



Development Services  
Staff Report to Council

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**DATE:** November 21, 2016  
**TO:** Mayor and Council  
**FROM:** Kirsten Hargreaves, Manager of Social Development & Gina MacKay, Manager of Long Range Planning and Special Projects  
**SUBJECT:** Mission Sustainable Housing Committee  
**ATTACHMENT:** Appendix A: Draft terms of reference  
Appendix B: Examples of Municipal Affordable Housing Incentives

**RECOMMENDATION(S):** Council consider and resolve:

1. That the Terms of Reference for the Mission Sustainable Housing Committee, as attached to the report of the Manager of Social Development and Manager of Long Range Planning and Special Projects dated November 21, 2016 be adopted;
2. That Councillor \_\_\_\_\_ be appointed as a non-voting member to the Mission Sustainable Housing Committee;
3. That \$3,000 from the Contingency Account be used to cover the cost of administrative staff to attend committee meetings in 2017, and that the 2018 and future budgets include this cost; and
4. That the Financial Plan be amended accordingly.

**OVERVIEW AND STAFF COMMENTS:**

This report has been prepared in response to Council's direction to staff to develop a new and ongoing sustainable housing committee and work with the Mission Association for Seniors Housing (MASH), Mission Association for Community Living (MACL), and Mission Community Services Society (MCSS) to address the following components:

- develop a plan to address the shortage of affordable housing rental units in Mission;
- Research affordable housing incentives for developers;
- Explore related costs to the District;
- Investigate the legal implications of providing incentives to landlords providing affordable rental units, and
- Data compilation and a systematic response to tracking trends.

All of these components contribute to an enhanced and comprehensive understanding of the needs of all Mission citizens.

Staff was also directed to draft the Terms of Reference (Appendix A) for this committee.

**BACKGROUND:**

Judith Ray, on behalf of Mission Association for Seniors Housing (MASH), Mission Association for Community Living (MACL), and Mission Community Services Society (MCSS), appeared before Council on July 4, 2016 to discuss housing issues in Mission. Council directed staff to work with MASH, MACL and MCSS to develop a plan to address these concerns through the formation of an ongoing sustainable housing committee.

**DISCUSSION AND ANALYSIS:**

Council directed staff to create an Affordable Housing Task Force (AHTF) on March 3, 2014 and appointed two Council representatives on April 7, 2014. The tasks outlined for the AHTF included:

- Reviewing existing policies and research approaches used in other communities;
- Defining Affordable Housing and Housing Affordability as they relate to incentive opportunities;
- Developing criteria for when and which incentives should apply to particular housing forms; and,
- Recommending amendments to existing policies and/or creating a new policy that included incentives to stimulate development of affordable housing units.

The AHTF began meeting in March and finished its tasks in June of 2014. A subsequent workshop was held with Council on July 7, 2014, following which the Director of Long Range Planning brought forward a report with recommendations for Council’s consideration. These included the following:

1. Adding “Affordable Housing units” to LAN 40 being the list of Community Amenities to which the Community Amenity Reserve Fund may be applied;
2. Adopting the “Affordable Housing Strategy Policy”;
3. Making amendments to the Land Use Application Procedures and Fees Bylaw 3612-2003, to reduce development application fees for projects with affordable housing units; and,
4. Holding an information session with the development community realtors, designers and non-profits on the Draft LAN 63 – Voluntary Flex Housing Policy.

It is anticipated that the newly formed Mission Sustainable Housing Committee will continue on the previous work of the Housing Task Force. Since 2014, the affordable housing landscape in Mission and the Fraser Valley Region has steadily worsened. Mission’s only emergency shelter, Haven in the Hollow, has experienced increased need as demonstrated through the following statistics:

2013-14	96.49% occupancy
2014-15	93.50% occupancy
2015-16	95.64% occupancy
2016 (Apr-Sept.)	98.09% occupancy

Rivendell (a second stage housing facility) has been operating at full capacity for three years and has a waitlist of 12 with new calls daily seeking availability. The affordable housing continuum is intended to operate so that a person moves from first to second to semi-independent or independent living. However, this continuum can only function and operate smoothly if there is space at every node for new people to enter the continuum and those at the end of the continuum to move up and out. Due to the serious shortage of affordable housing rental units, Rivendell tenants are being offered extensions so that they do not end up back on the street. With nodes clogged at every stage, a continuum intended to help becomes

ineffective and goes beyond the scope and ability of social services to address.

The Social Housing Inventory completed for Mission in 2009 and 2014 demonstrates a loss of units vs a growth in units. The rising cost of housing, flat incomes, post-secondary students graduating with high levels of debt, systemic failures, discharges from hospitals and prisons without housing in place, job loss, illness, family violence and crooked landlords are all contributing elements to the current housing situation. Most recently, the spring of 2016 experienced a change in human geography almost overnight. With the rise in house prices, many people decided to sell their rental homes and recoup profit. This displaced an estimated 185 new Mission individuals and families who were faced with limited housing options. Local social service providers were overwhelmed with new need and many families were forced to leave the community to find housing. These transitions cause children to uproot their school, friends and their caregiver's support system contributing to familial stress.

While the Assertive Community Treatment Team has made impressive inroads with hard to house and multiple barrier individuals, some funding loss will impact the ability to house ACT clients in hotels/motels. This drastically reduces the already limited options available to ACT staff and clients. Furthermore, Mission is ineligible for use of newly opening Riverview beds as we are not part of Greater Vancouver.

The next Fraser Valley regional homeless count 24 hour snapshot will take place March 8, 2017. Beyond the numerical indicator produced "24 hour count", the housing task force can work with the stone soup working group to collect additional data helping us better understand the needs of different demographics so that we may target specific actions. The current social service delivery model is crisis oriented and not set up to deal effectively with growing needs. This task force aims to operate in a proactive manner and get ahead of the curve and upcoming trends. A more detailed understanding of our community needs will allow us to partner with prospective affordable housing developers more efficiently.

Some examples of data that has been identified for this task force include:

- Vacancy rates at the low end of the market
- Average rents and rental variation for bachelor +
- Average incomes for those living in housing instability
- Cost of living index
- Rent supplement increases
- Built social housing units
- Number of affordable units needed across different demographics
- Percentage of women in shelters fleeing violence and women with children
- Percentage of homeless youth
- Percentage of homeless seniors

These statistics will also parallel Metro Vancouver where over 10,000 individuals or families are on the waitlist for BC Housing. Income assistance (welfare rates) have not increased in 9 years while average market rent has increased every year since 2010. This information will help us assess the affordability index across different groupings.

Despite the positive steps that have been taken in Mission through ACT, Stone Soup, Ready to Rent etc, almost every indicator points to an increase in homelessness and housing insecurity across the Region both now and in coming years as a result of structural factors that are often beyond individual control.

#### **FINANCIAL IMPLICATIONS:**

The Mission Sustainable Housing Committee will research a broad array of incentives used in other communities and make recommendations to Council. The financial implications

associated with each incentive will be included in the recommendations. Clearly established incentives and alternatives will show support for affordable housing units resulting in non-profits and developers ability to leverage external revenue from Federal, Provincial and non-government sources that support affordable housing.

In addition, based on estimated frequency, timing and length of Committee meetings, \$3,000 will be required to cover the cost of administrative staff to attend the meetings to take minutes. Given that the 2017 budget is close to being finalized, staff recommends that the contingency account be used for 2017 and that the ongoing cost be incorporated into the 2018 and future budgets.

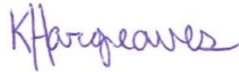
**COMMUNICATION:**

The first meeting will take place mid November 2016. Recommendations will be forwarded to Council on a quarterly basis. Communication may be more frequent due to emergency situations or the need to act quickly to take advantage of grant opportunities or time sensitive applications needing Council's approval or input.

**SIGN-OFFS:**



Gina MacKay, Manager of Long Range Planning and Special Projects




Kirsten Hargreaves, Manager of Social Development

Comment from Deputy Chief Administrative Officer  
Reviewed.

## Appendix A

### Draft Terms of Reference

	<b>MISSION SUSTAINABLE HOUSING COMMITTEE</b>
<b>DRAFT TERMS OF REFERENCE</b>	
Adopted:	

#### **PURPOSE:**

To provide information and recommendations to Council concerning the ongoing challenges of affordable and sustainable housing impacting a broad array of Mission citizens and to identify potential solutions for increasing available housing options and attracting affordable housing developers.

#### **MANDATE:**

The Committee will, consistent with the purpose described above, undertake the following:

- Utilize the good work done as part of the Affordable Housing 2014 workshops as a foundation and launching point
- Develop a plan to address the shortage of affordable housing rental units in Mission
- Research affordable housing incentives for developers
- Investigate the legal implications of providing incentives to landlords providing affordable rental units
- Data compilation and a systematic response to tracking trends to better understand demand, supply and the needs of various population types
- Advise Council on progress and bring recommendations forward as needed
- Appoint additional working groups as needed, to address actions arising from the committee
- Report quarterly to Council on its activities through the Social Development Manager and/or the Manager of Long Range Planning and Special Projects
- Promote awareness of the importance of affordable housing within the community

#### **GUIDING PRINCIPLES:**

Our sense of place enhances our community identity, emotional attachment and pride. Mission is the community of choice for many Mission citizens who have difficulty finding suitable affordable housing and/or are living homeless due to a lack of housing options.

Aligning with the stone soup philosophy, we recognize that we are better together and that collaborating with broad stakeholders for respectful dialogue and on-going exchange of information will enhance our ability for innovative solutions and a sustainable future.

We recognize that although it is not a Municipal mandate to supply affordable housing, there is a role the Municipality can play in working towards creative solutions to this systemic social challenge.

#### **MEMBERSHIP:**

1. The Committee will consist of fifteen (15) members appointed by Council, who shall serve without compensation.
2. Committee members (number noted in brackets) will represent the following groups/organizations:
  - a) Mission Community Services (1)
  - b) Mission Friendship Centre (1)
  - c) Mission Hope Central (1)
  - d) Mission Association for Community Living (1)
  - e) Mission Association for Senior's Housing (1)
  - f) Mission Mental Health (1)
  - g) Mission/Abbotsford ACT Team (1)
  - h) the Mission RCMP detachment (1)
  - i) Ministry of Social Development (1)
  - j) A housing provider/builder/agency (1)
  - k) BC Housing representative (1)
  - l) Citizen representative (1)

#### **NON-VOTING MEMBERS:**

3. Non-voting members will consist of designated District of Mission staff, as follows:
  - m) Social Development Manager
  - n) Manager of Long Range Planning and Special Projects
  - o) Member of Council

#### **WORKING GROUPS:**

The Mission Sustainable Housing Committee may establish working groups as required either on an ongoing basis or for a single initiative.

To encourage integration with the Mission Community Wellness Committee and collaboration across the community, already existing working groups under the umbrella of Social Development will be considered first for uptake of actions vs initiating new action teams.

#### **MEETING SCHEDULE:**

The Committee will meet monthly beginning November 2016.

## Appendix B

**TABLE 1: View of Other Communities that Provide Incentives for Affordable Housing**

Location	Incentives
<b>Peterborough, Ontario</b>	<ul style="list-style-type: none"> <li>• Municipal Incentive Program that waives municipal fees for applications, parkland and cash-in-lieu of parking</li> <li>• Development Charges Program that waives DCC fees</li> <li>• Tax Increment Grant Program that reimburse a portion of property taxes that results from increased assessment for 9 years</li> <li>• Central Area CIP Program for projects that redevelop site to include housing and cancellation of taxes on brownfield properties</li> </ul>
<b>City of Regina</b>	The city offers a residential tax exemption program for newly-constructed rental housing and ownership housing that meets eligibility requirements, as well as capital grants.
<b>City of Ottawa</b>	<ul style="list-style-type: none"> <li>• Reduces tax and regulatory barriers by reducing the higher tax rate for up to 35 years for new multi-family residential development with 7 or more units</li> <li>• Reduces costs by providing land and grants, and reducing fees and charges for downtown housing; and in other areas for non-profit and charitable developers</li> <li>• Establishing a housing first policy for surplus city land and leasing lands for affordable housing projects</li> <li>• Establishing a municipal bylaw designating housing as a municipal capital facility</li> <li>• Establishing a capital development program</li> </ul> <p>There is an organizational structure that bundles the above incentives for qualified development projects</p>
<b>City of Calgary</b>	Financial Incentive Pilot Program concluded successfully in 2013 after 1,350 affordable units were created, 15 different projects received one or more of \$10,000 grant (5 projects), development and building permit fee rebate (11 projects) and property tax rebate (9 projects)
<b>City of Saskatoon</b>	<ul style="list-style-type: none"> <li>• Goal in 2007 to create 500 affordable units annually through a capital funding from the Affordable Housing Reserve with funds from the sale of land for land bank which redirections some of the profits from land sales.</li> <li>• Downtown Housing Incentives that include Renovation Tax Abatement Program which reduces taxes by 25% up to \$10,000 per year for 5 years to encourage the preservation and revitalization of existing housing and increase accessibility for those with special needs.</li> <li>• Residential Conversion Program to reuse existing historic buildings that have outlived their original use. This program fixes taxes to pre-development levels for 2 years</li> <li>• New Residential Construction Downtown for vacant or brownfield lots is a tax based incentive for 5 years.</li> </ul>
<b>Regional District of Nanaimo</b>	<ul style="list-style-type: none"> <li>• Using the enabling legislation in the Local Government Act and Bill 27, DCCs may be waived or reduced for affordable housing projects and green development, and automatically exemption for small units less the 29 square metres (312 sf).</li> <li>• Sewer DCC reductions for Not-for Profit Rental Housing</li> <li>• Sewer DCC reductions for secondary suites that meet the BC Building Code</li> <li>• Water DCC waived in encourage development of affordable housing</li> <li>• City of Nanaimo charges no DCCs for construction within the Old City Neighbourhood.</li> <li>• City of Parksville waives DCCs for non-for-profit rental and exempts complexes owned by a non-for profit agency from municipal property taxes</li> <li>• Town of Qualicum Beach reduces DCC in the downtown area for affordable housing projects.</li> </ul>
<b>City of Kelowna</b>	<ul style="list-style-type: none"> <li>• Housing Opportunities Reserve Fund that relies on taxation, land sales etc. with the money used to buy land that is leased or sold to a builder with affordable units</li> <li>• Affordable Rental Housing Grant of up to \$5,000 per unit from an annual reserve of \$200,000 for grants.</li> <li>• DCC reduction is available while funds last with \$120,000 budgeted annually for units that enter into a housing agreement with the city. In addition, DCCs are based on unit size and density.</li> <li>• Revitalization Tax Exemptions for purpose-built rental projects when vacancy rates are below 3%.</li> <li>• Permissive tax exemption for non-project services, supportive housing with health services and a number of other uses.</li> </ul>
<b>City of Kamloops</b>	<ul style="list-style-type: none"> <li>• Affordable Housing Reserve Fund that provides direct capital assistance to a housing provider to build or purchase rental housing for low-income households up to a maximum of \$150,000 per project</li> <li>• DCC exemptions with the amount based on the number of affordable units</li> <li>• Downtown Revitalization Tax Exemption for new and renovation projects for up to 10 years</li> <li>• Reduced Parking Requirements based on number of bedrooms and .25 per unit for social housing</li> <li>• Below Market Real Estate Sales or Long-term Leases for city-owned land for affordable housing projects</li> <li>• In-house support for processing applications, expediting the process, and site-specific support for variances and re-zoning process, and assistance with public and neighbourhood consultation.</li> </ul>
<b>Provincial and Federal funding</b>	<ul style="list-style-type: none"> <li>• BC Housing</li> <li>• CMHC Affordable Housing Funding</li> <li>• May be new Federal money for partnerships with CMHC</li> </ul>