

To: Chief Administrative Officer **Date:** February 7, 2022
From: Mike Dickinson, Manager of Long Range Planning; and
Kirsten Hargreaves, Manager of Social Development
Subject: **Affordable Housing Strategy**

Recommendation(s)

1. That Council approve the Affordable Housing Strategy dated December 2021; and
2. That Council support the initiatives of the Mission Sustainable Housing Committee and the Development Liaison Committee to form a sub-committee to review and assist in implementing the recommendations of the Affordable Housing Strategy.

Purpose

Mission has undertaken an Affordable Housing Strategy (referred to in this report as “the Strategy” or “the AHS”) to respond to the City’s profound housing needs and to provide more diverse housing options that address housing gaps identified in the City’s Housing Needs Assessment (HNA) Report completed in 2020. The Strategy has been developed as a guide for staff and Council to respond to the housing crises, in partnership with senior levels of government, non-profit organizations, and the private sector.

The Strategy provides a roadmap on how the municipality plans to contribute to improving housing opportunities when addressing the urgent need to increase housing supply, diversity, and affordability. Certain policy and regulatory directions will require further research and consultation.

Background

Why an Affordable Housing Strategy?

Responding to the housing crisis is the most significant challenge facing the City today. Single detached homes and townhouse prices have increased approximately 180% in the last 10 years and rental vacancy rates are below 1%. Based on the benchmark price of certain types of homes in Mission, a household income of \$188,665 is needed to purchase a single family detached home, an income of \$124,735 is needed for a townhouse and an income of \$92,717 is needed for an apartment.

Supply is a key determinant of housing costs and currently Mission is not building enough housing to keep pace with the projected population and to address the cumulative shortfall over the years. Currently, approximately 165 units are built annually and more than twice as many are needed to make a positive change in the housing market. Rental availability and affordability are the most critical housing gap to be addressed where 64% of the units built annually in Mission need to be rental (2020 to 2024).

Given increasing housing costs and inadequate supply, Mission households are struggling to secure and maintain acceptable housing that meets their needs. Downsizing, upgrading, entering the housing market, and finding suitable and affordable rental options affects everyone. Affordability is not a one size fits all model – different rent levels and home prices are needed.

As of 2016, 24% of all households in Mission are facing affordability issues and in recognition of this challenge, 750 more affordable housing units are needed by 2024 (housing costs that are less than 30% of household income before tax). The number of people in Mission experiencing homelessness has increased from 63 to 178 individuals since 2017.

City initiatives to address housing needs include the 2010 Affordable Housing Strategy, housing policy incentives (LAN.61), 2018 Official Community Plan housing policies, and the 2020 HNA. The City's 2010 Affordable Housing Strategy resulted in limited action due to limited political support to foster partnerships needed to deliver affordable housing, as well as limited investment in public land for housing, and limited staff capacity.

2020 Housing Needs Assessment

The City completed a HNA in May 2020, fulfilling legislative requirements for local governments to undertake a housing needs assessment by April 2022. Using 2016 Census data, the HNA identified priority groups and housing gaps, including the number of new units needed for each group by 2024, as follows:

- **Renters (rental housing)** – more purpose-built rental units are needed. To make a significant improvement to the housing market, 1,315 rental units are needed to be built between 2020 and 2024, or 261 rental units per year.
- **Women and children in crisis, escaping violence, or at greater risk of experiencing homelessness (transition homes and second stage housing)** – there are an estimated 215 women and children households in need of transition and second stage housing. Recent data shows 321 women and 421 children were turned away from transition homes due to lack of capacity.
- **People with mental and/or physical disabilities** – 100 units will be needed by 2024.
- **Seniors (seniors' housing)** – 355 units are required by 2024.
- **Indigenous people (culturally safe housing)** – 60 units needed by 2024.
- **Families (2- and 3-bedroom rentals and smaller ownership units - 2 bedrooms or less)** – 1,315 rental units, where more 2 and 3 bedrooms are needed.
- **Individuals experiencing homelessness and housing for individuals at risk of homelessness (shelter space)** – 170 spaces are needed.

About the Strategy

In order to help these challenges, the City has developed a 10-year plan to address housing needs and provide more diverse housing options that address housing gaps identified in the City's 2020 HNA Report. This Strategy represents the City's commitment to being an inclusive community with a wide range of housing options for all residents of varying age, income, and ability.

The AHS addresses all housing types but focuses on rental housing, given it was the top priority emerging from the City's HNA. The rate of unaffordable housing for renters is 39.1%, 15% higher than the provincial average. Only 5% of Mission's housing stock is rental and this consists mostly of secondary suites. There has been almost no change in the number of dwelling units in the primary rental market over the past 30 years with 77% of the City's rental stock built prior to 1980.

The Strategy highlights the need for local governments to form partnerships with senior governments to secure capital contributions and on-going operational funding for new non-

market housing projects, process development applications quickly, provide more opportunity for housing in neighbourhoods that can accommodate additional density, and to think creatively and explore innovative solutions.

Key findings from the HNA represent the basis from which strategies and actions have been identified. There are multiple recommended strategies to address different issues and opportunities identified through stakeholder consultation and background policy review.

Stakeholder Consultation

Development of the AHS considers stakeholder engagement with the Development Liaison Committee (DLC), the Sustainable Housing Committee (SHC) and City Staff. Engagement included virtual workshops and interviews. Given that many actions will require additional study and public consultation, implementation of the Strategy will require ongoing coordination with the DLC and SHC. A few key issues identified by the DLC relate to streamlining the development review process, clarity around policy and process, prioritize increasing supply, and uncertainty with OCP compliant projects. City staff expressed similar concerns.

The SHC key issues include:

- no publicly owned parcels available for housing projects;
- more housing is needed;
- communicate growth management practices to the public;
- creative partnerships; and
- explore waiving development costs, such as DCC's for non-profit housing projects.

Both committees identify a disconnect between planning policy and Council decision making.

Following development of this AHS, staff have undertaken ongoing discussions with the DLC in response to expressed concerns the DLC have regarding the AHS. A report of DLC's key concerns with the AHS and staff responses is provided (Attachment B). Many of the DLC key concerns are addressed in the Strategy and will be addressed through implementation of actions that include ongoing coordination with the DLC and SHC.

The Strategy Up Close

The front end of the Strategy includes an overview of the following:

- defining the affordability crises and drivers of housing costs;
- rising house prices;
- roles of various levels of government, non-profit, and private sectors;
- "affordability snapshots" illustrating different housing experiences and challenges in trying to secure housing;
- what the City has accomplished;
- issues with the 2010 Housing Strategy and what's new including the senior government funding landscape;
- priority groups and gaps;
- the housing continuum and market and non-market housing; and
- accessing non-market housing.

From five key strategy areas, 13 priority strategies were identified for implementation over the next three years. A clear and action-oriented framework is provided to ensure staff and partners

can move to implementation successfully. For each strategy presented, a comprehensive list of actions to carry out the strategy and key contributors (e.g., City, non-profit, private sector) are included. Examples of projects from around BC are provided. Implementation is already underway for certain strategies and implementation of multiple strategies is expected to occur concurrently. The five key strategy areas and top 13 strategies, including a few related points, are as follows:

1. Expand the Supply and Diversity of Housing

1.1. Hire a Social Housing Coordinator

- Improve internal capacity, assist coordination between non-profit housing providers and the development sector, and capitalize on senior government funding, while still available.

1.2. Streamline the Development Approval Process

- Improve the efficiency and effectiveness of the review process for quicker turn-around times to bring more units online.
- Staff and stakeholders referenced the challenges of lengthy processing times.

2. Expand the Supply of New Rental and Affordable Housing

2.1. Revise and Clarify the Density Bonus Program

- Greater clarity and consistency are needed.
- Units provided will not be affordable for many households – only those close to being able to afford market rent given the operation costs of non-market housing.
- Deeply subsidized rental units will likely only be provided through partnerships with BC Housing and CMHC.

2.2. Revise the Existing Community Amenity Contribution (CAC) Policy

- By increasing rates, Mission will be in a better position to support affordable housing applications with a financial commitment.
- Currently, the CAC fund is limited in that “affordable housing” is not a defined community amenity.

2.3. Create an Affordable Housing Reserve Fund

- Set aside and hold funds for future affordable housing projects.
- Local builders/developers contribute in lieu of affordable housing units, CACs and allocation of annual City funds are key sources.

3. Partner with Senior Government to Access Funding for Housing and Commit to Advocacy

3.1. Support SARA for Women in Building More Housing for Women and Children Escaping Family Violence

- 321 women and 421 children were turned away due to lack of supportive housing.
- The trend is worsening and there is an immediate need for new units.
- SARA for Women is interested in pursuing new housing projects to support this priority group to meet their temporary and long-term housing needs.

- Given recent funding announcements, there is opportunity to partner with SARA and senior government to build new units.

3.2. Build Awareness of Funding Opportunities

- Renewed investment in affordable housing projects at the provincial and federal level.
- Funding is not always available, so we need to act now.
- Ensure the City and local non-profits are aware of funding opportunities.

3.3. Foster Partnerships between Non-Profit Agencies with Governments and Developers for Affordable Housing and Improve Local Non-Profit Capacity

- Given the complexities and timelines associated with development, strong partnerships aim to ensure project success.
- The City occupies a unique position to encourage dialogue and assemble the requisite groups.

3.4. Complete an Inventory Analysis of Public Buildings and Faith-based Facilities and Build Affordable Housing on Identified Sites

- The City has limited publicly available land for affordable housing.
- Co-location opportunities and relying on public buildings and facilities operated by faith institutions is critical.

4. Build Awareness and Support for Managing Growth and Affordable Housing

4.1. Develop a Framework to Support Strong Growth Management Principles

- Support growth in areas close to transit, services, and amenities.
- Locate higher density to the Downtown and commercial and transit nodes.
- Develop neighbourhood plans and in the interim develop a framework to assist in decision making.

5. Address Inadequate Living Conditions and Minimize Impacts on Tenants

5.1. Develop a Standards of Maintenance Bylaw

- Provides the power to enforce basic levels of maintenance and safety for rental accommodation to address inadequate living conditions.
- 910 households live with conditions such as mold, insufficient insulation, no heating, faulty wiring or plumbing and poorly secured locks.

5.2. Develop a Tenant Relocation and Protection Policy

- As older rental buildings come up for redevelopment, ensure a policy framework to ensure households are adequately notified, compensated, and aided in finding new housing.

5.3. Provide Information on Landlord and Tenant Rights and Responsibilities

- The City can convene education sessions and provide informational resources to make sure residents are aware of existing support and services.

Other strategies include:

- Utilize pre-zoning to facilitate development;
- Develop a suite-ready policy;
- Develop lock-off unit guidelines;
- Develop a family friendly policy;
- Develop an adaptable housing policy;
- Consider development cost charge exemptions for affordable housing;
- Prepare a guide outlining incentives for affordable rental housing;
- Advocate and encourage pet-friendly rental housing;
- Design a growth management public communication campaign; and
- Publish materials to destigmatize homelessness and substance use.

The Strategy includes an appendix of bylaw and policy examples from other BC municipalities that could help inform implementation of the Strategy.

Implementation and Monitoring

Priority levels and associated timelines for initiating actions are included as part of a prioritization framework for this ten-year plan. The actual pace of implementation is contingent on resources made available by Council for additional staff positions and other consulting studies. Members of the SHC and the DLC have met and discussed their interest in meeting as a sub-committee to assist staff in reviewing and implementing the recommendations of the Affordable Housing Strategy.

Monitoring housing trends and assessing the impact of policies and initiatives and the overall progress of the strategy is key to the success of the AHS. This can be achieved through Annual Housing Strategy Progress Reports and Housing Needs Assessment updates.

The AHS is an action-oriented document, yet many actions will require further coordination, additional study, public consultation, and ongoing mobilizations. Sufficient staff capacity to support implementation of the strategy is critical to its success.

The strategy provides a framework for a collaborative group of staff, developers, and community groups and agencies to use to facilitate increasing affordable housing available in Mission. This collaborative approach will help to refine and improve on any recommended actions or policies, as well as to suggest additional recommended actions that could be more successful. Differences in opinion can be documented to aid Council in making decisions on specific action items.

Financial Implications

Implementation is contingent on resources made available through Council for additional staff positions and other consultant studies.

Communication

Many actions will require further coordination, additional study, public consultation, and ongoing mobilizations, including ongoing coordination with the DLC and SHC.

Summary and Conclusion

The City has developed a 10-year plan to address housing needs and provide more diverse housing options that address housing gaps identified in the City's Housing Needs Report completed in 2020. This Strategy represents the City's commitment to being an inclusive community with a wide range of housing options for all residents of varying age, income, and ability. Key findings from the HNA represent the basis from which strategies and actions have been identified. There are multiple recommended strategies to address different issues and opportunities identified through stakeholder consultation and background policy review.

The AHS is an action-oriented document, yet many actions will require further coordination, additional study, public consultation, and ongoing mobilizations. Implementing the recommendations using a collaborative approach by staff, the Development Liaison Committee, the Sustainable Housing Committee, and other community stakeholders will help to refine and improve on any recommended actions or policies, as well as to suggest additional recommended actions that could be more successful. Sufficient staff capacity to support implementation of the strategy is critical to its success.

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Reviewed by:	Dan Sommer, Director of Development Services
Approved for Inclusion:	Mike Younie, Chief Administrative Officer

Attachment(s)

Attachment A:	Affordable Housing Strategy
Attachment B:	DLC Industry Representatives Comments on Mission's Draft Affordable Housing Strategy (AHS)
Attachment C:	Affordable Housing Strategy Report – How the AHS Addresses DLC concerns