

Date: March 1, 2019

Prepared For: Honourable John Horgan, Premier

Title: Rental Housing Task Force (RHTF) Recommendations

Issue: Analysis of Rental Housing Task Force Recommendations

SUMMARY:

- The Rental Housing Task Force has delivered its final report.
- Staff are currently analyzing the recommendations and have identified an initial plan for implementation.
- s.12,s.13
- •
- •

•

BACKGROUND:

In April 2018, the RHTF was appointed to advise how to improve security and fairness for renters and rental housing providers throughout the province.

The three-member task force was led by Vancouver-West End MLA Spencer Chandra Herbert, and included MLAs Adam Olsen and Ronna-Rae Leonard.

On December 12, 2018, the RHTF completed their final report and presented their 23 recommendations to modernize the policies and the laws that govern residential tenancy in British Columbia (BC).

One recommendation, the rent increase formula, has already been implemented.

DISCUSSION:

Ministry staff worked closely with the RHTF throughout the process to provide advice and implementation considerations. This advice was, to a certain extent, reflected in the final recommendations.

The recommendations do not represent a significant shift in the legislation or services provided by the Residential Tenancy Branch. Instead, they constitute minor changes which will address specific areas of concern raised through the consultation process.

s.12.s.13



change. Some recommendations suggest that the Residential Tenancy Branch (RTB) take on a more regulatory function rather than just providing dispute resolution and information services.

s.12,s.13

A full implementation plan will be developed after government priorities and funding has been identified. Staff will work closely with Government Communications and Public Engagement on a communications strategy.

Page 2 of 31 MAH-2019-93861



FINANCIAL IMPLICATIONS:

s.12,s.13,s.17

Appendix:

s.12,s.13

1.

PREPARED BY:

Tyann Blewett, Director of Policy Residential Tenancy Branch (778) 679-3277 APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Tara Faganello, A/Deputy Minister

DATE APPROVED:

February 28, 2019

March 1, 2019

Page 04 to/à Page 06

Withheld pursuant to/removed as

s.12;s.13



Date: March 26, 2018

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Proposed Housing Needs Reports Regulations

Issue: With the Minister's agreement, the proposed Regulations are ready for Cabinet review.

SUMMARY:

 New legislative requirements for local governments to undertake housing needs reports were enabled in spring of 2018. Specific requirements will come into effect through regulation.

- To meet the new requirements, it is proposed that local governments will collect approximately
 50 distinct types of data and include certain content in their housing needs reports.
- The requirements have been informed by engagement with experts in data collection, analysis and housing needs reports preparation, local governments, and provincial and federal agencies.
- MAH is working with data providers, including Statistics Canada, BC Stats, BC Assessment, and BC Housing, to obtain nearly all the required data at the municipal and electoral area level. It is anticipated this data will be made available to local governments at no cost by Spring 2019.
 s.12,s.13

BACKGROUND:

The Local Government Statutes (Housing Needs Reports) Amendment Act, 2018, (Act) received Royal Assent on May 17, 2018. It amends the Local Government Act (LGA) and Vancouver Charter to require local governments, at least every five years, to collect information, use it to prepare a report on local housing needs, and publish the report online.

To take effect, the provisions of the Act need to be brought into force by regulation of the Lieutenant Governor in Council. Two regulations are required (the Regulations).

- o Housing Needs Reports Regulations (HNRR) under the LGA; and
- Vancouver HNRR under the Vancouver Charter

The Regulations have been completed. As drafted, the proposed Regulations:

- specify what information must be collected by local governments;
- specify the content of reports; and
- where applicable, prescribe exemptions or modifications for specific types of local governments (See Appendix A for list of regulation-making authorities).

DISCUSSION:

To inform development of the Regulations, a Housing Needs Reports Advisory Group (advisory group) was struck in August 2018 including representatives from the Union of BC Municipalities (UBCM), MAH Housing Policy Branch, BC Stats, BC Housing, Planning Institute of BC (PIBC), BC Non-Profit Housing



Association (BCNPHA), and local governments (Metro Vancouver, Kelowna, and Tofino). The advisory group met five times as a group, and MAH staff had many further conversations with individual members.

MAH has also engaged with key data providers and stakeholders, including Statistics Canada, BC Assessment, Canada Mortgage and Housing Corporation (CMHC), Ministry of Advanced Education and Skill Training (AEST), Ministry of Health, planners from regional health authorities, and non-profit agencies that undertake housing needs reports. Input has been received through MAH staff participation at many outreach opportunities over the past several months (e.g. PIBC webinars, local government planning staff meetings, BCNPHA Housing Central Conference, and calls from individual municipalities).

s.13 in February 2019 MAH also undertook consultation with twelve local governments about the proposed requirements, to ensure that there would not be an undue burden on smaller and rural communities. 1 s.12, s.13

s.12,s.13 It included discussion of planned implementation support (see below) and of topics the local governments would find helpful in guidance material.

The research and engagement has illustrated the complexity of developing local housing needs reports and clarified the importance of ensuring the Regulations align with other provincial initiatives and interests related to understanding and addressing housing needs.

Proposed Regulatory Requirements:

The proposed Regulations are designed to ensure local governments have a sufficient basis for analyzing and reporting their housing needs.

Nearly all the data that local governments would be required to collect will be readily available from a few key sources, including Statistics Canada and BC Assessment. Other kinds of required data (e.g. numbers of demolitions) will often be available to a local government from its own records. MAH staff have worked with data providers, including Statistics Canada, CMHC, BC Stats, BC Housing, BC Assessment and AEST to provide required information at no cost to local governments from a central online site (see 'Implementation Support for Local Governments' for further details).

The following outlines the proposed requirements under the Regulations:

- Collection of information for approximately 50 distinct kinds of data (see Appendix B for details),
 primarily from the Statistics Canada Census, and secondarily from BC Assessment, BC Housing, BC
 Stats, CMHC, AEST or local sources. Much of the focus is on collection of data from the three most
 recent Census years (2016, 2011, 2006), and population projections from BC Stats. As noted, most
 data will be accessible to local governments at no charge. Companion materials will provide
 guidance on using and interpreting the data (see 'Implementation Support for Local Governments').
- 2. As specified in the legislation, local governments will be required to report on the number of housing units required to meet current housing and anticipated housing needs for at least the next five years, by housing type. Housing 'type' is defined as dwelling size (number of bedrooms).
- 3. Statements about key areas of local need: affordable housing, rental housing, special needs housing, seniors housing, family housing, and shelters and housing for people at risk of homelessness.
- 4. The number and percentage of households in core housing need and extreme core housing need.



5. Completion of a two-page standardized form that summarizes key pieces of data collected, consultation undertaken, and key findings about each local government's housing needs (see Schedule to the Regulations). The form also provides space for local governments to list other housing issues or needs that are not considered required content under the Regulations. The intent of the form is to provide an easily-comparable snapshot of housing needs in each jurisdiction.

Regulatory Exemptions from Requirements:

s.13

In response to extenuating circumstances where a local government is unable to undertake or complete a housing needs report, for instance in case of a state of emergency of significant duration, the Province could choose to exercise the regulatory authority to vary the requirements for impacted local governments.

Implementation Support for Local Governments:

<u>Funding</u>: Budget 2018 provides \$5 million over three years for a program to assist local governments to develop housing needs reports. In August 2018, UBCM agreed to administer and deliver the Housing Needs Reports Program (HNRP), and MAH staff have since been working closely with UBCM to finalize program design (IBN #242913). The first round of funding is expected to be available in mid-spring 2019. The Northern Development Initiative Trust (NDIT) is planning a similar program for northern communities, and MAH staff have worked to ensure alignment with the HNRP and legislative requirements.

<u>Data</u>: Arrangements with data providers have been reached to package and provide by mid-spring 2019 nearly all the data that local governments would be required to collect (Appendix D). The aim is for local governments to easily access the data from a single provincial website at no charge.

<u>Guidance</u>: Work is underway to finalize guidance material for local governments to assist them in meeting the requirements of the legislation. The content will reflect a large volume of lessons learned and working group feedback and will address areas of interest highlighted by local governments. As with the other supportive measures, MAH staff aim to have the guidance available soon after the Regulations take effect.

Information About Indigenous Populations:

s.12,s.13



s.12,s.13

Timelines and Next Steps:

- Subject to the Minister's direction, s.12,s.13
- MAH will prepare a communications plan, with Government Communications and Public Engagement and UBCM, to ensure local governments are aware of the regulatory requirements, and the availability of the HNRP funding, the guidance material, and the data.

FINANCIAL IMPLICATIONS:

None

Appendices:

- A. Regulation-making authorities in the legislation
- B. Required collection of information for approximately 50 different kinds of indicators
- C. Required content of housing needs reports
- D. Sourcing of information for use in Housing Needs Reports

PREPARED BY:

Eric Nicholls, Manager, Planning and Land Use Management (PLUM) Branch (778) 698APPROVED BY:

Tara Faganello, Assistant Deputy Minister Local Government Division

Kathryn Krishna, Deputy Minister

DATE APPROVED:

March 25, 2019

March 26, 2019



Appendix A

- The legislation has regulation-making authorities for the Lieutenant Governor in Council to:
 - prescribe the information that a local government must collect;
 - o regulate the nature, level of detail and type of information that must be collected;
 - prescribe the time periods for which the information must be collected;
 - prescribe different types of housing units;
 - prescribe the content of the housing needs reports;
 - prescribe the format of housing needs reports;
 - provide that the information collection and report content requirements apply to parts of a local government's area;
 - exempt local governments and/or areas of local governments from the requirements;
 - o prescribe when a previously exempt local government must receive a housing needs report;
 - vary requirements according to different local governments or classes of local governments, areas, circumstances, matters or other things;
 - o prescribe criteria related to the transitional provisions; and
 - bring legislation provision into force by regulation.



Appendix B

- As proposed, the Regulations would require local governments to collect information about approximately 50 "indicators" different kinds of quantitative data. Broadly, these indicators fall within the types of information already specified in the Act.
- Because of the importance of understanding trends, local governments will be required to collect information on previous years as well. For data available from Census, the required period for which data will be required will be the past 3 Census reports. For other information, the required period will be comparable. Local governments may choose to look further back if information is available.
- Information projections will be required to look 5 years forward. Local governments may choose to also use projections that look further ahead.
- Guidance, possibly using examples of different methodologies, will help local governments determine how best to combine these indicators for more in-depth understanding of specific local issues.

Table 1 - Information about the current population

Required information to be collected	Source
Population - Total	Census
Population – Growth rate (over past 3 census reports)	Census
Population – Average age and median age	Census
Population - Age distribution (0-14, 15-19, 20-24, 25-64, 65-84, 85+)	Census
Population - Mobility (non-movers, non-migrants, internal migrants, external migrants)	Census
Population - Without homes (# of people)	Various
Population – Number of students enrolled in post-secondary institutions (if applicable)	AEST
Households - Total number	Census
Households - Average size (# of people)	Census
Households - Size breakdown (# of people - 1, 2, 3, 4, 5+)	Census
Households - Tenure (owner, renter)	Census
Households - Tenant households in subsidized housing	Census

Table 2 - Information about the projected population

Required information to be collected	Source
Projected Population - Total	BC Stats
Projected Population - Growth rate	BC Stats
Projected Population - Average age and median age	BC Stats
Projected Population - Age distribution (0-14, 15-19, 20-24, 25-64, 65-84, 85+)	BC Stats
Projected Households - Total number	BC Stats
Projected Households - Average size (# of people)	BC Stats

Table 3 - Information about household income (usually in each of past 3 Census reports)

Required information to be collected	Source
Household Income - Average (overall, and by owners, renters) (if available)	Census
Household Income - Median (overall, and by owner, renters) if available)	Census
Household Income - Distribution by income brackets (overall, and by owner and renters) (if available)	Census



Table 4 - Information about significant economic sectors (usually in each of past 3 Census reports)

Required information to be collected	Source
Labour Force – Total number of workers	Census
Labour force - Number of workers by industry (using North American Industry Classification System)	Census

Table 5 - Information about currently available housing units.

Required information to be collected	Source
Housing Units - Total number	Census/BC Assessment
Housing Units – Structure type (by single-detached, apartment, etc.)	Census/BC Assessment
Housing Units - Size (by number of bedrooms - 1, 2, 3, 4+)	Census/BC Assessment
Housing Units - Age (by period of construction)	Census/BC Assessment
Rental Housing Units – Number of units in primary rental market (if available)	CMHC, Various
Rental Housing Units – Number of units in secondary rental market (if available)	CMHC, Various
Short-Term Rental Housing Units – Total number (if available)	Various
Cooperative Housing Units – Total number	Coop Housing Federation
Subsidized Housing Units – Total number	BC Housing/BCNPHA
Homeless shelters and housing for those at risk of homelessness – number of beds/units	BC Housing
Post-Secondary Housing Beds – Total number in LG	AEST
Housing Values – Average (overall, and by structure type and size)	BC Assessment
Housing Values – Median (overall, and by structure type and size)	BC Assessment
Housing Sale Prices - Average (overall, and by structure type and size)	BC Assessment
Housing Sale Prices - Median (overall, and by structure type and size)	BC Assessment
Housing Rental Prices - Average (overall, and by structure size) (if available)	СМНС
Housing Rental Prices - Median (overall, and by structure size) (if available)	СМНС
Rental Vacancy Rate – Overall and by structure size (as available)	СМНС
Demolitions – Total number, and by structure type, tenure and size (if available)	LG
Completions – Total number, and by structure type, tenure and size (if available)	LG

Table 6 - Information about housing units that are anticipated to be available.

Required information to be collected	Source
Registered New Homes – Total	BC Housing
Registered New Homes – By structure type (e.g. single-detached, apartment, etc.)	BC Housing
Registered New Homes – Purpose-built rental	BC Housing

Table 7 - Other prescribed information.

Required information to be collected	Source
Core Housing - Households below affordability standards (overall, and by owners, renters) (if available)	Census
Core Housing - Households below adequacy standards (overall, and by owners, renters) (if available)	Census
Core Housing - Households below suitability standards (overall, and by owners, renters) (if available)	Census
Labour Force – Participation and unemployment rates	Census
Labour Force - Number of employees who commute from within/outside community.	Census

Page 13 of 31 MAH-2019-9386



Appendix C

• As proposed, together, the Legislation and Regulations would require certain content in housing needs reports, for every municipality and electoral area to which the report applied. All the content would be possible, based on analysis and interpretation of the required information collected.

Table 1 - Housing units required to meet current housing needs, by type:

Required content of housing needs reports
Number of housing units needed with 0 bedrooms (bachelor)
Number of housing units needed with 1 bedroom
Number of housing units needed with 2 bedrooms
Number of housing units needed with 3+ bedroom

Table 2 - Housing units required to meet anticipated housing needs in 5 years, by type:

Required content of housing needs reports
Number of housing units needed with 0 bedrooms (bachelor)
Number of housing units needed with 1 bedroom
Number of housing units needed with 2 bedrooms
Number of housing units needed with 3+ bedroom

Table 3 - Households in core housing need

Required content of housing needs reports
Number and percentage of households in core housing need (overall)
Number and percentage of households in core housing need, by tenure (renter and owner)
Number and percentage of households in extreme core housing need (overall)
Number and percentage of households in extreme core housing need, by tenure (renter and owner)

Table 4 - Statements about local need in terms of key areas

Required content of housing needs reports
Affordable housing
Rental housing
Special needs housing
Housing for seniors
Housing for families
Shelters for individuals experiencing homelessness and housing for individuals at risk of homelessness

Table 5 - Standardized summary form

Table 5 – Standardized Summary form
Required content of housing needs reports
Summary of key contextual data (e.g. location, population, median age, unemployment rate)
Summary of all the required content (see tables above)
Summary of housing policies in local official community plans and regional growth strategies (if available).
Summary of community consultation, and consultation with First Nations, other local governments and agencies.
Space for local governments to identify other key housing issues or needs not identified in the required content.
Page 14 of 31 MAH



Appendix D

Sourcing Information for Use in Housing Needs Reports

Source	Information Types	Frequency	Cost to MAH
Statistics Canada (Census)	Population, demographic, labour force, income, housing units, core housing, other.	Every 5 years (Census)	Approx. \$5,000 per Census year (total of \$15,000 for 2006, 2011, 2016). NOTE: Ministry is purchasing data for local governments and making broadly available
СМНС	Rental market	Annually	\$0
BC Housing	New homes registry, non-market housing	Annually	\$0
BC Assessment	Assessed values, sales prices, housing units	Annually	\$0
BC Stats	Projected Population and Households	Annually	\$0
AEST	Number of post-secondary students and beds	Annually	\$0



Date: March 29, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Assessment and Taxation of Small Businesses

Issue: s.13

BACKGROUND:

In October 2018, the ministry amended the *Assessment Act* to authorize BC Assessment (BCA) to value eligible, operating major industrial properties based on the current industrial use rather than an alternative Highest and Best Use.

The bill, Bill 42-2018, impacts industrial properties that are identified in an Official Community Plan for redevelopment, prompting a change to the Highest and Best Use and typically significant property value increases. This is due to the fact that the Highest and Best Use can change from industrial to mixed use commercial/residential. The higher value reflects the market value of the land based on the development or revenue potential of selling residential and commercial units.

A recurring complaint is that many small businesses in Class 6 pay triple-net leases (rent, maintenance fees and property taxes), even though it is only the landlord who will see any gains from an increase in property value. Small businesses continue to ask for the same changes that were implemented for Class 4 (Bill 42).

Although there appears to be an overall cooling across most property classes in the Lower Mainland, Class 6 properties are still demonstrating strong market demand resulting in hotspots where values increase at a rate higher than the average for the class.

SPEAKING POINTS:

	S.	1	3
•			

- •
- •
- •
- •
- •



s.13

PREPARED BY:

Rob Fraser, Executive Director Property Assessment Services Branch (778) 698-3560 APPROVED BY:

David Curtis, ADM Community and Legislative Services Division

Kathryn Krishna, Deputy Minister

DATE APPROVED:

March 28, 2019

March 28, 2019



Date: March 1, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Affordable Housing Strategy in West Kelowna

Issue: Discussion about an affordable housing strategy and a water treatment plant in Kelowna

Meeting With: MLA Stewart and Mayor Milson on March 5, 2019.

SUMMARY:

• BC Housing recognizes the need for affordable and supportive housing options in West Kelowna

- In 2017/18 and 2018/19, the Province has funded an Emergency Winter Shelter in West Kelowna. No other emergency housing, shelter services, or supportive housing is available in West Kelowna.
- Under the Building BC proposal calls in 2018, BC Housing has identified successful proponents in the West Kelowna area:
 - Building BC: Women's Transitional Housing Fund proponent, West Kelowna
 - Building BC: Indigenous Housing Fund, two projects, Westbank First Nation
- The City and local housing providers are encouraged to work together to develop a housing plan
 which would improve their ability to submit viable project proposals under future proposal
 calls.
- BC Housing is also currently working with the City of West Kelowna, the West Bank First Nation and community groups to identify additional affordable and supportive housing opportunities in the community

BACKGROUND:

The Province, through BC Housing annually invests approximately \$2,355,000 to support almost 360 units of subsidized housing in West Kelowna. This includes emergency shelters and housing for individuals experiencing or at risk of homelessness, transitional and supportive housing, assisted living, social housing, homeownership and rental assistance programs.

According to the 2018 Point in Time Homeless Count at least 72 people identified as homeless in the City of West Kelowna. It is assumed that many individuals from West Kelowna are using City of Kelowna's shelters and services. On November 18, 2018, the First United Church of West Kelowna, voted to lease their space to BC Housing to provide a 24-hour, 7 days a week, supported emergency winter shelter. The Mayor and City Council of West Kelowna supported this new 24-hour winter shelter. The shelter opened in late December 2018 and is operated by the West Kelowna Shelter Society. Funding for 30 spaces is available until March 31, 2020.

Under the four Building BC proposal calls in 2018, BC Housing selected a successful proposal under the Women's Transition Housing fund and BC Housing also identified opportunities for projects under the Supportive Housing fund. BC Housing did not receive any proposals in response to the call under the Community Housing Fund and staff are encouraging the City to work with local housing providers to prepare for future proposal calls.



The Westbank First Nation has successful proposals under the Indigenous Housing Fund and the Supportive Housing Fund. Potential sites for these projects are on the First Nation's land, however, the sites are also situated in close proximity to West Kelowna and the housing to be created will benefit residents of the First Nation and of West Kelowna. BC Housing, the City and the First Nation are in communication with regard to these projects.

Under the Indigenous Housing Fund call for proposals, Westbank First Nation submitted two successful project proposals:

s.16.s.17

DISCUSSION:

BC Housing continues to work with the West Kelowna Shelter Society, the First United Church and the City to support the successful operations of the temporary Emergency Winter Shelter and to explore longerterm options.

Through the call for expressions of interest issued under the Women's Transition Housing Fund, BC Housing selected an operator for housing for women and their children who are at risk of violence and/or who have experienced violence. s.17

City staff are aware of this project.

For the Supportive Housing Fund, BC Housing staff are looking for potential sites in West Kelowna. As potential sites are identified, these locations are discussed with City staff.

s.17

The Westbank First Nation has successful proposals under the Indigenous Housing Fund and the Supportive Housing Fund. Potential sites for these projects are on the First Nation's land. BC Housing is working with the City of West Kelowna and Westbank First Nation to identify sites for under the Supportive Housing Fund; the housing created has the potential to benefit residents of Westbank First Nation and of West Kelowna.

BC Housing did not receive any proposals in response to the call under the Community Housing Fund and staff are encouraging the City to work with local housing providers to prepare for future proposal calls.

FINANCIAL IMPLICATIONS:

None

PREPARED BY:

Nicole Stinson, Senior Strategic Advisor **BC** Housing (604) 439-4197

APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Tara Faganello, A/Deputy Minister

DATE APPROVED:

March 1, 2019

March 1, 2019



Date: March 3, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Vancouver Native Housing Society's Proposed Project at 1766 Frances Street

Issue: Minister Melanie Mark is interested in the Vancouver Native Housing Society project,

specifically its history and any specific challenges faced.

Meeting With: Honourable Melanie Mark, Minister of Advanced Education, Skills and Training on

March 4, 2019

SUMMARY:

s.17,s.21

- BC Housing is committed to supporting Lore Krill Housing Cooperative to provide stable and affordable non-market housing for people living on a low to moderate income. BC Housing's recommendations to the Co-op's board of directors have been as follows:
 - That the Co-op move from a five year budget review cycle to a one year review,
 - Issue an Request For Proposal for a new property management services company with a purpose to review their contract with Coho management and the staffing needs,
 - Increase Low End of Market (LEM) annually at least for at a maximum allowable RTB guideline to avoid large increase to LEM rents at the MRA time, and
 - Discuss the potential sources for funding of any unexpected or under-budgeted items such as legal fees, large repairs etc.

BACKGROUND:

As part of Budget 2018, the Indigenous Housing Fund (IHF) was announced in June 2018. IHF will provide \$550 million over 10 years to build and operate 1,750 units of social housing for projects both on- and off-reserve. Requests for Proposals were issued in June 2018 to identify prospective partners and closed in October 2018.

The first 1,100 new housing units in 30 projects were announced in November 2018, including almost 780 off-reserve units and close to 370 on-reserve units. These projects will be in 26 communities across the province.

s.17.s.21

Minister Mark is interested in learning more about the 1766 Frances Street project, specifically its history and any specific challenges faced. While it is not in her Vancouver-Mount Pleasant riding, the site is approximately a block away in the Grandview-Woodland area.



s.17.s.21

DISCUSSION:

1766 Frances Street, Vancouver

The site at 1766 Frances Street is a 27-unit apartment building owned by VNHS. The building served Indigenous families and singles for thirty years until December 2017 when a fire occurred. All 27 households living in the building were relocated to alternative sites. The building is currently vacant as VNHS is interested in redeveloping rather than rebuilding.

s.17.s.21

Lore Krill Co-op

Lore Krill co-op has accrued a significant deficit, and claims the co-op is at risk of insolvency due to 'systemic underfunding by BC Housing'.

BC Housing is committed to supporting Lore Krill Housing Cooperative to provide stable and affordable non-market housing for people living on a low to moderate income.

There are 203 units in the co-op occupied by low-income individuals, families, seniors and those living with a disability. There is a mix of incomes, some of whom pay rental rates geared to income and others who pay rent near market rental rates.

The co-op is experiencing a shortfall of rent revenue because they have not been regularly increasing rents, which is significantly contributing to their deficit.

According to the Homes BC Program agreement between the Lore Krill and BC Housing, every five years the Co-op is required to complete an appraisal of the Market Rent of the units in the buildings. Occupancy Charges are to be maintained at or near the Market Rent, but never less than 85% of the Market Rent. The co-op has not been increasing their rental rates in accordance with this program requirement over the past five years (they are currently set at 72%).

Based on the information available, the Lore Krill Co-op's expenses are also significantly higher than equivalent co-ops and it appears that rental rates are currently well below the level expected under the HOMES BC program.



Expense items, such as maintenance and administration costs exceed costs of similar co-ops in the Homes BC program and have also contributed to their deficit. BC Housing has been trying to work with the co-op to help create a sustainable financial plan.

BC Housing has made numerous attempts to meet with and make recommendations to the Board, but they have failed to make the recommended changes.

Current financial and operating records have been analyzed and show that the Co-op has incurred an operating deficit primarily due to these issues:

- Above-average unbudgeted administrative costs, mostly caused by the Co-op's decision to add one full time and one part time staff contracted by Coho Management.
- Below average revenue generated, primarily due to the failure to increase LEM occupancy charges sufficiently for five years. (The Operating Agreement states the LEM are to be set at 90% of the MRA or at a minimum of 85% but the Co-op's average was set at 72%.)

BC Housing's recommendations to the Co-op's board of directors have been as follows:

- That the Co-op move from a five year budget review cycle to a one year review,
- Issue an RFP for a new property management services company with a purpose to review their contract with Coho management and the staffing needs,
- Increase LEM annually at least for at a maximum allowable RTB guideline to avoid large increase to LEM rents at the MRA time, and
- Discuss the potential sources for funding of any unexpected or under-budgeted items such as legal fees, large repairs etc.

To date, the Co-op has not implemented these changes.

PREPARED BY:

Cathy Shen, Strategic Planning Advisor BC Housing (778) 452-6428 APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Tara Faganello, Acting Deputy Minister

DATE APPROVED:

March 1, 2019

March 1, 2019



Date: March 4, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Riverview Redevelopment Update

Briefing: March 5, 2019

SUMMARY:

 The Province has stated it intends to review the current Vision for the redevelopment of Riverview, including the principles that were established to guide the reuse of the lands.

- BC Housing seeks the Province's confirmation to re-initiate the Riverview Master Plan process with updated principles.
- In the interim, BC Housing continues to invest in the management of the property, including support of government and non-profit leases, maintenance and repair of heritage buildings, heritage landscaping, aging infrastructure, and construction of significant new infrastructure to support the site's two new health buildings.
- BC Housing's current Riverview total investment in the site is projected to exceed \$59M by 2020, of which approximately \$24M was invested in City driven offsite infrastructure requirements to support the two new health buildings.

BACKGROUND:

In 2013, BC Housing began a process to determine the future of Riverview. The Province transferred title for the Riverview Lands from Shared Services BC to BC Housing in February 2015.

Historically, the process had been guided by *A Vision for Renewing Riverview*, which was released in December 2015 following two years of consultation with thousands of British Columbians and multiple stakeholders. Mental health care and a complete community are core themes of the *Vision*.

The renewal of Riverview is awaiting confirmation from the Province to embark on the planning and stakeholder engagement activities of the Master Plan phase, which would see the creation of a plan to guide the land use and development of the site. The plan would identify spaces for institutional use (health care, schools, etc.), public amenities and park space, commercial use (retail and office spaces, etc.), expanded film opportunities, and residential use (affordable, non-market and co-op housing), as well as portions of the site to remain through its redevelopment, heritage structures, treed areas, streams, etc.

Upon completion, the Master Plan would be submitted to the City of Coquitlam to go through the municipal approval process, including an Official Community Plan amendment and concurrent rezoning.

BC Housing offsets Riverview's operating and capital expenses with the site's filming revenue, which has increased significantly since BC Housing has acquired the site, and from the recovery of proportional operating expenses from commercial tenants. To date, BC Housing's Riverview investment into infrastructure improvements is projected to exceed \$59M by 2020, including off-site improvement required by the City of Coquitlam in excess of \$24 million. BC Housing historically has intended for the Riverview investments to be capitalized and recovered through the site's redevelopment revenue.



DISCUSSION:

The Province has stated it intends to review the current *Vision* for the redevelopment of Riverview, including the principles that were established to guide the reuse of the lands within *A Vision for Renewing Riverview*.

s.13

Kwikwetlem First Nation filed a land claim on February 9, 2016 asserting their Aboriginal title to an area of lands including Riverview. A trial date has been set for March 2021. BC Housing continues to work in the spirit of partnership with Kwikwetlem First Nation on all Riverview matters.

BC Housing aspires for a balanced approach to the principles and objectives of a wide range of stakeholders and parties with interest in Riverview.

BC Housing remains committed to collaborate with the Ministry of Health, the Ministry of Mental Health and Addictions, the Ministry of Citizens' Services and the City of Coquitlam on the development of Riverview.

BC Housing is currently balancing the management of the site, its 100+-year-old buildings and infrastructure, landscaping, multiple tenants, and heightened public interest without a Master Plan.

Mental health services continue to operate at Riverview with 182 operational beds; 64 beds operated by Fraser Health, 82 beds operated by Provincial Health Services Authority (BC Mental Health and Substance Use Services) and 38 beds operated by the Ministry of Child and Family Development and Community Living BC (newly opened Valleyview / Healing Spirit House building).

The new Centre for Mental Health and Addiction (CMHA) building is under construction with an estimated completion of late 2021. CMHA will be a 105-bed mental health facility and a centre of excellence in the care and treatment of people with severe mental health and substance use challenges. CMHA will be operated by the Provincial Health Services Authority (via BC Mental Health and Substance Use Services).

s.13,s.17

FINANCIAL IMPLICATIONS:

None

PREPARED BY:

Cathy Shen, Advisor, Strategic Planning BC Housing (778) 452-6248 APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Kathryn Krishna, Deputy Minister

DATE APPROVED:

March 4, 2019 Tara Faganello OBO March 4, 2019



Date: March 11, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Little Mountain Housing Project

Issue: Impact of project delays on the former Little Mountain tenants, those looking for social

housing, the development of the new Little Mountain Neighbourhood House and their

associated services, and the community.

Meeting With: George Heyman, MLA, and Joel Bronstein, Executive Director of the Little Mountain

Neighbourhood on March 15, 2019.

SUMMARY:

Development of the Little Mountain site has faced several delays

- This site provides one of many opportunities to address housing needs in the region for social housing as well as market housing.
- BC Housing has worked closely with the City of Vancouver (the City) and the developer throughout the redevelopment process.
- In 2013, Holborn Properties purchased the land from the Province for over \$300 million and is leading the development process. Rezoning for the site is complete.
- All proceeds from the sale were reinvested across the province, creating 2,100 units of new supportive housing. This includes the partnership with the City to build approximately 1,500 units on 14 city-owned sites, all of which are now open and operating.
- Since 2015, 99 social housing units have been completed on the site: a 53-unit social housing building for seniors and 46 temporary modular housing units.

BACKGROUND:

Little Mountain is a 15.2-acre site bounded by 33rd to 37th Avenues between Main and Ontario Streets in Vancouver. The housing that existed on the site was built in the early 1950's and was no longer feasible to maintain. The property is being redeveloped into a mixed-use community, including replacement of all the previous 224 units of social housing with 234 units of new social housing, including 10 units for members of the Musqueam First Nation. The site will also include market housing units.

The project has experienced significant delays.

s.13

The company's mixed-use development proposal calls for approximately 1,400 residential units, 234 units of replacement social housing and a district energy plant to be built over the next decade. In September 2017 the rezoning was approved by the City. In 2015 the first 56 units of affordable housing opened on the site. The next social housing building, 45 units of family housing, is under construction with completion expected in 2019.

BC Housing staff have been actively working with Holborn Properties and City staff on the design of the next permanent social housing project on the Little Mountain lands. Further to this, the City and BC Housing negotiated a temporary use of part of the site with Holborn Properties to allow for a temporary



modular housing project of 46 units. The temporary modular housing project achieved occupancy this Fall and is now operational.

Holborn Properties has prepared a delivery schedule for the affordable housing units. While predicated on approvals from the City of Vancouver, it anticipates the following timelines:

s.13

With respect to the Neighbourhood House, there is a project, referred to as "Building AB" that will be owned by the City of Vancouver. It is anticipated that a Neighbourhood House could be included in this project. At this time BC Housing is not actively participating in "Building AB" as it would be developed by Holborn Properties in partnership with the City.

Redevelopment Timeline:

- The City of Vancouver and BC Housing signed a memorandum of understanding for the sale and redevelopment of Little Mountain in 2007.
- BC Housing developed a set of guiding principles for Little Mountain called "Residents First," which
 ensured that residents facing relocation were treated with fairness and respect throughout the
 process, including being given the right to move back into the new units once complete.
- An on-site office was established in 2007 and remained open for more than two years. Residents could meet with staff to explore relocation options and choose from social housing vacancies when they became available.
- Holborn Properties was selected as the development partner for the site in 2008.
- By mid-2009, the vast majority of the nearly 200 households had relocated to other social housing units. The Province paid for their moving expenses. Some households found private market housing and receive rental assistance to keep their housing costs affordable.
- In November 2009, demolition of all buildings on the site began. It was completed in July 2010, except for one remaining townhouse row occupied by four households.



- Environmental remediation work also began in November 2009 and was finished in August 2012.
 Remediation work was required to receive environmental approvals from the Ministry of Environment and complete the sale.
- In December 2009, a two-year community consultation process began which was led by the City and included four open houses and follow-up reports.
- By June 2012, Vancouver City Council approved a policy statement to guide the rezoning and development process.
- In October 2012, the City of Vancouver, the BC government, and Holborn Properties signed an agreement to allow approximately 50 units of replacement social housing to be built under existing zoning. Construction was completed in July 2014.
- The final sale of Little Mountain was announced on July 4,
 2013: https://news.gov.bc.ca/stories/little-mountain-sales-agreement-is-completed
- In November 2014, demolition and remediation began on the final building remaining on site. All work was completed in January 2015.
- On April 9, 2015, the BC government announced the official opening of the first new social housing building at the site. The five-story building features 47 one-bedroom and six two-bedroom apartments for seniors: https://news.gov.bc.ca/stories/new-seniors-housing-opens-at-little-mountain
- On September 7, 2017 the rezoning was complete for the next social housing building that will provide 45 units of family housing with completion in 2019.
- From Fall 2017 to Summer 2018, Holborn Properties developed plans for the next social housing building, referred to as "Building AC", to be located in the Southeast quadrant of the site. In July 2018 it was determined by City staff and Holborn Properties that the design was not meeting several urban design criteria and a significant building redesign would be required. This revised design was ready to submit to review with City staff in February 2019. It is anticipated these plans will be reviewed and endorsed in principle over the course of Spring 2019 and subsequently seeking Development Permit Prior to conditions thereafter.

DISCUSSION:

BC Housing and Holborn Properties entered into a contract of purchase and sale for the Little Mountain site and under the agreement, there are confidentiality terms and conditions that both BC Housing and Holborn Properties are bound by. As such, these confidentiality requirements preclude disclosing the details of the purchase. The public's concern on the property and the Little Mountain site is appreciated. All parties are committed to completing the redevelopment of the affordable housing on the site. Holborn Properties is the development company responsible for the redevelopment and any questions regarding the timing and process should be directed to Holborn Properties.

s.13,s.16



FINANCIAL IMPLICATIONS:

None

PREPARED BY:

Nicole Stinson, Senior Advisor BC Housing (604) 439-4197 APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Kaye Krishna, Deputy Minister

DATE APPROVED:

March 8, 2019

March 11, 2019



Date: March 11, 2019

Prepared For: Honourable Selina Robinson, Minister of Municipal Affairs and Housing

Title: Council of Senior Citizens' Organizations of BC (COSCO)

Issue: Impact of Housing on Seniors in BC, and the issue of Affordability

Meeting With: Cosco on March 15, 2019:

Gudrun Langolf, President

John Wynn, Second Vice-President

• Barb Mikulec, Housing Committee Chair

SUMMARY:

 BC Housing is aware of the importance of affordable housing to all British Columbians, and particularly to seniors on fixed incomes.

Housing and rent assistance for seniors is a key priority for BC Housing. This issue is being
addressed through enhancements to the Shelter Aid for Elderly Renters (SAFER) and the
Home Adaptations for Independence (HAFI) programs, significant funding commitments for
new affordable rental housing and the creation of an office to facilitate partnerships for rental
housing and affordable homeownership options in communities across BC.

BACKGROUND:

The Council of Senior Citizens' Organizations of BC is an umbrella organization whose mandate is to promote the well-being of seniors and their families by advocating for policies that allow seniors to remain active, independent, and fully engaged in life in our province.

COSCO's purpose is to assemble, coordinate and advance proposals and resolutions concerned with the welfare of elder citizens and submit them to the appropriate government bodies.

DISCUSSION:

2019/20 Funding Commitments

In 2019/20, BC Housing will make significant investments to support subsidized housing and rent assistance for seniors in BC, including:

- \$430.8 million to support more than 42,000 units of independent social housing for low-income seniors and families
- \$39.1 million to support just over 10,000 units of supportive housing for seniors
- \$76.7 million to support approximately 25,000 senior-led households receiving SAFER assistance with their rent in the private market.

Shelter Aid for Elderly Renters

As part of Budget 2018, significant enhancements were made to BC Housing's SAFER program which included expanding the eligibility requirements as well as increasing the maximum rent ceilings. .



Home Adaptations for Independence

The Home Adaptations for Independence program provides financial assistance to help low-income seniors and people with disabilities pay for accessibility adaptations which allow them to live safely and independently in the comfort of their own homes, whether rented or owned.

HAFI was introduced in 2012 with an annual budget of \$5 million per year. As of December 31, 2018, 2,769 homes have been adapted since the program's inception. In recent years, HAFI funding has been exhausted well in advance of the end of the fiscal year, indicating significant demand for this funding.

Since HAFI funding was exhausted in late 2018, BC Housing has been re-vamping the HAFI program to ensure its continued viability and relevance. Starting in 2019/20, HAFI will re-launch with slightly modified eligibility and program criteria and a 100 percent increase to the budget, bringing it to \$10 million per year invested in accessibility upgrades for low-income seniors and people with disabilities.

Building BC Supply Programs

BC Housing is working on the development of thousands of units of housing proposed through various Requests for Proposals for the Building BC programs, including two which will focus on increasing the supply of affordable rental housing, that will benefit low-income seniors as well as other target groups such as low-income families and people at risk of homelessness. While neither of these programs is limited to seniors housing, both are open to proposals for seniors housing, and seniors housing will comprise a significant proportion of the finished units.

- 1. Community Housing Fund This program will provide close to \$1.9 billion over 10 years to build and operate 14,350 affordable new rental homes for seniors, families, low- and middle-income earners. The first 4,900 housing units in 42 communities were announced in November 2018.
- 2. Indigenous Housing Fund This program will provide \$550 million over 10 years to build and operate 1,750 units of social housing, both on- and off-reserve. The first 1,100 new housing units in 26 communities were announced in November 2018, including almost 780 off-reserve units and close to 370 on-reserve units.

HousingHub Office and Programs

HousingHub was established in the past year and is currently in discussions with developers, municipalities, non-profit groups and faith-based groups on potential projects across the province. Projects are in the preliminary stages and will be announced as they move forward.

HousingHub is our commitment to ensuring middle-income British Columbians, who have been priced out of housing in communities across the province, will have access to affordable market rental and owner purchased homes.

Two affordable housing programs are being delivered through HousingHub:

- 1. Provincial Rental Supply Program to increase the supply of rental housing for middle-income households.
- 2. Affordable Home Ownership Program (AHOP) to support the development of new, affordable homes for eligible home buyers.



By increasing the affordable housing stock throughout the province, we will also free up other housing options along the housing spectrum.

PREPARED BY:

E. McNabb, Writer BC Housing (604) 439-4703 APPROVED BY:

Greg Steves, Assistant Deputy Minister Office of Housing and Construction Standards

Kaye Krishna, Deputy Minister

DATE APPROVED:

March 8, 2019

March 11, 2019