

DATE OF MEETING April 24, 2017

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SUBJECT AFFORDABLE HOUSING STRATEGY - TERMS OF REFERENCE

## OVERVIEW

### **Purpose of Report**

To inform Council about the upcoming Affordable Housing Strategy process and to provide the associated Terms of Reference for Council approval.

### **Recommendation**

That Council direct Staff to proceed with the Affordable Housing Strategy in accordance with the Terms of Reference.

## BACKGROUND

Section 3.2 of the City of Nanaimo “Official Community Plan Bylaw 2008 No. 6500” (planNanaimo) states that, “For Nanaimo to remain home for people of all income levels, it is critical to maintain the existing stock of affordable housing and to create opportunities for the development of new affordable housing.” The Official Community Plan (OCP) establishes a number of policies aimed at 1) providing opportunities for a range of housing type and tenure, as well as assisted housing, sufficient to meet the needs of city residents; and 2) maximizing the use of senior government programs / partnerships and private sector incentives to increase Nanaimo’s lower cost housing stock. The updated Strategic Plan affirms the urgency of this issue, making ‘Affordable Housing’ one of Council’s two strategic initiatives for 2016 - 2019.

Homelessness is the one of the most visible outcomes of an unaffordable or inaccessible housing market. Over the past eight years, the City has made significant progress on ending homelessness in our community through partnerships to build new social housing. In 2008, Council entered into a Memorandum of Understanding with the Province of British Columbia to facilitate the provision of 160 supportive housing units; to date, 128 units of these units have been built. The City has also taken a number of other policy actions aimed at facilitating affordable market housing, such as permitting rooming houses in residential areas, allowing secondary suites in most single-family dwellings and introducing new small lot zoning to enable greater density of development.

While these efforts have been steps in a positive direction, the City does not currently have an overall guiding policy documents to coordinate and prioritize our efforts towards greater housing affordability of both market and non-market housing. Without such a strategy, Council lacks critical information for decisions on future investments or policy decisions. Staff seeks Council’s direction to proceed with the Affordable Housing Strategy (the “Strategy”) as outlined in the attached Terms of Reference.

By working with our government and non-profit partners through the planning process, the Strategy will identify current housing needs, priority areas and options for action. The final document will set the priorities for the City of Nanaimo for 2017-2027 to address non-market and market housing affordability across the housing continuum and will include an implementation plan identifying short, medium and long term actions.

## OPTIONS

1. That Council direct Staff to proceed with the Affordable Housing Strategy in accordance with the Terms of Reference.
  - **Budget Implication:** Funding for the Affordable Housing Strategy is included in the 2017 Community Planning Budget.
  - **Policy Implication:** Preparation of a Affordable Housing Strategy implements the policy directives of the OCP (Section 3.2 - Affordable Housing).
  - **Engagement Implication:** The public and stakeholders will be invited to participate in the plan process through community meetings, focus groups and an open house.
  - **Strategic Priorities Implication:** Affordable Housing is one of the two Strategic Initiatives identified in Council's 2016 – 2019 Strategic Plan Update.
2. That Council direct Staff not to proceed with the Affordable Housing Strategy in accordance with the Terms of Reference.
  - **Budget Implication:** If the Affordable Housing Strategy does not proceed, the approved funding will be reallocated to other Community Planning projects.

## SUMMARY POINTS

- The OCP identifies access to housing as critical to community wellbeing.
- Funding for the Affordable Housing Strategy is included in the 2017 Community Planning budget.
- Council approval of the attached Terms of Reference will enable Staff to commence the Affordable Housing Strategy process

## ATTACHMENTS

Attachment A – Affordable Housing Strategy Terms of Reference

**Submitted by:**



B. Anderson  
Manager, Community and Cultural Planning

**Concurrence by:**



D. Lindsay  
Director of Community Development

### INTRODUCTION

The City of Nanaimo “Official Community Plan Bylaw 2008 No. 6500” (planNanaimo) was adopted in September 2008. Section 3.2 of the Official Community Plan (OCP) states that, “For Nanaimo to remain home for people of all income levels, it is critical to maintain the exiting stock of affordable housing and to create opportunities for the development of new affordable housing.” Affordable Housing is also one of Nanaimo’s two Strategic Initiatives in the 2016 – 2019 Strategic Plan.

The Affordable Housing Strategy (the “Strategy”) will be the first time the City of Nanaimo (the “City”) undertakes a comprehensive study of affordability across the housing continuum, which includes social, non-market and market housing (see Table 1 - The Housing Continuum). This approach recognizes that affordable market housing is critical to the City’s long-term prosperity, as attracting and retaining residents of all ages requires housing options that reflect typical income levels.

**Table 1 - The Housing Continuum**

Emergency Shelters	Low Barrier Housing	Transitional Housing	Supported Housing	Affordable Rental Housing	Assisted Home Ownership	Rental Housing	Home Ownership
<b>Social Housing</b>				<b>Non-Market Housing</b>		<b>Market Housing</b>	

*\* Based on: Review of Best Practices in Affordable Housing, Smart Growth BC, 2007, pg. 16*

Working with our partners in the non-profit housing and private sectors, the Strategy will provide an action-oriented plan based on the concerns, opportunities and priorities identified through the planning process.

### BACKGROUND / CONTEXT

BC residents face some of the highest housing costs in all of Canada. For more than fifteen years, the City of Nanaimo has been working with the provincial and federal governments and local community partners to address issues of homelessness and affordable housing in our community. In response to both acute demand and provincial funding opportunities, over the past decade the City has focused on ending homelessness. Following the creation of the Homelessness Action Plan in 2008, the City partnered with BC Housing to create new supportive housing. That year, Council entered into a Memorandum of Understanding with the Province of British Columbia to facilitate the provision of 160 supportive housing units for the homeless; to date, 128 of these units have been constructed.

While the new units made a significant difference to Nanaimo’s social housing stock, affordability is also a concern for renters and homeowners of market and non-market housing. Over half (53%) of renter households in Nanaimo spend more than 30% of their income on housing (rent and utilities), which is the limit set by the Canadian Mortgage and Housing Corporation for whether housing can be considered affordable. Of even greater concern, one out of four renter households spends more than half of their income on housing costs. Nearly all of these households are in the lowest two income quartiles, earning less than \$23,835 per year (Canadian Rental Housing Index, 2015).

At the same time that many renters face a serious affordability challenge, the cost of buying a home in Nanaimo is rising at a much faster rate than income. The most recent Canadian census found the average gross household incomes in Nanaimo increased 5.5% over a five year period, from \$45,937 in 2006 to \$48,469 in 2011. To contrast, the average price of a single-family home in Nanaimo rose eighteen percent in just the past year, from \$400,977 in November 2015 to \$472,137 in November 2016 (Vancouver Island Real Estate Board, November 2016).

In recognition of the rising housing demand, the City has taken a number of other policy actions aimed at facilitating new lower-cost market housing, such as allowing secondary suites in most single-family dwellings and introducing new small lot zoning to enable greater density of development. However, given that Nanaimo's population is already older than the national average and this trend is projected to continue, the City needs to take a proactive and coordinated approach to ensuring that housing in our community remains sufficiently affordable to a wide range of ages and income brackets. As discussed in both the OCP and the Strategic Plan, a balanced housing market with sufficient and accessible housing for all is a cornerstone of community wellness and sustainable economic development.

## PURPOSE

The purpose of the Strategy is to establish the City's role and priorities in regards to promoting housing affordability in Nanaimo over the next ten years (2017 – 2027). This will assist Council with decision making, help staff to coordinate with other agencies and governments, and aid public awareness and education in regards to what the City is doing on this issue.

## OBJECTIVES

Section 3.2 of the OCP identifies two broad objectives relevant to the Affordable Housing Strategy: 1) Identify opportunities to provide a range of housing type and tenure, as well as assisted housing, sufficient to meet the needs of city residents; and 2) Maximize the use of senior government programs / partnerships and private sector incentives to increase Nanaimo's lower cost housing stock. While these objectives were written specifically in regards to affordable housing, they can be applied to shelter needs across the housing continuum.

## DELIVERABLES

Two reports will be developed as part of the Strategy process:

**1) Affordable Housing Discussion Paper** - This background study will provide a situational analysis that takes stock of the existing housing need, supply and conditions, projects housing demand by type and tenure for the 2017 – 2037 period, and provides a better understanding of the challenges local partners and developers experience when creating new housing stock. The Discussion Paper will identify a range of policy options for creating and preserving housing in Nanaimo by drawing on current housing trends, the current role of the City and other partners in promoting housing affordability. This document will also identify best practices from comparable cities and the projected financial and other resource implications of the available policy options. The Discussion Paper will incorporate statistical analysis, a policy scan, and feedback from engagement activities.

**2) Affordable Housing Strategy & Implementation Plan** – The Strategy will draw on the Discussion Paper to set the strategic direction and priorities for the next ten years, and will include an implementation plan with clearly identified policies and actions to be taken over the short-term (1 – 2 years), medium-term (2 – 5 years) and long-term (5 -10 years). The Strategy will also provide guidance on implementation and tools for ongoing Strategy evaluation. Finally, this document will identify how the proposed housing policy actions can be used to promote other City priorities such

as sustainability, economic development, vibrant communities, public space, and community wellbeing.

## PROCESS AND TIMELINE

The following is a projected timeline to complete the various components of the Strategy. It is anticipated the process will take approximately 15 months to complete.

<b>Phase</b>	<b>Process</b>	<b>Duration</b>	<b>Deliverables</b>
<b>1</b>	<p><b>Plan Initiation</b></p> <p><i>Background research (current and projected demographic data, housing inventory, market analysis, etc.)</i></p> <p><i>Approval of Terms of Reference by Council; Issue the Request for Proposals for consulting services</i></p>	Three months	<p>Background Information</p> <p>Request for Proposals</p>
<b>2</b>	<p><b>Issues and Opportunities</b></p> <p><i>Stakeholder Engagement Sessions (Individual and Focus groups)</i></p> <p><i>Update to the Community Vitality Committee</i></p> <p><i>Public Engagement – Online Survey and Community / Neighbourhood Association Meetings</i></p>	Three months	Affordable Housing Discussion Paper (draft)
<b>3</b>	<p><b>Options Development</b></p> <p><i>Preparation of policy options, discussion with stakeholders</i></p> <p><i>Discussion Paper to Community Vitality Committee for comment</i></p> <p><i>Update to Council</i></p>	Three months	Affordable Housing Discussion Paper (final)
<b>4</b>	<p><b>Draft Strategy</b></p> <p><i>Present draft Strategy to Community Planning and Development Committee for comment</i></p> <p><i>Present draft Strategy to Community Vitality Committee for recommendation</i></p> <p><i>Open House</i></p>	Three months	Affordable Housing Strategy and Implementation Plan (draft)
<b>5</b>	<p><b>Finalize Strategy</b></p> <p><i>Revision of draft Strategy</i></p> <p><i>Public Hearing and Council adoption</i></p>	Three months	Affordable Housing Strategy and Implementation Plan (final)

## STEERING COMMITTEE

The Strategy process will be overseen by a steering committee. It is anticipated this steering committee will include representatives from the following sectors and organizations:

- Vancouver Island Realtors Board (1)
- Building and Development Sector (1)
- Non-Profit Housing Sector (3)
- Vancouver Island University (1)
- BC Housing (1)
- Regional District of Nanaimo (1)
- Member of the Community Vitality Committee (1)

The Community Vitality Committee, whose mandate is to promote the community’s wellbeing and to make recommendations to Council on proposed initiatives related to the social equity, will be asked for input through the plan process and to provide a final recommendation to Council. The Strategy will also be referred to the Community Development and Planning Committee for comment.

## KEY STAKEHOLDERS

Key stakeholders will be consulted and provided the opportunity for input throughout the process. The majority of focus groups and/or one-to-one meetings with stakeholders are scheduled for Phase 2 of the plan process (Issues and Opportunities), though given the complexity of the subject matter stakeholders may be invited to provide additional input / feedback at later stages of the plan process. Some of the key stakeholder groups will also be represented on the Steering Committee.

<b>Government Partners</b>	Canadian Mortgage and Housing Corporation BC Housing Snunymeux First Nation Island Health
<b>Non-Profit Sector</b>	Nanaimo Affordable Housing Society Homelessness Coalition Habitat for Humanity Nanaimo Association for Community Living Nanaimo Youth Services Association Makola Housing John Howard Society Pacifica Housing Salvation Army Mt. Benson Seniors Housing Society
<b>Business Community</b>	Canadian Home Builders Association (Nanaimo branch) Vancouver Island Real Estate Board Developers and commercial landlords

## **PUBLIC ENGAGEMENT**

A series of opportunities will be provided to involve the community within the planning process. Elements of the public consultation process may include, but are not limited to:

- Open Houses
- Community and/or Neighbourhood Association Meetings
- Focus Groups
- Survey Input
- Strategy updates on social media
- Public Hearing

Community meetings will be held in various locations around Nanaimo (e.g., North, South, Central and Downtown) to ensure equal opportunity for information sharing and gathering, and to enable a more focused discussion on the neighbourhood context.

## **RESOURCES**

### Staffing

The Community and Cultural Planning Section, led by the Social Planner, will be responsible for this project. Much of the work will be completed with City Staff resources, with consultants utilized for portions of the project. The City will utilize the services of these consultants to assist with elements of the plan process, including market analysis, population projections, public engagement materials and session facilitation, and document preparation.

### Budget

Funding for the Affordable Housing Strategy is included in the 2017 Community Planning budget.

### Relevant Plans and Policies

City of Nanaimo Social Development Strategy: Phase 1 Status Report (May 2003)

City of Nanaimo Social Development Strategy (September 2004)

Official Community Plan Bylaw 2008 No. 6500 (planNanaimo)

A Response to Homelessness Action Plan: A Housing First Approach, Situational Analysis. City of Nanaimo (May 2008)

A Response to Homelessness Action Plan: A Housing First Approach, Relevant Best Practices. City of Nanaimo (January 2008)

Nanaimo's Response to Homelessness Action Plan. City of Nanaimo (July 2008)

Housing Needs Overview Prepared for Regional District of Nanaimo, Nanaimo, Parksville, Qualicum Beach (January 2009)

Connecting Housing Needs and Opportunities, Regional District of Nanaimo (March 2009)

Our Home, Our Future: Projections of Rental Housing Demand and Core Housing Need in Regional District of Nanaimo to 2036. BC Non-Profit Housing Association (September 2012)

City of Nanaimo Corporate Strategic Plan, 2016 - 2019