



REPORT TO MAYOR AND COUNCIL

PRESENTED: MARCH 11, 2019 – COUNCIL PRIORITIES COMMITTEE
FROM: COMMUNITY DEVELOPMENT DIVISION
SUBJECT: AFFORDABLE HOUSING

REPORT: 19-30
FILE: 5040-06

RECOMMENDATION:

That Council receive the “Affordable Housing” report for information.

EXECUTIVE SUMMARY:

At its Regular Evening Meeting on December 3, 2018, Council referred the following five initiatives to staff for a detailed report back on their adoption and implementation at a future CPC Meeting:

1. Contribution of public lands to the community housing sector for new affordable homes;
2. Protection of existing affordable housing supplies through retention and replacement policies;
3. The zoning of existing and new rental developments as a rental only;
4. Streamlining municipal permitting and rezoning processes to fast-track development of affordable rental housing; and further
5. Pursuit of partnerships with local non-profits, cooperative and other stakeholders in the community housing sector to create new affordable housing developments.

Initiatives 1, 2, and 5 above are generally consistent with actions in the Housing Action Plan (HAP), and, as such, have been implemented and/or are being implemented on an ongoing basis. Initiatives 3 and 4 are not currently contemplated in the HAP, and, as such, there is currently no timeframe for their implementation.

The initiatives not currently contemplated in the HAP could be further considered as part of a future review and possible update of the HAP following the completion of a housing needs report, as this report would be able to inform the potential application and implementation of these and other measures. In 2018, the Province amended the Local Government Act by requiring that municipalities prepare and publish housing needs reports within three years of the adoption of the applicable regulations, with subsequent updates required at intervals of no more than five years. It is currently anticipated that a housing needs report can be commenced in 2019 and completed in 2020, subject to the timing of the adoption of the provincial regulations.

PURPOSE:

This report responds to Council’s December 3, 2018 motion regarding affordable housing.

BACKGROUND/HISTORY:

At its Regular Evening Meeting on December 3, 2018, Council passed the following resolution:

Whereas access to affordable housing has become a crisis in the Lower Mainland and beyond;

Whereas a number of agencies and a variety of senior governments have developed policies and strategies to facilitate the delivery of more affordable housing at the municipal level;

Whereas local governments have the relevant jurisdiction and authority to administer policies with respect to the provision of affordable housing initiatives;

Whereas the BC Non-Profit Housing Association created a Pledge for 2018 local government candidates further to a comprehensive framework which includes:

- 1. Contribution of public lands to the community housing sector for new affordable homes;*
- 2. Protection of existing affordable housing supplies through retention and replacement policies;*
- 3. The zoning of existing and new rental developments as a rental only;*
- 4. Streamlining municipal permitting and rezoning processes to fast-track development of affordable rental housing; and*
- 5. Pursuit of partnerships with local non-profits, cooperative and other stakeholders in the community housing sector to create new affordable housing developments; and*

Whereas the majority of newly elected Township Councillors showed support for affordable housing by signing the Pledge in order to enhance affordable housing opportunities and options within the Township;

Therefore be it resolved that Council refer these items to staff for a detailed report back on the adoption and implementation of these initiatives, to be delivered at a future CPC meeting.

Legislative Context:

Pursuant to Section 473 of the Local Government Act, an official community plan must include housing policies of the local government respecting affordable housing, rental housing, and special needs housing. In addition, the Metro Vancouver Regional Growth Strategy (adopted in 2011) requires that municipalities prepare a Housing Action Plan, which, among other items, is required to identify housing priorities and implementation measures within their jurisdiction and financial capabilities. While municipalities have limited mandates and resources to address housing affordability, and their chief role is to ensure an adequate supply of residential land to meet housing demand through land use planning and regulatory processes, there are other opportunities for municipal action to address housing affordability. These include fiscal, education, and advocacy measures.

In 2018, the Province amended the Local Government Act by requiring that local governments prepare and publish housing needs reports. Such reports identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors. The requirement to prepare a housing needs report will take effect once the applicable regulations are adopted. From that point, a local government will be required to prepare its first housing needs report within three years, with subsequent updates required at intervals of no more than five years.

Ministry of Municipal Affairs and Housing staff have recently indicated that the adoption of the housing needs reports regulations (plus the release of additional guidance material and grant funding opportunities) is targeted for the early months of 2019. Consistent with the memorandum to Council dated May 24, 2018, staff will commence work on the housing needs report in 2019, subject to the adoption of the applicable regulations.

Township Policy Context:

In 2013, Township Council endorsed the Housing Action Plan (HAP) to guide decision-making related to market and non-market housing. The HAP includes over fifty (50) actions that aim to encourage a diverse and affordable supply of housing in the Township of Langley. The actions are categorized as short, medium and long-term, with an implementation timeframe as follows:

- Short Term Actions: 2013 – 2014
- Medium Term Actions: 2015 – 2017
- Long Term Actions: 2018 – 2022

In addition to the HAP, the Township's Official Community Plan (adopted in 2016) includes a number of policies to encourage affordable housing. Township Council also endorsed the Metro Vancouver Regional Affordable Housing Strategy (RAHS) in 2016 as a collaborative approach to addressing regional housing needs. The RAHS includes a number of recommended actions for Metro Vancouver, municipalities, and other stakeholders. Many of the recommended actions in the RAHS are currently contemplated in the HAP or as part of ongoing community planning efforts, while other recommended actions may be explored during a future update to the HAP.

DISCUSSION/ANALYSIS:

The following sections provide further information about the adoption and implementation of the five (5) initiatives referred by Council to staff, including an analysis of these initiatives in terms of the Township's current policy context.

1. Contribution of public lands to the community housing sector for new affordable homes

The contribution of public lands to the community housing sector for affordable housing can take a variety of forms, including sale and long-term lease (at market or non-market value). The term "community housing" is an umbrella term that refers to housing that is owned and operated by non-profit housing societies and housing co-operatives or housing that is owned by provincial, territorial or municipal governments.

This initiative is generally consistent with the following action in the HAP:

- Subject to availability of co-funding from other levels of government, develop a policy on municipal land banking for the purpose of future non-market housing development – consider the investigation of a Community Land Trust (Section 3.3.2a – Medium Term Action).

Land banking involves the purchase of land prior to the development of an area. A Community Land Trust is a non-profit society that acquires, creates, and preserves affordable housing.

As a medium term action (2015 – 2017) in the HAP, the Township has explored and continues to explore funding opportunities from senior levels of government to support the development of affordable housing on public lands.

2. Protection of existing affordable housing supplies through retention and replacement policies

This initiative is consistent with the following actions in the HAP:

- Review the existing mobile/manufactured home park policy to minimize impact on tenants from redevelopment (Section 3.2.3d – Short Term Action).
- Develop a policy that requires consideration, such as additional compensation, tenant notification standards, first right of refusal, and a rent-to-own provision in rental buildings, non-market housing projects, and mobile home parks being redeveloped (Section 3.2.3d – Short Term Action).
- When a rezoning is applied for as part of mobile home park redevelopment a minimum percentage of units to be affordable rental (Section 3.2.3d – Short Term Action).

Consistent with these actions, Manufactured Home Parks – Redevelopment Policy No. 07-121 was updated in 2015 to, among other items, provide a wider range of options that Council may consider to assist with the compensation and relocation of tenants (in addition to the requirements under the Provincial Manufactured Home Tenancy Act).

In addition, the OCP (adopted in 2016) includes the following as Policy 3.1.5:

- Require developers to provide some consideration for existing tenants in rental buildings, non-market housing projects, and manufactured home parks being redeveloped.
Consideration may include:
 - compensation
 - extended tenant notification standards
 - first right of refusal to purchase or rent new units
 - a rent-to-own provision

It is noted that there are other policy and regulatory measures that could be considered to preserve existing rental housing. These measures, which include strata title conversion policies, rental housing replacement policies, and rental zoning, could be considered as part of a future review and possible update of the HAP.

3. The zoning of existing and new rental developments as a rental only

On May 31, 2018, the Province amended the Local Government Act to provide municipalities with a new authority to zone for residential rental tenure, and enact zoning bylaws that:

- require that new housing in residential areas be developed as rental units; and
- ensure that existing areas of rental housing are preserved as such.

The new rental zoning authority can only be used where multi-family residential use is a permitted use. Within these areas, local governments can now:

- set different rules in relation to restricting the form of tenure of housing units for different zones and locations within a zone; and
- require that a certain number, portion or percentage of housing units in a building be rental.

As rental zoning authority did not exist when the HAP was finalized in 2013, the HAP does not identify this initiative as an action and, as such, there is currently no timeframe for its adoption or implementation. Staff recommend that rental zoning be considered as part of a future review and possible update of the HAP, following the completion of a housing needs report, given that the needs assessment would be able to inform the potential adoption and implementation of this measure. It is noted that existing policies, legal mechanisms, and legislative requirements currently help to provide protection for many rental housing developments in the Township, including Manufactured Home Parks – Redevelopment Policy No. 07-121, housing agreements that were secured through rezoning processes, and Strata Property Act requirements for the conversion of previously occupied buildings to strata title.

4. Streamlining municipal permitting and rezoning processes to fast-track development of affordable rental housing

Streamlining municipal permitting and rezoning processes to fast-track the development of affordable rental housing generally refers to prioritizing the review of affordable rental housing applications over other applications, resulting in the processing of the former applications being expedited. While not specifically identified as an action in the HAP or policy in the OCP, it is noted that staff have traditionally aimed to prioritize the review of applications for affordable housing (the Shepherd of the Valley and former Quality Inn applications being recent examples). Staff recommend that a formal policy and/or procedure for fast-tracking rezoning and permitting processes for affordable housing be considered as part of a future review and possible update of the HAP, following the completion of a housing needs report.

5. Pursuit of partnerships with local non-profits, cooperative and other stakeholders in the community housing sector to create new affordable housing developments.

This initiative is consistent with the following actions in the HAP:

- Partner with non-market funders and groups to support innovative demonstration initiatives (Section 3.2.3a – Long Term Action).
- Support pilot initiatives of rental housing projects and partnerships that would serve as a demonstration for others (Section 3.2.3b – Long Term Action).
- Encourage private market/non-profit partnerships that result in non-market units being built on or off site (Section 3.3.2a – Short Term Action).

The Township pursues and supports partnerships to create new affordable housing developments on an ongoing basis. This includes exploring direct partnership opportunities with the community housing sector on select Township projects and supporting partnerships within the community housing sector by connecting local non-profits and other stakeholders with one another. Additionally, the adoption of Development Cost Charge Waiver for Affordable Housing Bylaw No. 5380 in 2018 has allowed the Township to partner with the community housing sector on all eligible non-market rental housing developments by waiving the applicable development cost charges. Finally, the endorsement of Community Amenity Contributions Policy No. 07-166 in 2018, which includes contributions for an affordable housing reserve fund, may provide additional opportunities for the Township to partner with the community housing sector.

CONCLUSION:

In 2013, Council endorsed the Housing Action Plan (HAP) to guide decision-making related to market and non-market housing. Three (3) of the five (5) initiatives referred by Council to staff on December 3, 2018 are generally consistent with actions in the HAP, while two (2) of the initiatives are not currently contemplated in the HAP.

Subject to further Council direction, staff recommend continuing to implement the actions identified in the HAP while concurrently commencing work on a housing needs report (once the applicable provincial regulations are adopted). Staff recommend that the housing needs report be completed prior to the consideration of any additional initiatives given that the information in the report may be used to inform the consideration of any new actions related to housing affordability (through a review and possible update of the HAP).

Proposed Work Plan:

It is currently anticipated that a housing needs report can be commenced in 2019 and completed in 2020, subject to the timing of the adoption of the applicable Provincial regulations. The housing needs report could then be used as a basis for a review and possible update of the HAP in 2020 through 2021. The table below summarizes this proposed work over the next four year period, and, for ease of reference, highlights the initiatives from Council's December 3, 2018 motion.

Project	2019	2020	2021	2022
HAP implementation including, but not limited to, actions related to the following initiatives: <ul style="list-style-type: none"> • Contribution of public lands to the community housing sector for new affordable homes • Protection of existing affordable housing supplies through retention and replacement policies • Pursuit of partnerships with local non-profits, cooperative and other stakeholders in the community housing sector to create new affordable housing developments 	X	X	X	
Housing Needs Report	X	X		
HAP review and possible update with consideration of, but not limited to, actions related to the following initiatives: <ul style="list-style-type: none"> • The zoning of existing and new rental developments as a rental only • Streamlining municipal permitting and rezoning processes to fast-track development of affordable rental housing 		X	X	
(Updated) HAP implementation				X

Respectfully submitted,

Patrick Ward
STRATEGIC/SOCIAL PLANNER
for
COMMUNITY DEVELOPMENT DIVISION

This report has been prepared in consultation with the following listed departments.

CONCURRENCES	
Division / Department	Name
CORPORATE ADMINISTRATION DIVISION	S. Scheepmaker