to focus on exploring options to redevelop Santa Rosa.

Today, 40 to 60 new units are anticipated at a new location with a targeted late 2025 occupancy as forecasted by BC Housing. BC Housing recently purchased the Santa Rosa site from SARA for Women to build second stage multi-family housing for women and children exiting domestic violence. BC Housing will provide capital funding and an operating subsidy to SARA for redevelopment and operations of the site under its Women's Transition Housing Fund Program. SARA for Women will be the operator and the intent of tenure is heavily discounted rental units in perpetuity for second stage and long-term housing.

The City has been a significant contributor to this project by providing land and staff resources and have fast-tracked feasibility reports and permits. BC Housing submitted a grant application to CMHC under the Rapid Housing Initiative to cover a portion of capital costs. While the CMHC grant was not awarded to BC Housing, the project will still proceed under other funding sources as noted and the preliminary work conducted to date remains valid. Staff across City departments from planning to engineering, building and GIS, continue working closely with BC Housing and SARA for Women to assist in streamlining the project and meeting targeted occupancy dates. A significant step already taken was the adoption of Zoning Amending Bylaw 6085-2022-5949(59) on May 2, 2022, which supports the project's development plans. The focus now is on obtaining the required permits and reports (e.g., Geotechnical Report, Street Use Permit).

In addition to the City's significant contribution in the form of land, the City is contributing funding. On July 17<sup>th</sup>, Council approved the transfer of \$150,000 in grant funding previously approved for the SARA for Women project at Wardrop Street and 2<sup>nd</sup> Avenue site to the Santa Rosa site. A portion of these funds will make SARA whole from expenses incurred with rezoning, architect, survey and development consultant fees, helping the project to advance.

*Strategy 3.3 - Foster Partnerships Between Non-Profit Agencies with Governments and Developers for Affordable Housing & Improve Local Non-Profit Capacity, Strategy 3.4 - Complete an Inventory Analysis of Public Buildings and Faith-Based Facilities and Build Affordable Housing on Identified Sites*

The City is currently working with multiple community partners, who are interested in contributing to and developing affordable housing by exploring partnerships in the delivery of housing and affordable housing. The City's Affordable Housing Team has undertaken significant work with local non-profit housing providers, faith community partners, developers, and community organizations to explore potential affordable housing projects and partnerships that will meet priority tenant population needs. These initiatives are included within the scope of the City's application for the HAF.

This work involves focusing on an approach aimed at improving integrated internal City capabilities with collective community partner capabilities to create affordable housing that includes enhancing streamlined municipal approval processes and advance partnership projects with developers, non-profits, faith communities, and Indigenous organizations and community partners that contribute to secured affordable housing, community health, well-being, and quality of life outcomes for Mission residents.

*Strategy 4.1 – Develop a Framework to Support Strong Growth Management, Strategy 4.2 - Design a Growth Management Public Communications Campaign*

Ensuring housing is located close to work and social infrastructure is key to affordable housing. Guiding new housing to concentrate in strategic areas that are within daily needs of transit, schools, parks, shopping, employment, health and other services, results in a community where social, economic, and environmental benefits are maximized. The upcoming OCP update prioritizes alignment with master plans, neighbourhood plans and corporate strategies with an eye on guiding growth strategically to meet a range of goals and aspirations. The urbanizing nature of Mission, with updates in housing diversity, density and infill development, will require public engagement to help inform positive change. Staff are finalizing the OCP Update RFP and aim to hire a consultant to help undertake the year-long planning process and develop the plan which is anticipated to be brought forward to Council in mid-2024.

*Strategy 2.1 – Revise & Clarify the Density Bonus Program*

This AHS strategy aims to ensure the City is equipped with the financial tools necessary to increase the number of affordable rental units. Aside from general taxation, the only financial tools available to the City to help fund new affordable housing units are Density Bonusing (DB) and Community Amenity Contributions (CAC). This places impetus on the need for new housing to be developed through municipal policy mechanisms that offer increased density in exchange for affordable housing. These policies need to be reviewed periodically to ensure maximization of public investment in affordable housing and also for park development, daycare and non-profit space, public art, and other quality-of-life amenities.

The affordable housing pipeline represents the total number of units at different stages of preliminary concept, review, approval, construction, and occupancy. Approximately 20 development permits have been issued for apartment buildings since the introduction of density bonusing in Mission, with close to half of the projects yielding affordable housing units. The community needs more apartment projects that are developed with density bonusing in order to increase the number of new affordable units and meet HNA affordable housing targets.

To date, the uptake on the City's density bonus program has been marginal as the allowance for increased density over the base zoning allowance is not viable or incentive enough in many development scenarios. The City recently retained the services of Mulholland Parker Land Economists Ltd. to complete the review and provide recommendations for increasing incentive and requirements related to density bonusing in form of built units and cash-in-lieu contributions. Recommendations will include expanding the scope of amenities in addition to affordable housing to help pay for amenities that will foster a higher quality of life for residents.

The Mulholland Parker report is anticipated by the end of August and will provide information for a Council workshop where discussion will focus on housing need, land economics and financial tools, and implementation options. Stakeholder engagement is proposed in the fall with an anticipated updated policy later this year. Incorporated in the review is a housing market demand and projection and land economic analysis. The study will determine how DB and CAC tools are contributing to meeting Mission's housing needs and whether the program is performing as intended with options for improvement.

The Mulholland Parker review will also provide support for preparation of the Affordable Housing Reserve Fund, a Safe and Secure Housing Policy, the OCP update, and to validate sources of data for the forthcoming updated Housing Needs Assessment in 2024 that will use 2021 Census data. It will provide updates to these financial tools to ensure that amenities and services keep up with population growth and community needs.

While arguably some of the housing units provided through DB will not be affordable for all households, they will be attainable for those households whose incomes are close to being able to afford market rent. More affordable housing units with subsidized rent will likely address this gap made possible through partnerships with BC Housing, CMHC, and other local non-profit housing providers which the City is actively working on under the other strategies.

### *Strategy 2.3 – Create an Affordable Housing Reserve Fund (AHRF)*

The purpose of this work is to build the City's capacity to collect and disburse capital and operating contributions for new affordable housing construction and for existing affordable housing preservation and renovation. Establishing a housing reserve fund can be a good starting point to accumulate cash over time with funding sources ranging from DB, CAC, general taxation, voluntary donation, and other contribution sources. These funds which are set aside and held for future affordable housing projects can be transferred to a corporation, nonprofit, or other organization as an initial cash injection to initiate projects. The reserve fund aims to be a top-off option when other funds have been secured and will help to complete or help non-profits to secure funding.

Components of the AHRF Bylaw include setting priorities and parameters for approving reserve fund contributions with a logistics approach to guide community partners. An early draft AHRF Bylaw has been developed and is awaiting the Mulholland Parker findings prior to carrying out a departmental review, Council update and stakeholder engagement. The AHRF Bylaw will be completed this fall with the project wrapping up by end of 2023. Once a bylaw is in place outlining a strategy for funds, it will take a few years to collect money and grow this new source of funding.

### *Strategy 5.1 - Develop a Standards of Maintenance Bylaw (Safe and Secure Housing Policy)*

Regulations addressing inadequate living conditions, such as housing with mold, insufficient insulation, no heating, faulty wiring or plumbing, or poorly secured locks can help protect over 885 Mission tenants living in inadequate conditions. Recently, a fire started in an inadequate property resulting in Fire Department deployment and rescuing a family with children from a fire. This policy will help residents like the ones rescued from the fire, live in adequate and healthy environments, as well as support our communities first responders in ensuring safety of residents.

The Standards of Maintenance Policy and Bylaw have been drafted and early engagement with City Departments has commenced in preparation of Council and external stakeholder engagement this fall.

### *Strategy 5.2 - Develop a Tenant Relocation and Protection Policy (TRPP) (Safe and Secure Housing Policy)*

This policy will introduce a greater level of housing security for tenant households beyond the provisions of the Residential Tenancy Act. With 280 renter households living in dwellings in need of major repair and 77% of the purpose-built rental stock in Mission constructed before 1980, it is likely older developments will be required to complete major renovations or redevelopment, placing tenants at risk of being displaced over the next few years. This policy is proposed to include relocation assistance to displaced tenants, relocation cost coverage, first right to return to newly developed units at secured rental rate, consistent communication between applicant and tenants, and other provisions.

Ensuring tenants are aware of their rights and that sufficient support is available, is a guiding principle of this policy. This work extends to updating the City's current Strata Conversion Policy

and Bylaw to ensure policy alignment. The purpose of the Strata Conversion Policy specifies the conditions under which conversions of purpose-built market rental buildings to stratified (individual ownership) housing units will or will not be considered.

This is an important policy to maintain the limited rental housing stock in Mission and avoid undermining initiatives to add new affordable rental housing units to meet HNA rental unit targets. This policy will be informed by the Density Bonus Review that will provide foundational support. It has been drafted and is under review with department staff prior to Council feedback and stakeholder engagement expected later this fall.

#### *Strategy 5.3 - Provide Information on Landlord and Tenant Rights & Responsibilities (Safe and Secure Housing Policy)*

The City can support housing stability and prevent housing loss by providing educational resources on the legal framework pertaining to tenancy in British Columbia. Cities can not only raise awareness of tenant and landlord rights and responsibilities but also raise awareness of support services offered by different organizations and by supporting local partner agencies.

The City took steps to raise awareness through the Housing Innovation Day which included a presentation by Tenant Resource & Advisory Centre (TRAC) as part of capacity building and initiating a safe and secure housing policy. Mission rental inquiry support planning is underway with various mechanisms to be reviewed by department staff. As part of this work, information on Landlord and Tenant Rights & Responsibilities is being prepared and will address informal lodging houses and recovery homes requirements. The aim is to increase effective tenant-landlord communication, foster positive tenant-landlord relationships, and provide resources and support to maintaining secured tenancy.

### **Other Strategic Initiatives Supporting Affordable Housing**

The following section describes other initiatives undertaken this quarter, that support and align with the AHS strategies.

#### *Faith In Mission Dialogue Series*

The City occupies a unique position to encourage dialogue and bringing together diverse organizations to address housing needs. Two dialogue forums, “Faith in Mission - Affordable Housing Creation Exploration Dialogue”, were held at the Leisure Centre on May 4 and May 11 bringing over 15 representatives from the faith-based community together to build awareness, foster dialogue, capacity and interest in affordable housing partnerships. The community’s affordable housing needs, action-oriented ideas, and the important role of faith communities in developing new housing projects on faith community properties were topics explored.

Staff are working with All Saints Anglican Church, River Valley Church and Parkside Church as an outcome from the dialogue series to facilitate and support exploration regarding partnerships with non-profits, developers, and senior government to spark affordable housing projects. The City is providing capacity support, contacts, opportunities for funding, and is helping to map out affordable housing projects including organizing technical site review with interdepartmental staff. This work is a key part of preparing for the City’s CMHC HAF grant submission and, with or without grant funding, through continued resources made available by Council, staff will continue to work with these groups towards getting new housing units on the ground.

#### *Housing Innovation Day*

This day-long event was held on June 14 and brought multiple partners together who have an interest, resources, mandate, or desire to explore or contribute to new affordable housing

creation in Mission. This event was also about gathering information about industry insights, funding, best practices, government policy, and local collaboration opportunities to help incentivize new and affordable housing in Mission. The learning and engagement event included presentations, discussion panels, a networking lunch, dialogue workshop session, and an affordable housing innovation lab. Over 60 participants attended with representatives from Council, CMHC, BC Housing, Fraser Health (Healthy Built Environment), local developers, non-profits, faith community, Tenant Resource and Advisory Centre (TRAC), BC Real Estate Association, the Fraser Valley Regional District, and other community partners. The event focused on the current housing landscape (policy, markets, challenges), future funding or initiative opportunities, and exploring innovation in affordable housing creation.

The outcomes of the Faith in Mission and Affordable Housing Innovation Day discussions will inform the City's housing resource inventory, build collective capacity, and foster multi-sectoral partnership to generate new affordable housing to meet priority housing needs in Mission. Staff continue to work with partners from this event as part of mapping out housing projects for the CMHC HAF application.

The information gathered from the shared learning session and workshop, along with other focused engagement sessions will inform the City's Safe and Secure Housing policy development that is currently underway (Tenant Protection and Relocation Policy, Standards of Maintenance Bylaw and Tenants and Landlord Rights and Responsibilities).

#### *Mission Community Wellness Strategy Leadership Forum*

A forum marking the launch of the Mission Community Wellness Strategy took place on June 22, bringing together representatives from the Mission Healthy Community Council, community-serving agencies and organizations providing leadership, direction, and management of the Wellness Strategy's goals. The event was an opportunity to review the Strategy, and share ideas for implementation. Affordable housing is a key part of the strategy highlighting the three-pillar approach – land use, community needs and infrastructure. There is a strong need to coordinate strategies for working towards common goals and a unified vision with built collective capacity. This work is more important than ever, given the increasing complexity of community needs. The affordable housing team provided feedback and highlighted the strong connection between housing and wellness initiatives. Implementing the Affordable Housing Strategy will play a key part in meeting the Wellness strategy goals.

#### *CMHC Housing Accelerator Fund (HAF) Application*

The City submitted a CMHC HAF grant application prior to the August 18<sup>th</sup> deadline. The Grant aims to activate sustained housing system change and increasing net residential unit yield over a three year period. In preparation to the application, the affordable housing team is developing a data-informed action plan, a requirement of the application, to increase housing supply for the next 3 years and beyond demonstrating ability to create sustainable change by improving capacity and resources. The action plan sets priority housing plan areas, outlined in the list below, highlighting community partners, site acquisition concepts, and increased unit yield by housing type (e.g., apartment market, apartment rental, secondary suites, affordable units secured by inclusionary zoning or delivered by BC Housing projects). Plans are developed in collaboration with partners emerging from the Housing Innovation Day and Faith in Mission Dialogue Series. The focus areas of the City's HAF grant application include:

- Youth Housing and Wellness System;
- Women and Children Housing System;
- Indigenous Housing System enhancement;



- Missing Middle Housing Strategy;
- Workforce Housing Strategy;
- Subsidized Rental Housing; and
- Affordable Homeownership Strategy.

The grant could bring millions of dollars to the community to build affordable housing. HelpSeeker was hired by the City to negotiate the application success by helping prepare data-informed housing projections and housing need and socio-economic data based on 2021 Census data that is required by CMHC. The City's current Housing Needs Assessment approved in 2020, is based on 2016 data. The total number of housing units projected to be permitted without any support afforded by HAF is approximately 1,000 units (based on a three-year period ending no later than September 1, 2026). The total number of housing units projected to be permitted with the support afforded by the HAF is 1,863. HelpSeeker anticipates an average annual rate of 336 building permits without HAF grant funding. However, if the City succeeds in securing HAF grant funding, that includes the projected action plan unit targets, the projected units is estimated to increase to 621 units annually.

### **Financial Implications**

There are no financial implications associated with this report.

### **Communication**

Through the preparation of the AHS, staff consulted with members of the Sustainable Housing Committee, Development Liaison Committee, non-profit housing providers, BC Housing, and other interested parties. AHS implementation continues through engagement with these committees, agencies, non-profits, faith organizations and other interested parties. This report will be shared with the Sustainable Housing Committee after it is received by Council.

### **Summary and Conclusion**

This report provides an update on progress in implementing Mission's Affordable Housing Strategy (AHS) during the second quarter of 2023. AHS implementation priorities have had a significant focus on building data-informed and collaborative multi-sector capacity along with municipal policy tools that will create the necessary conditions to create new affordable rental housing units. Major initiatives underway include the density bonusing review, the CMHC HAF grant application, and multiple engagement events and activities to build collective capacity and awareness about affordable housing needs in Mission.

Overall, work underway and completed during this second quarter of 2023 is foundational to create the sustainable systems change to activate the City's Affordable Housing Strategy, to build effective partnerships, policy measures, and resources to meet the City's current and future affordable housing needs. With sufficient resources made available by Council to fund the AHS implementation work, the City is on track to meeting the AHS implementation timeline. Continued resources provided through Council are needed to further AHS implementation for the future.

**Report Prepared by:** Sharel Isabella, Planner III – Policy

**Reviewed by:** Mike Dickinson, Manager of Long Range Planning and Special Projects

**Approved for Inclusion:** Mike Younie, Chief Administrative Officer