

A HOME FOR EVERYONE:

A HOUSING STRATEGY FOR BRITISH COLUMBIANS



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MESSAGE FROM THE COMMITTEE

Housing affordability is an issue that concerns all communities throughout British Columbia.

It is a serious problem that needs new creative solutions.

What we have been doing is no longer working. Housing prices are too high, household debt levels are too high and too many people become homeless and stay homeless for too long.

That is why it is very encouraging to see the Province putting forward substantial proposals for action, and the Government of Canada coming forward with the new National Housing Strategy.

Local governments have long advocated for action and are willing to work towards practical solutions that are flexible enough to address the specific needs of communities throughout B.C.

This will require officials from all orders of government to roll up their sleeves and work together, both on broad framework policies and on community specific approaches.

In this paper we clearly state that local governments are willing partners in practical actions that lead to real change for our citizens. In our view such change requires that we move quickly to:

- Create a large amount of affordable rental housing starting now and continuing for at least 10 years;
- Actively manage housing prices through targeted tax and regulatory changes;
- Take a more comprehensive approach to homelessness that is focused on prevention; and,
- Work collaboratively across all levels of government to put these solutions into action.

We believe that now is the time to act and we are ready to get to work on practical community based solutions.

Mayor Greg Moore – City of Port Coquitlam. Chair of Metro Vancouver Regional District and Chairperson of the Metro Vancouver Housing Corporation.





EXECUTIVE SUMMARY

British Columbia needs to change its approach to housing policy.

We need actions to address the key issues behind the current crisis in affordability.

These issues are:

1. *Too little rental housing is being built*

For decades, British Columbia and federal housing policy has placed a priority on homeownership. Current housing price levels are forcing a new approach as homeownership is simply out of reach for many households across the province, whether in urban centres, resource dependent communities or tourist dependent communities. Building additional purpose-built rental housing will increase the variety of housing options for British Columbians and presents a viable short to mid-term approach to improving affordability.

2. *Housing prices need to be stabilized*

Available data suggest that housing prices have been driven up by investor demand and speculation. While this has created wealth for existing homeowners, it has also placed the possibility of purchasing a home out of reach for many British Columbians. This in turn creates pressure on the rental stock and other forms of housing, increasing competition for an ever-smaller number of units for moderate to low-income individuals and families. All too often these options run out and too many people face the reality of homelessness. People deserve housing options aligned with incomes in their communities. Taxation measures to address both foreign and domestic speculation should be considered to stabilize housing prices.

3. *Too many people become homeless and stay homeless for too long*

While appropriate services must be provided to those who are currently homeless, research suggests that relying primarily on such services while ignoring pathways into and out of homelessness is both expensive and ineffective. Effectively addressing homelessness will require a broader perspective, encompassing poverty reduction and mental health, among other factors.

4. *All orders of government need to work together*

Governments, be they federal, provincial or local, have not fully gauged the magnitude of this issue as it has been building. It is now at a scale where all orders of government are going to need to creatively and collaboratively use the full array of tools available to them. As part of this, we recognize the need for local governments to be ready, willing partners in finding solutions.



We have identified four major policy shifts as priority action areas that span a continuum from addressing homelessness, through to creating substantial new rental housing stock, and stabilizing the ownership market so that the possibility of homeownership once again becomes realistic for a greater number of British Columbians:

1 *A Rental Housing Strategy*

This would substantially increase the amount of rental housing available to British Columbians over the next decade. We agree that the provincial government's stated commitment of 114,000 units over 10 years is approximately what is needed, and provide recommendations for how this can be done while respecting the diverse needs of local communities.

2 *A Demand Management Strategy*

The purpose of this strategy would be to adopt an evidence-based approach to address both foreign and domestic speculation. This approach should have the short-term goal of stabilizing housing prices, and the long-term goal of increasing the diversity of housing options to ensure that affordable options are available to British Columbians.

3 *A Comprehensive Homelessness Strategy*

The emphasis of this strategy is to prevent, not manage, homelessness, through comprehensive measures to address poverty, mental health, addiction and other key drivers of homelessness. It would be designed around substantially reducing the number of people who are homeless by reducing pathways into homelessness and increasing pathways out of homelessness while continuing to provide appropriate services to those who are currently homeless.

4 *An All Government Approach Towards Housing Affordability*

Local governments welcome the direction and commitments that the federal and provincial governments are now making in housing. Local governments understand the diverse needs at the community level and are here to collaborate and advance housing with the federal and provincial governments for the provision of affordable housing solutions.

In implementing these shifts, we emphasize the importance of retaining local choice, to ensure that the specific needs of individual communities are met.

APPROACH

The purpose of this report is to set out a practical agenda for tackling British Columbia's affordable housing crisis. The Committee has provided a comprehensive set of practical recommendations to the UBCM Executive and UBCM members that will guide local governments as they engage with the federal and provincial governments on emerging changes to housing policy.

The Committee believes that the newly unveiled National Housing Strategy and mandate letters provided to provincial Cabinet Ministers create the best opportunity to address housing issues that we have seen in at least 30 years.

As we go forward, local governments must be prepared to effectively engage with Canada and British Columbia in order to ensure that both new investments and legislative, program and policy changes are made in ways that actually work on the ground and produce changes that work in the diverse context of British Columbia's large urban regions, resource communities, tourist dependent communities and rural areas.



UBCM Resolution: A Housing Action Agenda for British Columbia – Vancouver, 2015

Therefore be it resolved that the Province develop and implement a comprehensive housing program, including measures to stimulate rental housing construction, maintain existing rental housing, reduce speculation, increase investments in social and non profit housing and expand opportunities for first-time home buyers.





The four policy shifts are:

1

A rental housing strategy that substantially increases the amount of rental housing available to British Columbians, over the next decade.

2

A demand management strategy that stabilizes house prices so that British Columbians can once again realistically be able to own a home without incurring crippling debt.

3

A comprehensive homelessness strategy to substantially reduce the number of people who are homeless by reducing pathways into homelessness and increasing pathways out of homelessness while continuing to provide appropriate services to those who are currently homeless.

4

An all government approach towards housing affordability, where each order of government works actively within their own sphere of responsibilities and collaborates at a community level to bring about community appropriate change. Local governments are ready to be active partners in this approach.



APPROACH

These recommendations address what we see as the three key issues in the B.C. housing sector:

1

Too little rental housing is being built. British Columbia communities face a range of issues, but all need to be able to house workers in housing that households can afford. In many places, housing prices are simply out of reach. In others, the cyclical nature of the resource economy does not make purchased housing a viable option. In still others, the nature of tourist dependent communities means that housing costs are out of reach for service sector workers. All this points towards the need for more rental housing.

2

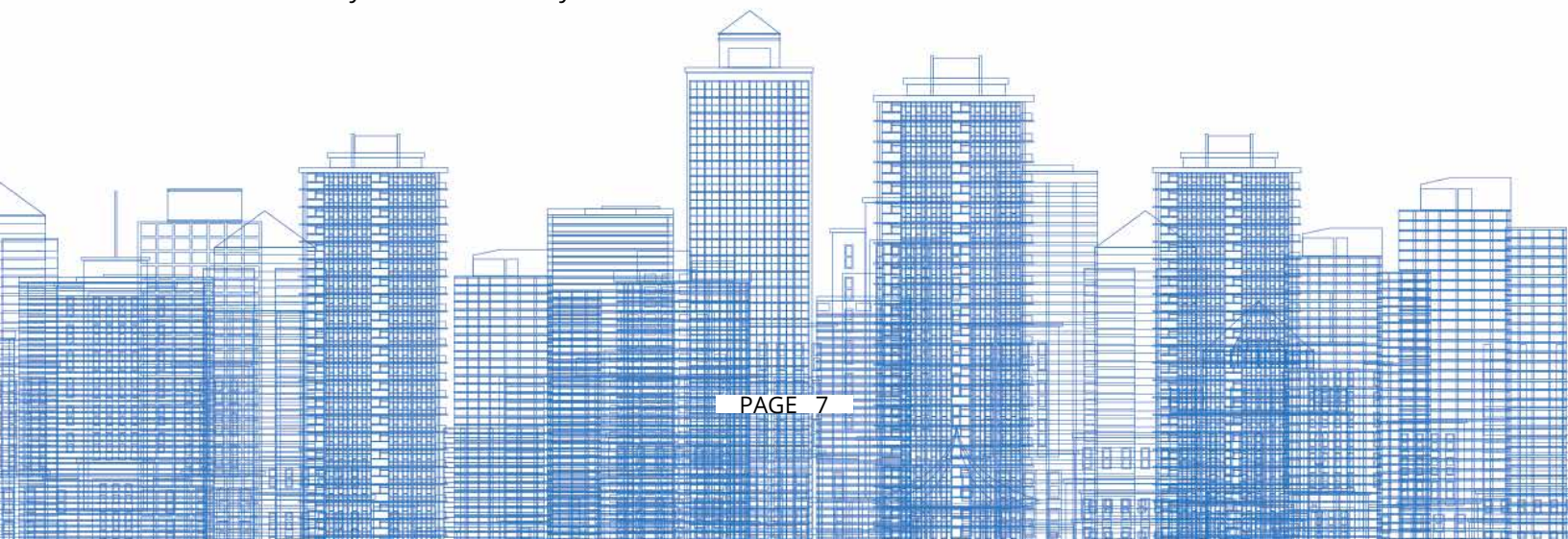
Housing prices need to be stabilized. Available data suggest that British Columbia housing prices have been driven up by investor demand and speculation. While this has created wealth for existing homeowners, it has also placed the possibility of purchasing a home out of reach for many British Columbians. At the same time, it has also drastically increased household debt levels and left homeowners, particularly those with high debt and low equity, vulnerable to a downward movement in prices. This in turn creates pressure on the rental stock and other forms of housing, increasing competition for an ever-smaller number of units for moderate to low-income individuals and families. All too often these options run out and too many people face the reality of homelessness. People deserve housing options aligned with incomes in their communities.

3

Too many people become homeless and stay homeless for too long. This needs to be addressed through more proactive strategies that reduce the number of people who become homeless and more active strategies to help people move out of homelessness. This includes more comprehensive measures to address mental health, addiction and other key drivers of homelessness. While appropriate services must be provided to those who are currently homeless, research suggests that relying primarily on such services while placing too little emphasis on pathways into and out of homelessness is both expensive and ineffective.

4

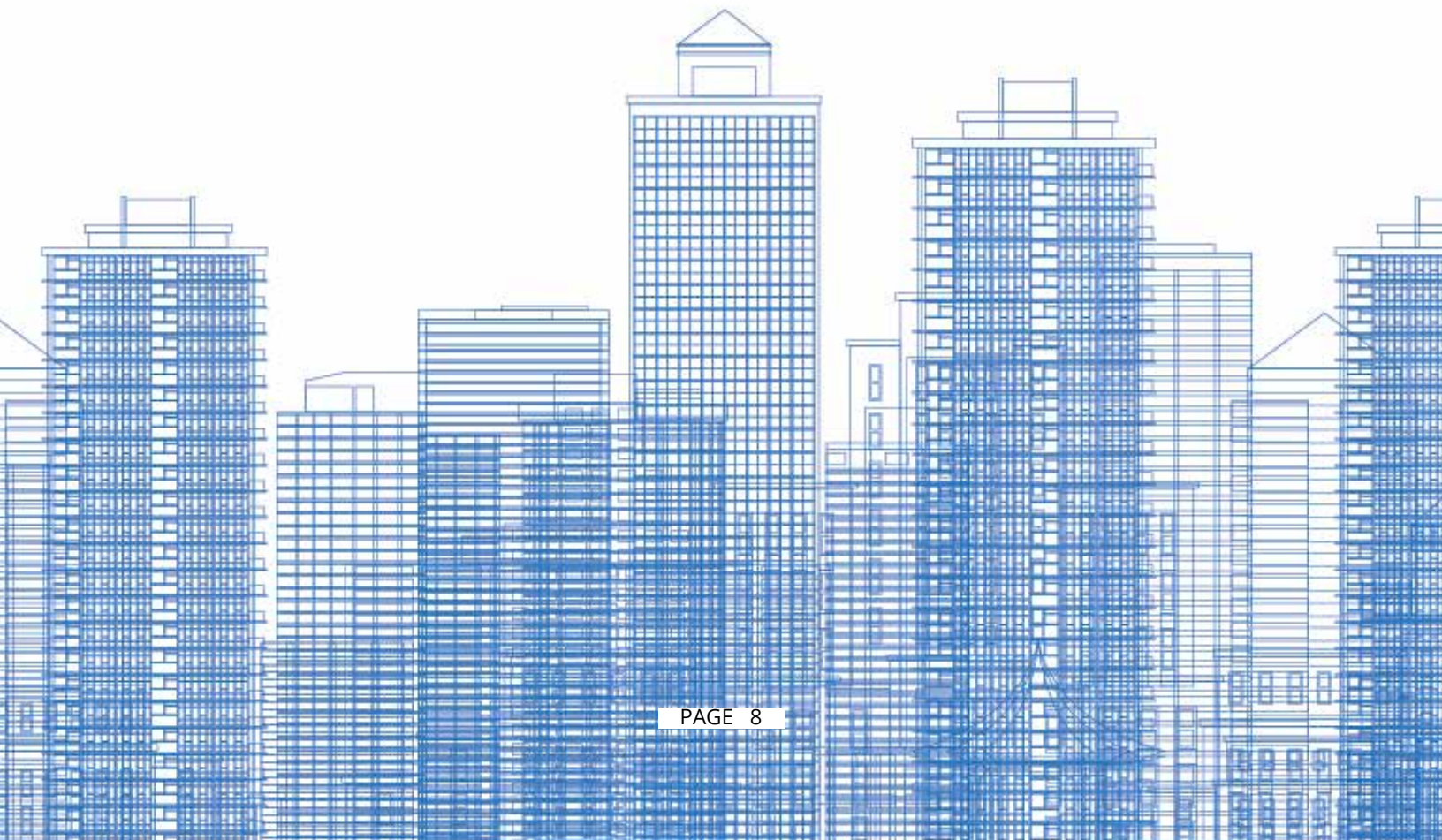
Governments, be they federal, provincial or local, have failed to fully gauge the magnitude of this issue as it has built. It is now at a scale where all orders of government are going to need to creatively use the full array of tools available to them.





Taking these actions comes with serious challenges. However, the Committee wants to say in no uncertain terms that the issues British Columbia faces with respect to housing affordability, availability and homelessness are the result of a long period in which all governments have given too little attention to the consequences of diminished affordability. Although the Committee welcomes the new National Housing Strategy and commitments by the current provincial government to act on key housing issues, it will take many years to address the issues that have built up over the past 30 years.

In making a comprehensive set of evidence-based recommendations, the Committee rejects simplistic approaches to housing supply. While local government development fees and rezoning processes are factors in the provision of housing, housing prices have more than doubled in 10 years, creating a domino effect across the housing continuum. And while the Committee rejects simplistic single dimension solutions, it recognizes that local governments play a strategic role in community planning. Local governments want to use this role to actively partner with the federal and provincial governments, the private sector and the not-for-profit sector, to tackle housing affordability.





PRINCIPLES

We have developed our approach on the basis of five key principles as follows:

1. **Collaboration** - there is a need for collaboration between all orders of government - federal, provincial, local and First Nation - in the creation and implementation of actions.

The federal and provincial governments have powerful tools - interest rates, mortgage guarantees, tax policy setting authority, immigration policy, policies affecting tenure, enormous capacity to invest in the housing sector, income distribution policy and labour market policy.

Local governments have responsibility for the governance of their communities and ultimately need to deal with the local consequences of federal and provincial policies be that through planning and development approvals or through policing and bylaw enforcement.

Local government collaboration with First Nations and other Indigenous organizations represent an important opportunity for addressing issues of joint interest, including addressing housing needs faced by rapidly growing urban Aboriginal populations throughout B.C.

Collaboration will help all orders of government create policies that work. For example, collaboration on data acquisition and sharing may be critical towards ensuring that housing policy development is evidence based. Such collaboration is needed regardless of the policy inclinations of federal and provincial governments - it is required when they are taking a relatively hands-off approach and it is required when they are taking a more active approach.

2. **Community Needs Vary** - There are substantial differences in the needs of British Columbia communities. While affordable housing is an issue in many, if not most, communities the needs vary from runaway housing prices in major urban centres to the needs of specialized populations such as low-income seniors, in others.





3. **Housing is an important part of a strong economy** - affordable and adequate housing across the housing continuum is a necessary part of a strong economy. Whether it is a homeless person who cannot find employment because they have no stable home, an employer who is dealing with a lack of workers caused by high housing prices or a university researcher or tech worker who chooses not to locate to B.C. because of high housing prices and long commutes - housing matters to the economy.
4. **Housing is important to human health and a healthy society** - affordable and adequate housing is essential to a healthy population. Where it is not available, the consequences ripple through the health, social service, education and justice systems. A great deal of evidence suggests that dealing with housing is more cost effective than dealing with the consequences of inadequate housing.

One of the principles of the recently released National Housing Strategy is that every Canadian deserves a safe and affordable home. The strategy clearly states that housing rights are human rights and commits the government to introducing legislation that promotes a human-rights based approach to housing. We agree and believe that such an approach requires that sufficient resourcing be in place to support the principle.

5. **Balance** - Governments need to find a place of balance between economic growth and equity. Recently released data suggest that British Columbia's economy is now more reliant on real estate than Alberta's economy is on oil¹. While recognizing that real estate is an important source of wealth for existing homeowners, the current emphasis on this component of the economy does not come without costs. Increasing housing prices are driving growing numbers of British Columbians out of the housing market, with ripple effects through the housing continuum, and significant long-term implications for equity.



AGENDA FOR ACTION

1. INCREASING THE SUPPLY OF RENTAL HOUSING

For decades, British Columbia and federal housing policy has placed a priority on homeownership. For example, CMHC guarantees on high ratio mortgages, low interest rates held in place over an extended period, and capital gains tax exemptions on principle residences have historically enabled significant numbers of Canadians to access homeownership.

Housing choices effectively come down to buying a home, renting aging rental stock, finding a secondary suite or an owned condominium to rent or applying for one of too few subsidized housing units.

Current housing price levels are forcing a new approach as homeownership is simply out of reach for B.C. families and there are no realistic actions that are going to quickly bring prices in line with incomes.

The only effective short and medium-term approach is to substantially increase the rental housing stock.

The provincial government has given the Minister of Municipal Affairs and Housing responsibility to:

- Through partnerships with local governments, the federal government, and the private and not-for-profit sectors, begin to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchase housing; and,
- Create new student housing by removing unnecessary rules that prevent universities and colleges from building affordable student housing.

The Committee supports this direction and will make recommendations that are designed to make these investments work across the diverse needs of British Columbia communities.

We also agree that the government's stated commitment of 114,000 units over 10 years is roughly what is needed.

That said, it is clear to us that any program designed to deliver these units must be flexible, to accommodate local needs.



UBCM Resolution: Affordable Housing - Terrace, 2014

Therefore be it resolved that UBCM advocate to the provincial government to increase the number of new affordable housing units constructed in British Columbia as soon as possible.



Key factors that will vary between communities are:

- The mix of subsidized and market units;
- The relative focus on unit retention versus new units, both with respect to subsidized and market units;
- The population to be served – be it families, workers in resource or resort communities, seniors or those who are homeless or at risk of homelessness;
- The mix between purpose built rentals and secondary rental accommodation;
- How the units are best integrated into the community – in some cases proximity to transit will be key. In other communities, different values will apply.

We are also keenly aware that publically financed units are expensive and that no government will be able to supply this number of units through public financing means. As a result, we propose a mix of public and private financing designed to both provide publically financed housing to those most in need and to draw private dollars away from investments that are pushing up prices and towards those supporting rental housing for those who need it.

Recommendations:

- **1.1 Support for the provincial government's major housing construction commitment-** UBCM should support the provincial government's commitment to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchase housing through partnerships over 10 years.
- **1.2 Ensure delivery of 114,000 units is flexible enough to meet community needs-** Any program to deliver the 114,000 units must be flexible enough to meet the diverse needs of B.C. communities. Matters such as the mix between subsidized and market units, the mix between retention and renovation of existing units and new units, the target group for the units (single workers, families, seniors) should fit the needs of communities.
- **1.3 Work towards retention and renewal of existing subsidized housing-** The federal and provincial governments should provide for renewal of operating agreements with non-profit housing providers to ensure that existing non-profit housing is retained and properly maintained.
- **1.4 The Province and federal government should continue and expand programs that will encourage the retrofitting of existing housing stock to improve energy efficiency.** Such initiatives can have many benefits including reduced operating costs for residents, and reduced greenhouse gas emissions. These initiatives may be particularly valuable for residents of northern B.C. where energy costs can be a major contributor to housing costs.



- **1.5 Work towards retention and renewal of existing privately owned purpose-built rentals-** The most affordable rental housing is that which already exists. However, this needs to be maintained in order for it to not slide into inadequacy.

It is recommended that the federal and provincial governments create a renewed residential rehabilitation program and that the provincial government allows a slightly higher allowable rate of rent increase to landlords under rent controls to provide both the:

- (a) basis for continued maintenance; and,
- (b) more substantial rehabilitation where required.

To balance this with the interest of renters, we recommend that these measures be combined with enhanced protection for tenants. This would be done through enabling local governments to refuse demovictions that result in evictions and to require replacement rental housing before allowing the demolition to proceed. Also, enabling municipalities to manage renovations through clearer authority where they can require and enforce standards of maintenance bylaws and deny building permits where renovations may result in evictions, without incurring liability, would all support affordable rental housing.

- **1.6 Support the construction of new privately financed purpose built rental housing-** It is recommended that the Province and federal government work towards creating a financial and regulatory context that supports the construction of new privately financed purpose built rental housing.



UBCM Resolution: Market Rental Housing Stock - New Westminster, 2012

Therefore be it resolved that the provincial government provide incentives for the retention of existing and development of new market rental housing.

Subsidized housing is too expensive to fully address the existing gap between rental housing demand and supply. Substantial private investment is needed. Most B.C. communities have not seen enough new, privately financed, purpose built rental housing constructed for many years. In many situations, this has resulted in reduced rental housing quality or outright shortages leading to very low vacancy rates. Rising prices have priced housing units out of the range of many British Columbians. The only short-term solution is more rental housing. However, developers have difficulty in making the business case for such housing competitive with that for new condominiums. Changing that should be a priority.

Possible specific actions that could be useful in combination are:

- a tax credit for investment in new purpose built rental housing trusts; and
- deferment of capital gains tax where an existing property is transferred to and retained in a purpose built rental-housing trust. It should be noted that this would not eliminate the tax, but simply defer it until the property is removed from the trust, as if the owner had continued to own the existing property.



- **1.7 Provide local governments with the legislative authority to create zoning for affordable rental housing-** For several years, local governments have called on the provincial government for the ability to create zones for rental housing. The provincial government has rejected this proposal on the basis that it is too great an intrusion into private property rights. It has instead opted to provide authority for rental agreements to be negotiated between local governments and developers at the time of zoning. Over the 25 years this has been in place it has been a useful provision. However, the scale of the affordability crisis makes it clear that more is needed.

Recently Ontario, Alberta, and Manitoba have begun to provide local governments with the authority for inclusionary zoning which includes the ability to require that developments in specific zones have a minimum number of affordable rental units. This is a substantial policy change but the potential for this to remove challenging negotiations from the re-zoning process and the way in which this could facilitate rental development in transit priority areas in advance of major transit capital projects suggest that the time has come to seriously consider such a change.



UBCM Resolution: Rental Zoning - Burnaby, 2007

Therefore be it resolved that the Province be requested to amend Section 903 of the Local Government Act to authorize local governments, if they should so choose, to enact land use regulations that would regulate residential rental tenure through zoning and other measures.

- **1.8 Promote wood-frame construction** - By far the most economical way of constructing new rental housing is mid-density wood frame development. Wherever practical, government financed initiatives should utilize and showcase B.C. wood products. This is especially important when it involves less traditional uses for wood, such as taller buildings.
- **1.9 Review the Residential Tenancy Act provisions relating to secondary rental** -Secondary suites and second dwellings on what were previously single-family parcels have become a housing option for new renters and a means by which new owners help finance purchases. These are an increasingly important source of supply, and in many communities, regulations have been altered over the past 20 years to provide clearer legal status to these dwellings.

This is largely an area where local government has current authority and discretion to act in ways that are consistent with community needs. However, it is important that property owners who have rentable accommodation are willing to put that onto the rental market as opposed to utilizing it for short-term rentals or leaving it vacant.

To make this form of affordable rental housing more viable for prospective landlords, the government should give particular attention to the needs of these arrangements and specifically create provisions for dealing with problem tenants, as it reviews the *Residential Tenancy Act*.



UBCM Resolution: Long Term Rental Accommodation - Radium Hot Springs, 2017

Therefore be it resolved that UBCM request the Minister Responsible for Housing to undertake a review of the Residential Tenancy Act to identify and address elements of the Act that discourage development of new long term rental accommodation housing stock and that discourage existing homeowners from offering long term rental accommodation.

- **1.10 Funding rental housing-** We do not recommend a specific funding source, but highlight that property transfer tax revenues are significant – over \$2 billion in 2016 – as a result of high housing prices and therefore the Province has a responsibility to re-invest a significant portion of this revenue to address the impact of higher housing prices on B.C. households.
- **1.11 Program design-** Program design be built on a model in which local governments collaborate with non-profit housing providers to create local delivery strategies rather than working on a project-by-project basis, which will place local governments in the role of approving individual projects either before or after provincial financing is in place.
- **1.12 Community integration and income mix-** It is recommended that the program design ensures that projects are created for a mix of incomes and are appropriately integrated into existing neighbourhoods.
- **1.13 Non-profit sector capacity-** It is recommended that the provincial government work with non-profit housing providers and the federal government on the design of the co-investment fund promised in the National Housing strategy in order to create additional financing possibilities for non-profit housing providers.
- **1.14 Limited equity home ownership-** It is recommended that the provincial government act to facilitate the increased development of limited equity homeownership forms such as housing co-ops and housing associations.

Increased prices mean that prospective homeowners need new pathways to homeownership. The development of the *Condominium Act* in the 1970's revolutionized the B.C. housing market, dramatically increasing options for homeownership while substantially reducing the availability of rental housing.

Given that traditional homeownership is out of reach of many British Columbia families, it is time to explore the expansion of limited equity ownership models that allow for home purchase, but limit the value of resale.



- **1.15 Provincial/local government urban development agreements**

In order to create affordable housing, there is often a need for associated infrastructure. For example, ensuring that affordable housing is located near transit lines is an important component of reducing household costs and increasing affordability. Not only does this benefit people and the environment, ensuring renter households reside near transit lines helps drive transit ridership.

In other communities a similar link exists between transportation, water or sewer infrastructure and future housing supply. Linking infrastructure to housing requires a clear process by which future zoning, together with appropriate density and inclusionary housing targets can be linked to infrastructure development.

In Metro Vancouver, the Mayors' Council on Regional Transportation has proposed a structure for such agreements. We believe this can support both the transportation strategy and the creation of affordable housing.

Similar approaches should be available to other communities to reach common goals with the provincial government.

- **1.16 Increasing property tax flexibility**– creating affordable rental housing is going to require the use of an array of policy tools. It is recommended that the provincial government provide local governments with the authority to create property tax sub-classification for affordable rental property.



What Can Be Done About the Length of Time It Takes for New Development to Be Approved?

One of the most asked questions of local governments with respect to housing is why do developments take so long to approve?

There is no question that developers, be they for profit or non-profit, would like to see development applications dealt with as quickly as possible.

There is also little doubt that there is a cost to taking a development through the rezoning process and that this cost increases with time and with the number and scope of revisions that must be made to the original development application. However, it is also important to note that this is not the reason for B.C.'s very high housing prices. Over the past 12 years, the price of a benchmark residential property in the lower mainland has increased over 250% from under \$400,000 to over \$1,000,000. That clearly is not a result of changes in development approval times or the cost of the development approvals process.

It is also important to highlight the very large volume of developments being approved. In 2016, B.C. housing starts exceeded 40,000, and 2017 estimates are in line with that estimate. This represents a rate of supply expansion that is, and has for a considerable length of time, been on par with, or higher than, the rate of household formation.

So, while development approval times are not driving house prices, they may affect the rate at which new units come onto the market and this is an issue for the creation of new affordable rental units.

Why does this happen and how can it be addressed?

Most property in B.C. urban settlements is subject to some form of zoning. An owner who wants to change how a property is used to a use not permitted by the current zoning, must apply to the local government for a change in that zoning. It has long been recognized that because such a change in use – for example from a house to a three-story apartment building – impacts surrounding properties, neighbouring residents must be notified of the proposed change and be able to have a say in whether the change proceeds. As new housing has increasingly come to mean higher density development in already built-up areas, the impact on neighbouring properties has intensified and community groups have become more vocal and more organized in expressing their interests. After all, while developers want change, property owners and community residents have legitimate interests in protecting the quality of their day-to-day lives and the value of what is likely their largest investment.

The role of local government under B.C. law is not to act as an advocate for new development –that would actually be contrary to B.C. law - but to act as a neutral quasi-judicial decision maker hearing both the views of the developer and the citizens and making a decision.

At one time, this role was exercised by receiving the development application, giving notice to residents, and hearing all points of view at a public hearing. These could be long and contentious with unpredictable



outcomes. They created a win-lose situation. If the development was turned down, it was very long road to reconsideration of alternatives and developers were left with significant sunk costs and an uncertain future. If it was approved, community groups were very disappointed and often became politically active to advocate for a different approach.

Today there is much more up-front dialogue between developers and the neighbourhood residents. This results in a great deal more negotiation before a project gets to a formal public hearing. The goal of this process is to address concerns earlier in the process and avoid public hearing showdowns. Many times it works. However, it does take time. Some of that time is attributable to local government decision making, some is attributable to the time it takes developers to reconfigure proposals to meet community concerns, and some may be attributed to developers holding off for business reasons.

Within this context, local governments have been innovating and creating new modernized systems for managing development approvals, such as Kelowna's online application system².

Obviously, participants would like to see proposals move forward more quickly, with greater certainty. However, there is no easy way to achieve these outcomes. Proposals such as legislated deadlines would likely simply result in more development proposals being turned down as the deadline approaches. Any revisions to the legislated process will necessarily involve trade-offs between community opportunity for meaningful input, certainty for each party, expediency and cost.

How best to ensure that development approvals don't unnecessarily hold up supply is therefore a complex question that requires serious engagement between the provincial government, local government and the development industry. This is not an easy issue for any of the parties involved and not surprisingly, it has been decades since the provincial government has expressed interest in such dialogue.

In this context, our recommendations are both modest and practical. We support the province's proposal to work towards the construction of large amounts of affordable rental housing. We believe any such program should include early consultation with local governments to determine how this could best work in individual communities.

Local governments are deeply invested in community planning. They have a good idea where new affordable rental developments could work and where it will take considerably more work for change to occur. The province is working on a 10+ year time horizon, so with proper planning and dialogue it is very likely that sensible places for the location of this housing will be found.

That said it may well be time to take a serious look at the development approval process to determine where it can be improved. To this end:

- ***1.17 We recommend that the provincial government work with local government and stakeholders to review the process for rezoning property - Such a review would be able to take an impartial and in-depth look at whether the existing process appropriately engages affected citizens.***



Are Development Fees the Cause of High House Prices?

Another one of the most asked questions of local governments with respect to housing is why are development charges so high?

In British Columbia, local governments may impose charges on new development to cover the impact that development will have on the need for future development of sewer, water, road and drainage infrastructure, as well as the cost of future parkland acquisition.

These are not random charges. There are real costs that need to be incurred as the result of new development and redevelopment, and need to be paid by someone. If development costs are reduced or waived, the impact will be higher property taxes.

Development Cost Charges are designed to provide a means of requiring developers to pay for some of the costs of development. These charges are limited and can only finance some development related costs. These charges are regulated by the provincial government, which must approve each local government development cost charge bylaw (other than those in the City of Vancouver). A strong tie between the charge and the costs created by the development is what places the charges within the constitutional authority of the provincial government.

The provincial government has created a joint provincial, local government, industry Development Finance Review Committee to oversee development finance issues. This Committee has produced a number of guides that provide a policy framework within which local government development finance decisions are made.

The provincial regulator also requires that changes to development cost charge levels occur in consultation with the local development industry. Consequently, virtually every change to development cost charge levels over the past 20 years has been signed off by local development industry representatives.

A second type of charge used by a smaller number of local governments is a Community Amenity Contribution. These are a means of sharing the value gain created by a rezoning by using part of it to create public amenities.

Both Development Cost Charges and Community Amenity Contributions are means to facilitate new development by maintaining community support for development and redevelopment. Without such charges, property taxes would be substantially higher, and would be directly impacted by new developments.



If local governments choose to borrow to pay for infrastructure improvements, this would generally be subject to citizen assent.

Any impact of the charges on housing prices varies with market conditions. They should not be a significant factor in the increases currently being experienced in major urban markets. This is because, in a demand driven market, such as that currently experienced in Vancouver, the impact of exceptionally strong demand easily outpaces the impact of development charges. Cutting development charges in such a market would simply increase profits to sellers while creating gaps in the capacity of local government to finance needed infrastructure.

Addressing housing supply and affordability is a complex issue that requires in-depth discussion between the Province and local governments. In Strong Fiscal Futures³, UBCM proposed a mechanism for such provincial-local government discussions. This issue is a further illustration of the importance of continued, in-depth local government-provincial dialogue on substantial issues. To this end:

- ***1.18 We recommend that the Province consider examining Local Government Act changes to allow Development Cost Charges for additional growth-related costs associated with higher density zoning –*** This would replace the uncertainty associated with re-zoning and a range of negotiated agreements with a clear, certain process that is regulated by the province while also providing local governments a legislated way to pay for the cost of growth.



2. MANAGING SPECULATIVE DEMAND

The narrative surrounding the affordability crisis has in recent years been almost exclusively framed as deriving from limits on housing supply. This argument has intuitive appeal because it points towards the supposedly simple solutions of reducing development processing times and associated fees (see above topic boxes). What it ignores is a substantial body of evidence built up over a decade highlighting the role of speculative demand – both foreign and domestic – in driving prices upwards. This not only impacts home ownership, but by driving ownership out of the reach of many households, it creates additional pressure on already limited rental and affordable housing stocks, resulting in a ripple effect across the housing continuum.

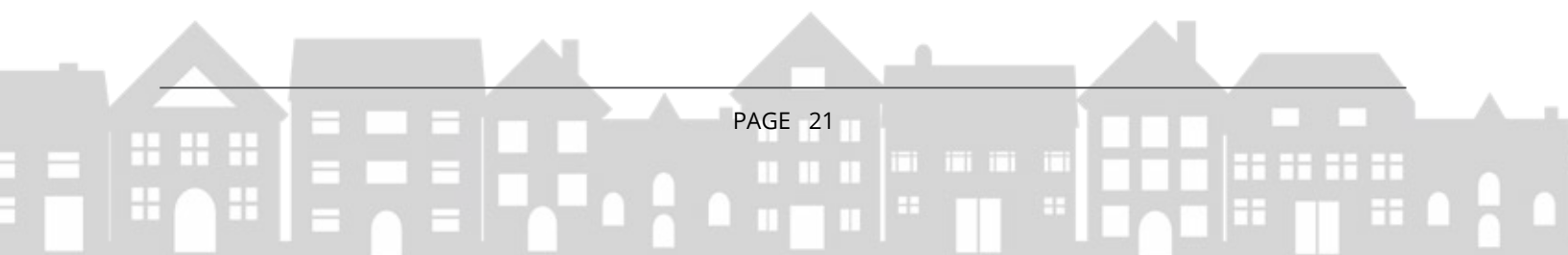
Because excessive demand is driven by global flows of capital looking for a place to park, it is not a problem unique to B.C.⁴, but has also driven prices upwards in global city regions such as London, Singapore, Melbourne and others. This in turn has led to an international body of policy development and research that can be drawn upon when considering the effectiveness of alternative policy solutions.

This body of evidence points towards three interrelated policy directions:

1. The effectiveness of taxation tools in moderating prices.
2. The likely need to employ multiple tools and/or make adjustments over time to ensure the desired impacts and balance the following objectives:
 - a. ensuring a soft landing for investors that have a substantial portion of their savings tied up in real estate,
 - b. minimizing the impact of increased transaction costs on those truly in need of increased affordability,
 - c. closing loopholes to limit tax avoidance,
 - d. potentially expanding the geographic scope of implementation to limit spill-over effects between regions, and
 - e. potentially adjusting rates upwards to address weakening impacts over time as a tax becomes viewed as a cost of business.
3. The need for high quality data to guide decision-making and policy development.

In recognition of these policy directions, it is recommended that the federal and provincial governments follow an evidence-based approach to demand management that includes the following components:

- **2.1 Taxation tools to address speculation-** These tools should be adopted with the short-term goal of stabilizing prices, and the long term goal of increasing the diversity of housing options to ensure that affordable options are available to British Columbians:

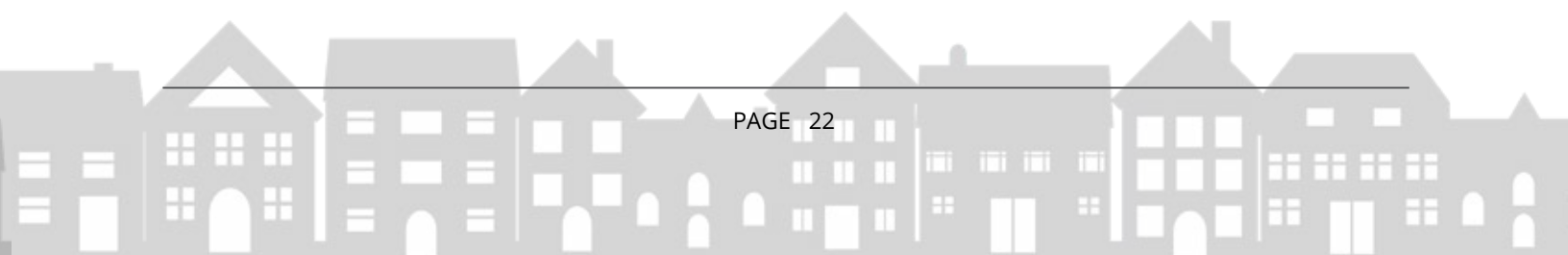




- **2.2 Taxation to address foreign Investment pressures on demand:**
 - Remove condominium presale exemptions from the existing foreign-buyers tax to ensure equity,
 - Revisit the foreign buyers tax rate to ensure that it is sufficient to curb rebounding rates of demand and potentially expand the geographic scope of implementation to limit spill-over effects between regions, and
 - Require declaration of beneficial ownership for transactions that are currently not registered at the Land Title Office (e.g. bare land trust agreements), to close a major loophole in the current foreign-buyers tax.
- **2.3 Taxation targeting speculation more broadly (foreign and domestic):**
 - Review the existing property transfer tax, to:
 - make it more progressive – consider approximately maintaining current revenue levels from the tax while introducing a sliding scale of rates according to transaction cost,
 - dedicate revenues from the tax towards affordable housing, and
 - ensure regional equity in distribution of affordability funds – recognizing that residents of some areas will inevitably pay higher or lower tax rates on average.
 - Update Federal capital gains exemption regulations for primary residences, to:
 - limit the number of times they can be used, and
 - set a maximum value on the limit.

It is recommended that these changes be applied going forward (non-retroactively) so as not to penalize beneficiaries of past transactions.

- **2.4 Consider penalizing rapid speculative resale-** we recommend that the Province consider the application of a seller's tax that would penalize rapid speculative re-sale. Such a tax could decline to zero after a set period of time so as not to negatively impact long term residents selling their property. Alternately, consideration should be given to scaling the property transfer tax for the same purposes.
- **2.5 Improved data collection, data development and data sharing-** these are necessary to support evidence based policy and ensure accountability. It is recommended that the Province and federal government work together to address these needs, including:
 - Creation of a pre-sale registry.
 - Publication of aggregate data on pre-sales.
 - Investigation and follow-up on the findings of reports such as "Low Incomes and High House Prices in Metro Vancouver"⁵ to identify additional data needs and actions to address tax avoidance in real estate.
 - Ensuring better co-ordination of agencies responsible for monitoring and regulating the relations between property transactions and capital flows, including CRA, FINTRAC, the banks, and the Real Estate Council of BC.





UBCM Resolution: Encouraging the Use of Residential Property for Housing - Victoria, 2017

Therefore be it resolved that the Province of British Columbia and Government of Canada take action to introduce effective fiscal and taxation tools to encourage the use of residential property to provide housing, and discourage speculation, "flipping," commodity investment and other market distortions that contribute toward a sharp escalation in the price of housing;

And be it further resolved that the Province of British Columbia adjust the (1) Property Transfer Tax and (2) Capital Gains Tax Exemption for primary residences, to encourage residential occupancy and discourage speculation, including the option of a phased-in Capital Gains Tax exemption for primary residences that increases over time to encourage residential occupancy and discourage speculation, and guarantee a dedicated and fixed portion of revenues from Capital Gains, Property Transfer and Land Value Capture taxes for municipal affordable housing and transit infrastructure.

Short-Term Rentals

The proliferation of short-term rental opportunities through platforms such as Airbnb has had the impact of contributing towards demand by making investment in residential real estate more desirable, and further drawing down already limited long-term rental stock in communities across the province.

A range of regulatory approaches have been adopted by B.C. local governments – both in large urban areas, and smaller resort/tourist focused communities, including among others: Penticton, Tofino, Whistler, Richmond, Sechelt, Rossland, Nelson, Fernie and the Regional District of Okanagan-Similkameen.

Approaches include:

- Perhaps most commonly, business licenses are required for individuals seeking to rent out a property as a short-term rental (e.g. Nelson, Richmond, among many others).
- Regulations are often set in place for different classes of vacation rentals (e.g. Penticton), or for short-term rentals falling within different land use zones (e.g. Nelson).
- Non-compliance fines vary, but may be substantial (e.g. \$1,000 per day in Richmond, \$500 per day in Nelson).



While taking leadership on the situation through such approaches, local governments need support from other orders of government to address areas of regulatory uncertainty, to minimize enforcement costs, and to ensure tax fairness. We recommend that the Province:

- **2.6 Investigate options for regulating short term rentals-** The Province should investigate, in consultation with local governments, options for regulating short term rentals with the goals of:
 - enforceability,
 - retaining local government choice, and
 - providing local governments with more clarity, and regulatory power where needed, to address uncertainty regarding the applicability of business license approaches to companies like Airbnb, particularly where these platforms are based outside of the local government in question.

Options for consideration should include:

- *Adoption of platform accountability-* requiring that all hosts have a license or permit and only allow websites like Airbnb to list and advertise properties that have a permit number ('Platform accountability', approach favoured by Fairbnb⁶).
- *Placing a cap on the number of days per year a property is rented as a short-term rental-* requiring that short-term rental platforms automatically delist property listings that host beyond a specified upper limit of rental nights (e.g. 60 as in Amsterdam).
- **2.7 Address tax fairness-** We recommend that the Province investigate and implement policy to address the current tax fairness issue whereby residential properties currently used for commercial purposes as short-term rentals cannot be subject to property taxation that properly reflects the use of the property.
- **2.8 Good practices for short-term rentals-** We recommend that the Province create a good-practices guide for local governments to raise awareness of existing approaches to regulation of short-term rentals.

UBCM Resolution: Split Classification for Short Term Commercial Accommodation - Tofino, 2017

Therefore be it resolved that the Province amend legislation so that all residential properties used for short-term overnight accommodation be eligible to be split-classified between Class 1 and Class 6 [to reflect the dual residential and commercial use of properties], and that classification methodology for short-term rentals be developed in consultation with stakeholders.



3. A COMPREHENSIVE APPROACH TO HOMELESSNESS

British Columbia needs a comprehensive approach to homelessness.

This requires the discussion of homelessness to extend beyond housing and deal with broader social policy questions. We propose an approach that builds on the model developed by the Metro Vancouver Regional Homelessness Task Force⁷.

Our key observations are as follows:

- There are multiple pathways into homelessness. These include:
 - poverty – we are increasingly seeing wages that do not track with rising housing costs, and a growing number of seniors who are homeless;
 - children aging out of government care,
 - mental health,
 - addiction,
 - chronic health problems,
 - family breakdown,
 - unemployment, trauma and
 - criminal justice discharge.
- Prevention of homelessness is the best and most cost-effective solution. This is done through reducing the risks, early intervention and treatment of underlying conditions;
- The homeless population is both diverse (with a range of needs) and continually changing;
- Aboriginal people are disproportionately impacted by homelessness due to a variety of social, systemic and historical factors including intergenerational trauma from residential schools and colonization⁸;
- When people are homeless, the focus needs to be on providing them effective services;
- However, servicing the homeless population is the most expensive way of addressing the needs of that population. A Simon Fraser University study estimated it costs \$55,000 per person per year to leave someone with mental health issues homeless in British Columbia versus a housing and support cost of \$37,000⁹;
- More recent studies have further reinforced the high costs of services for homeless people¹⁰;
- There is no effective pathway out of homelessness without housing; and,
- Housing is not enough - an integrated case management approach addressing individual needs is required.





When homelessness is looked at this way it is clear that the primary areas of focus need to be on working to prevent people from becoming homeless, servicing their critical needs while they are homeless, and, transitioning them to a more stable place that includes housing and the required supports, as quickly as possible.

Placed in a policy context this means that:

- The poverty reduction and mental health strategies now being developed by the provincial government represent very important parts of any action to address homelessness;
- The supply of rental housing - both publicly and privately financed - are also key to addressing homelessness; and
- It is also critical to consider other program areas including dealing with children who are aging out of government care, and post-incarceration case management.

A key feature of this approach is that it clearly identifies reducing pathways into, and increasing those out of, homelessness as the best strategies. From a programming perspective, it provides a clear and easily understood strategy that can be operationalized using accepted program management approaches. These include:

- identifying pathways into homelessness and focusing on appropriate preventative strategies,
- targeting the period of homelessness as something to be minimized,
- using a case management approach to create effective strategies out of homelessness, and,
- emphasizing the key role that increased supply of affordable rental housing plays in any potential solution to homelessness.



UBCM Resolution: B52 Addressing Homelessness - New Westminster, 2017

Therefore be it resolved that UBCM urge the provincial government to work collaboratively with the federal government to place equal emphasis on homelessness prevention and crisis response, to increase funding for housing outreach, referral and advocacy services, and to provide additional funding to address addictions and mental health.

There are no easy answers in any of these areas. Understanding homelessness in this context draws on a host of important and contentious issues such as mental health and addictions, managing children aging out of government care, addiction treatment, minimum wage and social assistance levels, and approaches to employment and training.

Communities around the province from Prince George to Nelson, Greater Victoria, Metro Vancouver, Kelowna and Terrace are actively working on community-based solutions. Many of these involve collaboration with key provincial and federal agencies, and provide useful templates for the path forward.



CRD Regional Housing First Program

In 2016, the Capital Regional District (CRD) approved a resolution supporting the borrowing of up to \$30 million to establish the Regional Housing First Program (RHFP) to meet the needs of chronically homeless individuals. The Housing First model moves at-risk individuals from streets or shelters into permanent, supported housing to enable recovery and integration into society. Tenants selected for the shelter rate apartments are ready to live independently with ongoing supports.

CRD partnered with BC Housing to obtain a matching grant of \$30 million from the Province and has applied for \$30 million of Federal funding. Island Health has agreed to provide health supports to tenants as required.

The CRD aims to eliminate chronic homelessness in southern Vancouver Island through mixed-market housing, partnerships and streamlined support services. CRD's Regional Housing First Program meets a broad range of housing needs, including new, self-contained apartments at shelter rate rents (\$375/month) without ongoing subsidies. The mix of rent levels meets a variety of housing needs. The formula is: 20% shelter rate, 31% affordable rate and 49% near market or market rate.

BC Housing, Island Health and the CRD will work with community partners to create a coordinated and more efficient system to address homelessness in the region. The mixed market model of housing avoids the need for dedicated support programs in specific locations. Instead, flexible, mobile services are delivered within the housing units located throughout the region.

Decentralization helps empower individuals, reduce stigmatization and creates more options for individuals seeking supported housing. Greater efficiencies will also increase the flow of clients through the overall system and thereby support more stable housing outcomes. Residents benefit through increased quality of life.

How it works:

By purchasing the units up-front, CRD reduces debt financing, which frees up funds that can go towards operating costs. CRD or BC Housing own the housing units to secure their long-term investment. Placement of tenants will be managed through a partner-led, coordinated assessment and access system.

Revenue from all units covers the operating and maintenance costs.

Innovative replicable features include:

- mixed market housing that provides sustainable financing
- mobile, decentralized housing supports, increased efficiency and housing choice.





RECOMMENDATIONS

- **3.1 Reduce pathways into homelessness-** Coordinated actions are needed to reduce pathways into homelessness, including specific actions related to caring for those dealing with mental health conditions, transition plans for children aging out of government care, effective addiction treatment, and development of employment strategies either as part of the proposed mental health and poverty reductions strategies or as additional stand-alone strategies.
- **3.2 Enhance transitions out of homelessness-** Coordinated actions are needed to enhance transitions out of homelessness, including transitional employment training and effective addiction recovery. One specific area that could be considered is a focused employment program tied to new housing construction, built on the model of the BladeRunners¹¹ program.
- **3.3 Consider an integrated case-management approach-** When considering how best to approach these recommendations, the provincial government should consider an integrated case management approach that:
 - a. creates a single point of contact for individuals who are homeless or at risk of homelessness, in order to create and implement a client-centered homelessness prevention or recovery plan.
 - b. assesses the vulnerability of every homeless individual to triage who is most at risk and learn what help they need.
- **3.4 Recognize local needs-** Any provincial housing investment initiative should include sufficient units of transitional and supportive housing to meet the specific needs of individual communities.





- **3.5 Ensure enforceability of agreements made between facility operators and local governments-** Local governments have the difficult job of finding a balance between community concerns and the need to provide for various forms of supportive housing and shelters. A key part of this is reaching agreement with facility operators with regard to how such housing will be operated. To be useful, these agreements must be enforceable.

When negotiated, it may not always be clear if the facility operator can meet the terms of the agreement within the confines of the *Residential Tenancy Act*. If commitments cannot subsequently be honored it becomes a basis for those opposed to such housing to argue that such commitments are meaningless.

For this reason, legislation should be clarified to provide a clear legal basis for the enforcement of agreements made between housing facility operators and local governments.

- **3.6 UBCM should consider creating a good-practices guide for managing homelessness-** Like any kind of land use, housing the homeless or those at risk of homelessness requires local government zoning approval. This is often contentious and requires local government to balance community concerns with the need for such housing.

Local governments operate in a complex legal environment. In both Victoria and Abbotsford (*Abbotsford City vs. Shantz* BCSC 2015; *Victoria City vs. Adams* BCSC 2008/BCCA 2009), the court established that individuals had a Charter right under Section 7 (life, liberty and security of persons) to camp on public property and that local governments had a right to regulate but not prohibit such use of public property.

It is recommended that UBCM work with local governments with experience in managing homelessness to create a good-practices guide that documents effective, pro-active strategies for managing homelessness.



4. AN ALL GOVERNMENT APPROACH TOWARDS AFFORDABILITY

All orders of government – federal, provincial and local - will need to work together to effectively address the housing issues British Columbia faces today.

The recommendations we are making in this paper are broadly consistent with the direction of Canada's National Housing Strategy and provincial government policies and commitments, but it will take concerted and coordinated action by all governments to achieve effective on-the-ground results that meet the needs of citizens.

Key initiatives under both the National Housing Strategy and the broad direction signaled by the provincial government – more rental housing units, a mental health strategy, and a poverty reduction strategy – need to be completed.

In doing so, the key message we have is that community needs vary, and the actions that result should be flexible enough to meet the diverse needs of individual communities.

We would also emphasize that:

- Serious consideration is required on focused tax changes to reduce investor driven speculative demand, both foreign and domestic, and potentially refocusing private investment on affordable housing;
- Reducing pathways into homelessness and accelerating pathways out of homelessness are essential areas of attention; and,
- The role of local governments is to build sustainable communities that work in the long-term. Quick fixes – developments that are forced on communities, and financing approaches that push costs onto property taxpayers or reduce community services - will not last as they are unacceptable to citizens, not just local governments.

Local governments know that affordability is an urgent matter and want to be willing, constructive partners.





THE NATIONAL HOUSING STRATEGY

The federal government released its National Housing Strategy¹² (NHS), which will guide the delivery of approximately \$40 billion in funding over 10 years.

Key elements of the strategy include a National Housing Co-Investment Fund, a new direct-to-household rental benefit, community housing initiatives, and an expanded homelessness program.

The \$40 billion in funding announced in the NHS includes:

- \$15.9 billion for the National Housing Co-Investment Fund, to support new partnerships that will invest in the repair and expansion of affordable and community housing;
- \$4 billion for the Canada Housing Benefit, that will deliver an average \$2,500 per year in rent supports to recipient households, and will be co-developed and delivered with provinces and territories;
- \$2.2 billion for the Homeless Partnering Strategy, a redesigned successor to the existing program that will draw on input from an Advisory Committee on Homelessness; and,
- \$4.3 billion for a new Canada Community Housing Initiative, to maintain affordability for approximately 330,000 households in community housing, amongst other supports.

The strategy also includes national targets to:

- Create 100,000 new housing units;
- Repair and renew 300,000 existing housing units; and
- Reduce the number of chronically homeless shelter users by 50%.

The Strategy will be supported by new human rights-based legislation anticipated within a year that will require the federal government to maintain a national housing strategy and report to Parliament on housing targets and outcomes. A new Federal Housing Advocate will also make recommendations to the CMHC and responsible Minister on systematic barriers to accessing affordable housing that Canadians from various backgrounds and circumstances may experience.

Local governments are identified as collaborators in implementing the Strategy, which also identifies a role for municipal representation on a new National Housing Council, that will “promote participatory and evidence-based analysis to support the National Housing Strategy” starting in 2018.





PROVINCIAL GOVERNMENT MANDATE LETTERS

The newly elected provincial government is working on a number of key strategy proposals that have the potential to make a real difference with regard to the availability and affordability of housing across the full housing continuum.

These include:

- The Minister of Social Development and Poverty Reduction is charged with: designing and implementing a province-wide poverty-reduction strategy with legislated targets and timelines. An Advisory Committee has recently been appointed to lead the creation of this strategy.
- The Minister of Finance has been directed to take measures to improve housing affordability, close real estate speculation loopholes, and reduce tax fraud and money laundering in the B.C. real estate marketplace.
- The Minister of Mental Health and Addictions is to:
 - create a mental-health and addiction strategy to guide the transformation of B.C.'s mental-health-care system. As part of this strategy, include a focus on improving access, investing in early prevention and youth mental health; and,
 - consult with internal and external stakeholders to determine the most effective way to deliver quality mental-health and addiction services.
- The Minister of Municipal Affairs and Housing is to:
 - Through partnerships with local governments, the federal government, and the private and not-for-profit sectors, begin to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchase housing;
 - Create new student housing by removing unnecessary rules that prevent universities and colleges from building affordable student housing;
 - Amend the *Residential Tenancy Act* to provide stronger protections for renters, and provide additional resources to the Residential Tenancy Branch. This work was begun through additional funding to the branch in the September budget and specific legislative changes passed during the fall 2017 legislative session;
 - With the Minister of Finance, deliver an annual renter's rebate of \$400 per rental household to improve rental affordability;
 - Work in partnership to develop a homelessness action plan to reduce the homeless population through permanent housing and services. As part of the plan, conduct a province-wide homelessness count;
 - Work with the Minister of Finance to address speculation, tax fraud and money laundering in the housing market; and,
 - As the Minister responsible for TransLink, support the Mayors' Council 10-Year Vision for Metro Vancouver Transportation by funding 40% of the capital costs of every phase of the plan, in partnership with all levels of government.

To manage its ambitious housing agenda the provincial government has created a Cabinet level working group chaired by the Minister of Municipal Affairs and Housing.



LOCAL GOVERNMENT ROLE

Housing is primarily the role of the provincial and federal governments. The role of local governments within the British Columbia housing policy framework is to plan for communities that are socially, economically and environmentally healthy and that make efficient use of public facilities and services, land and other resources. They do this through proactive community planning and the regulation of land use. In this role they act within the constraints of a narrow tax base and defined legislative authority.

The federal and provincial governments have big policy levers that dwarf anything local governments could ever conceive of doing in this area.

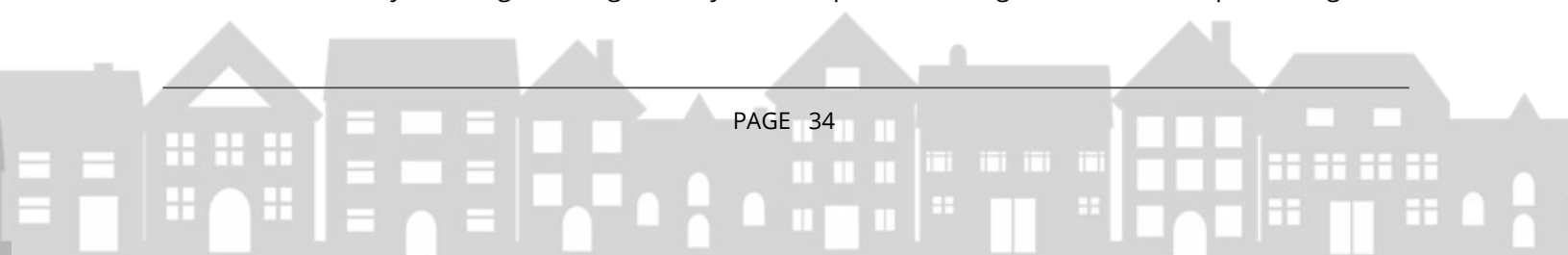
These levers include:

- monetary policy, including interest rate policy;
- fiscal policy, including policies on overall spending levels;
- income policy including policies regarding income support, which are closely related to housing policy;
- tax policy for income and consumption taxes as well as the legislative framework for property taxation;
- regulatory policy including policies relating to housing tenure, subdivision and building standards;
- sectoral policy for the housing sector including CMHC policies, mortgage support, levels of public investment and policies related to rent subsidies; and
- land use policy, including policies dealing with crown land and the agricultural land reserve.

Local governments do have a role, but it mostly comes down to dealing with review of development applications in a way that meets community needs.

Within that narrow context local governments have acted in a number of key ways:

- the most urbanized regions have created regional growth strategies that, among other things, set out the broad direction for future regional development, including housing,
- virtually all individual municipalities and most regional district electoral areas have created official community plans that set out the broad community level framework for future development, including housing. Where regional growth strategies are in place, these community frameworks are linked to and consistent with the regional framework,
- in many cases neighbourhood level plans have been created to guide development at more specific levels,
- many communities have affordable housing strategies in place that attempt to deal with issues such as supportive housing, rental housing and affordable home ownership. Common tools identified within these strategies include partnerships with other levels of government, making available municipal land, waiving development cost charges and other fees, entering into housing agreements with developers to secure rental housing within new developments, accelerated consideration of rezonings for affordable developments and creating affordable housing trust funds so that funding can be provided to non-profit projects (municipalities are prohibited by law from contributing to for-profit firms), the creation of small lot zones and the creation of areas where secondary suites and/or other secondary dwellings on single-family lots are permitted or given accelerated permitting, and,





- there are a reasonable number of specific project related success stories that can be derived from these actions. Some, such as secondary suite zoning, have had considerable impact, but what most often stands out is the modest impact in the number of units created and the long-term impact on community building as infrastructure developments funds are depleted and municipal land is allocated away from public space and towards housing.

Given this, many local governments have adopted innovative approaches towards housing. These include:

Langford – Langford is a rapidly growing, suburban municipality on southern Vancouver Island that is known for taking a business-friendly approach to local government. It has set out a policy that requires developers to provide an affordable unit for every 15 units they develop. A housing agreement establishes the maximum sale price of the homes at \$165,000 and requires the homes to be sold to purchasers approved by the City of Langford Affordable Housing Committee.

The developer is responsible for registering a housing agreement on title outlining the resale restrictions on the property. The target price of \$165,000 is designed to be about 50-60% of the market price and approximates the cost recovery of construction for the developer. The resale price of the units is limited to a maximum of \$165,000 in the first 5 years. In each year after 5 years, the owner may increase the sale price by \$2,000, and after 25 years the house may be sold for market value.

The policy establishes a number of minimum requirements and workmanship standards for the affordable units with the aim of maintaining consistency with the market units. In addition the developer must comply with design guidelines established by the Affordable Housing Committee. The units are required to be a minimum of three-bedrooms and at least 893 sq. ft. (not including garages, carports, or decks), and each unit must include a garage and 100 sq. ft. of storage space (including closets but not garages). The homes must also meet minimal visitability standards including zero-step entrances, wider doorways on the ground floor, and a half bathroom on the main floor.

Whistler- The Whistler Housing Authority (WHA) was established in 1997 as an incorporated housing authority with the Resort Municipality of Whistler (RMOW) as sole shareholder. The authority is designed to be self-funded and not reliant upon local taxpayer contributions.

To support the development of affordable housing in Whistler, WHA was provided with \$6 million from the municipality's housing reserve fund. These funds were generated through the Employee Housing Service Charge bylaw that requires developers of commercial, tourist and industrial land to either build resident housing or contribute cash in-lieu to the housing reserve fund. Developers are required to provide a per employee payment, with the number of employees calculated based on formulas for each type of development or business. Under this approach, it is the local business and development community that subsidizes resident restricted housing and provides workforce housing for the employees that are essential to the success of local businesses. WHA leveraged the original funds to secure an additional \$13 million in bank loans used to acquire four properties that were secured as resident restricted affordable rental units between 1997 and 2002.



The WHA's financial model ensures that the monthly rents from resident restricted rental units cover debt servicing of mortgages, property management, contributions to capital reserves, and WHA's operating costs. Funding for new resident restricted housing continues to be collected through the municipality's Employee Housing Service Charge and retained in the housing reserve fund.

New units are acquired using a combination of funds from the Employee Housing Service Charge Reserve fund and debt financing. In addition, some developers provide affordable units in-lieu of cash contributions. Over the years, WHA has also sold real estate assets and used the proceeds to develop additional resident restricted housing.

WHA's properties are restricted to local employees and retirees and two waitlists are maintained, one for rental units and one for home ownership units. After experimenting with lottery and points schemes, WHA chose a first-come first-serve system to maintain the waitlists due to its relative fairness and ease of administration. WHA does not employ an income test for its rental-restricted housing. To be considered for the waitlist, applicants must be of legal age and a Canadian citizen or landed immigrant. A local employee is defined as someone who works a minimum of 20 hours per week within Whistler. A retiree is defined as someone who was employed in Whistler for 5 of the last 6 years prior to retirement. For ownership units, applicants must obtain a mortgage pre-approval for their desired unit type. Finally, applicants or their spouses must not own non-restricted housing in Whistler at the time of application. Occupancy restrictions are enforced through covenants on title and managed by WHA.

Ownership units are either occupancy restricted or occupancy and resale restricted. Resale restrictions are also guaranteed through covenants registered on title and are in place to avoid windfall profits for first purchasers as well as to ensure the long-term affordability of the resident restricted housing. Initially, maximum resale prices were tied to the Royal Bank of Canada prime-lending rate, and later to the Vancouver Housing Price Index. However, these formulas were abandoned in favour of the current scheme, which links the maximum resale value to the Canadian Consumer Price Index. This formula is now applied to all new properties and any resale units that were originally sold under the old formulas. WHA controls the resale process by calculating the maximum resale price and working with the seller to list and market the property to qualified buyers from the waitlist.





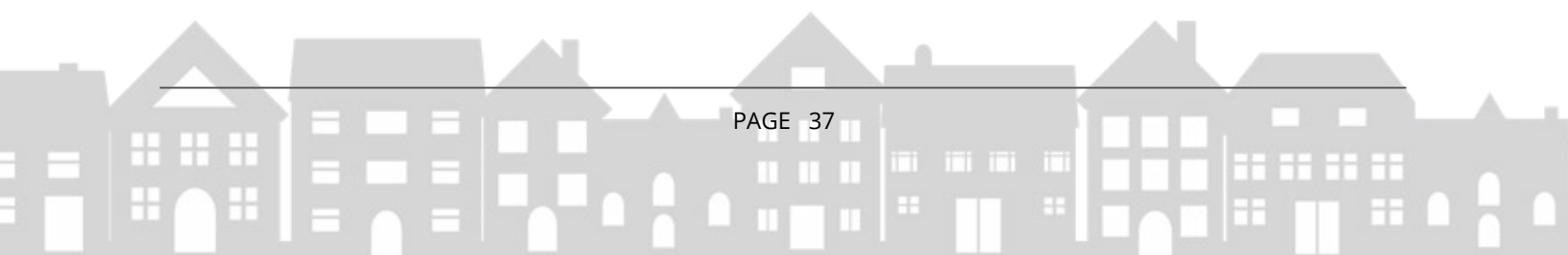
Vancouver- Vancouver has recently released an ambitious housing plan that is aimed at creating a significant number of new affordable units using a range of policies. In this very challenging market the Vancouver strategy strives to shift the affordability curve down to keep Vancouver home to a diverse population. Key elements of the plan include calls for:

- A shift toward the right supply – driving a significant shift toward rental, social, and supportive housing, as well as greater diversity of forms in ground-oriented housing stock, with the intent of reflecting the diversity of those most in need of this housing.
- Action to address speculation and to support equity – addressing the impact of speculative demand on land and housing prices, and calls from the public to work with partners at all levels of government to promote measures that advance equitable distribution of wealth gains from housing. This includes learning from other cities around the world that are experiencing increasing housing market pressures due to global flows of money, people and jobs.
- Protecting and supporting diversity - actions to protect and promote diversity across the city, of incomes, backgrounds, and household types.
- Protecting existing affordable housing for the future – preservation and expansion of the existing stock of rental and non-market housing, while balancing the need to renew these buildings.
- Renewed commitment to partnerships for affordable housing – a new direction for affordable housing delivery, with an emphasis on supporting and aligning with partners across all sectors, particularly non-profit, co-op, and Indigenous housing partners, as well as new stakeholders.
- Increasing supports and protections for renters and people who are homeless – including strategies to address affordability, security of tenure, and the determinants of poverty and housing instability.
- Aligning City processes with housing targets – alignment of policies, processes, and tools to ensure optimal positioning to enable affordable housing for all Vancouver residents.

Using the Tools Available to Local Governments

While local governments may have only a limited number of tools that they can use to encourage the development of affordable housing, they have been active in putting these tools to work. These include:

- Density bonusing – adding density to a project in exchange for features such as affordable housing units;
- Rental agreements whereby local governments secure affordable rental housing;
- Waiving development charges;
- Reducing property taxes; and
- Parking reductions.





Examples of How Tools Can Be Brought Together

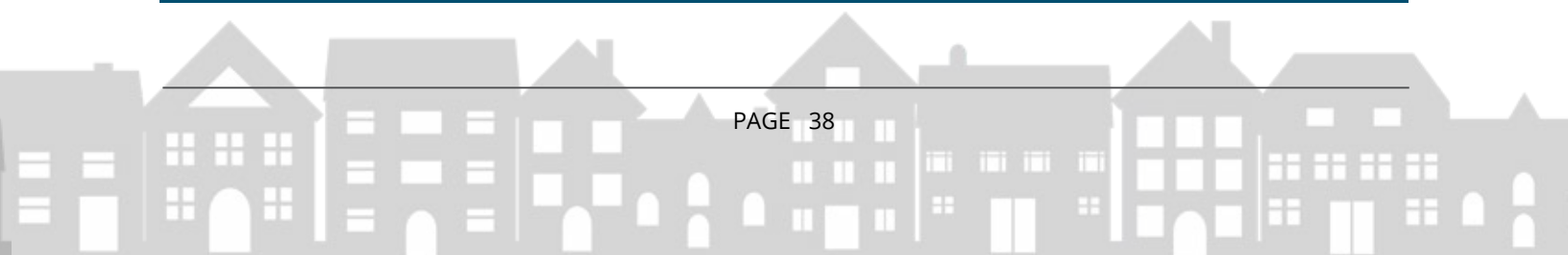
Dahli Place

Dahli Place is a 68-unit low-end market as well as near-market rental development targeted at low- to moderate income individuals and households with children. The project is the product of a joint-venture partnership that involved the Greater Victoria Housing Society. The development is an excellent example of a low-end market rental project created without senior government capital or operating subsidies.

In 2010, the partners agreed to work together to acquire, construct and manage new low-end and moderately priced rental housing units. Dahli Place is composed of 68 units of below market housing – 32 two-bedroom units, 22 one-bedroom units, 6 one-bedroom with den units and 8 studio units. The units are targeted at low to moderate-income households earning annual incomes of less than \$65,000. The diversity of units is crucial to meeting the needs of households with families and workforce housing needs in the area. The 2 bedroom units are targeted to small households with children that have at least one working adult, and are ideally suited for a household size of 3-4 persons. The smaller units are focused on individuals earning low to moderate incomes in many of the industrial, retail and service sectors around the local area. The units are not subsidized, and all but one of the unit rents are currently set below market rates - 34 (50%) of the units are priced below CMHC Affordability Level 1, which is 80% of market rent, and all but one of the remaining 34 units are priced below the CMHC reported average rent in the Victoria area. The goal is to keep the rents as low as possible and to reduce the rents over time as the mortgage is paid down.

In the absence of senior government funding or ongoing subsidies, alternative funding sources were required for this project to be possible. CMHC provided seed funding and Project Development Financing (PDF) grants and loans to help get the project off the ground. The City of Victoria provided a grant of \$680,000 and the Capital Regional District a grant of \$816,000 from their respective affordable housing trust funds. These grants provided the equity with which the partners were able to secure the construction financing from BC Housing which was used to purchase the site. A particular innovation in funding in this project was the development of 5 townhouses on the property that were sold at market rates and the equity returned into the project to reduce overall financing costs. All told, funding of \$1,496,000 from the City and the CRD was leveraged into \$13.4 million in equity contributions.

In addition to providing a sizeable capital grant, the City of Victoria supported the project by amending its Official Community Plan to allow for apartment development on the site, approving the rezoning for increased density as well as permitting reduced parking. This reduction was justified based on the location of Dahli Place on a transit route, and the proximity to nearby amenities including schools, shopping, employment and community centres.





The City of Vancouver's Short-term Incentives for Rental (STIR) program

This program demonstrates a host of incentives that can be used including waived development cost levies, reduced parking requirements, reduced unit sizes, expedited permitting processes, and additional density in exchange for rental units. Incentive packages give flexibility to developers, enabling customizable solutions for bridging the viability gap for purpose-built rental housing.





FITTING IN

UBCM is encouraged by the direction of the National Housing Strategy and current provincial government.

Our key messages to Canada and British Columbia are:

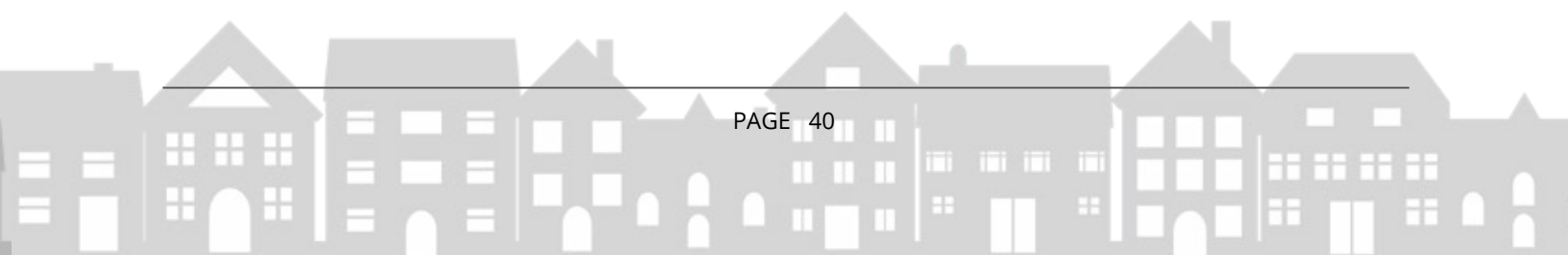
- You are on the right track, get it done;
- Recognize that community needs vary, and
- Work with local governments.

We would also emphasize that:

- Focused tax changes to reduce the investor-driven market demand that is pushing up prices and potentially refocusing private investment on affordable housing deserve serious consideration. This would be an important supplemental addition to the National Housing Strategy.
- Reducing pathways into homelessness and accelerating pathways out of homelessness are strategies that are essential areas of attention.
- The role of local governments is to build sustainable communities that work in the long-term. Quick fixes – developments that are forced on communities and financing approaches that push costs onto property taxpayers and reduce community services - will not last as they are unacceptable to citizens and not just local governments.
- Local governments know that this is an urgent matter and want to be willing, constructive partners.

If home purchase is not an option then it is necessary to look to the rental housing market for a solution in the medium term, and that means a large increase in rental housing of all types.

Because of regional variations in the challenges faced by communities with respect to housing, an initiative to invest in rental housing is best designed to be flexible enough to address the broad variety of community needs.





EVIDENCE-BASE FOR PROPOSED POLICY AGENDA

In this section, we present the evidence-based case for our recommended agenda.

Our case is built on evidence that supports the propositions that:

- It is more humane, more effective and less expensive to prevent and address homelessness than it is to manage a large and growing homeless population on a continuing basis;
- Housing prices have increased to the point where the prospect of home ownership is simply out of reach for many of those who need to work in our communities;
- Housing prices are so out of alignment with incomes that they cannot be aligned with incomes in the short to medium term;
- A sharp increase in rental and limited equity ownership options is the only option for providing practical short and medium term accommodation options to many B.C. households;
- Carefully managing investor driven demand for housing will in time provide a more balanced housing market, providing more homeownership opportunities.

IDENTIFYING THE MARKET AND INVESTMENT NEEDS FOR RENTAL HOUSING

According to the 2016 census the B.C. population is 4.6 million people, consisting of 1.9 million households, with an average household size of 2.4. Household size has declined slightly over time.

The Canada Mortgage and Housing Corporation forecasts the number of households to increase by 138,000 to just over 2.0 million by 2021, an average increase of 27,600 and by an estimated 24,000/year after that to just under 2.4 million by 2036.

In British Columbia, just over 600,000 households (31.8 per cent of all households) rent. Most of the remaining 1.3 million households own their own homes.

Social housing in B.C. provides accommodation to a modest portion (11.3%) of the rental market. There are 67,959 social housing units in B.C. Of these, 60,842 are owned /operated by non-profit agencies under agreement with B.C. Housing, and the provincial government owns another 7,117. In addition, 36,066 B.C. households receive housing subsidies to enable them to better participate in the rental market.

The need for increased investment in rental housing is fundamentally interconnected with the need for demand management – price pressures on the ownership portion of housing continuum force otherwise would-be owners into the rental market, further exacerbating competition for scarce rental housing stock. The growth of lucrative short-term rentals through companies such as Airbnb has also made purchase of condominiums or other properties more desirable as investments, and further contributes towards the tightening of the rental market.



As detailed below, prices in major markets in B.C. are far out of reach of current incomes.

The consequence for consumers is that they must either look for housing in a very tight rental market or incur very high debt levels. Often even at high debt levels, the only affordable housing requires substantial travel time and expense to travel between home and work.

The accompanying high debt levels are obviously a serious concern for B.C. households. They have also become the primary contributor to Canada's very high levels of household debt. In its November 2017 Financial Systems Review, the Bank of Canada identified this as Canada's number one financial vulnerability. It also pointed to a number of actions taken by Canada to reduce the associated risks. This included a number of actions to restrict the availability of high ratio mortgages.

Whereas many people believe that local governments benefit from property value increases, in fact, local property taxes move with property values. When values increase, rates decline to match local government budgetary expenditures. At the same time, local governments are impacted by the costs of growth, some (but not all) of which are offset by development cost charges and community amenity contributions.

The government that does benefit directly from higher property values is the provincial government, which saw annual Property Transfer Tax revenue increase by over \$1 billion from \$0.855 billion in 2010/11 to \$1.9 billion in 2017/18. Given the massive gains in property transfer tax that the provincial government has realized as prices have increased, a strong argument can be made that this incremental revenue is the place to look to finance affordable housing.



UBCM Resolution: Property Transfer Tax for Homelessness & Affordable Housing - Langley Township, 2017

Therefore be it resolved that UBCM request that a defined percentage of funds arising from the Property Transfer Tax be attributed to a specific "Affordable Housing and Homelessness" reserve fund in order to address these issues proportionately facing local governments throughout the province of BC.

If home purchase is not an option then it is necessary to look to the rental housing market for a solution in the medium term and that means a large increase in rental housing of all types.

Because of regional variations in the challenges faced by communities with respect to housing, an initiative to invest in rental housing is best designed to be flexible enough to address the broad variety of community needs. The following table sets out some key indicators from 2016 Census to illustrate differences in housing markets across communities.



Housing Indicators for a Sample of B.C. Census Metropolitan Areas and Census Agglomerations
(2016 Census)

	Households	Need Repairs (%)	Not Suitable (%)	Households Spending Over 30 Per cent of Income on Housing (%)	Ownership Rate
Cranbrook	10,980	5.9	2.4	18.7	77.2
Dawson Creek	5,035	9.3	5.5	22.4	60.7
Fort St. John	10,965	6.7	3.7	16.3	67.7
Kamloops	42,850	5.9	2.7	22.4	73.7
Kelowna	81,380	4.5	2.8	26.2	73.3
Prince George	35,095	7.6	2.7	18.4	72.2
Prince Rupert	5,105	14.3	5.8	19.8	60.3
Vancouver	960,890	5.7	7.3	32.0	63.7
Victoria	162,740	5.4	3.5	28.5	62.6
B.C.	1,881,965	6.3	5.3	28.0	68.0

To properly integrate this initiative with local government plans that may have been years in the making, it is necessary for the provincial government to consult early with local governments to understand how a common strategy can be customized to deal with the varied needs of communities. This consultation will also enable provincial government policy makers to see the opportunities that may arise from other initiatives, such as investment in transit. In some markets, such as Metro Vancouver, ensuring that these initiatives are closely linked is essential to success.



Early consultation creates an important opportunity to understand how rental-housing could best address community needs. However, it does not change the fact that local governments have been given the responsibility by the provincial government to regulate land use and they are required to carry that responsibility out in a neutral way. Consultation does not mean backroom deals as local governments are required to operate transparently in public. The need for local governments to hear and address community concerns may not always mesh with provincial government objectives and this needs to be understood up front. The provincial government has given local government a complex role and there will be times when housing projects the provincial government wants to see funded and built do not achieve a sufficient amount of community buy-in. That should not be seen as local governments being difficult but as local governments doing their job.

Funding such an initiative will be challenging. The Rental Housing Coalition estimates the need for rental units at 7,000/year with 1,150 to be directed to households in core need, 2,250 to modest income working households and 3,500 to be created at market rents. They estimate the cost to government to be about \$800 million/year for 10 years. The provincial government's commitment is more ambitious, aiming at over 10,000 units/year over 10 years.

There is no doubt that this is going to take a lot of money – though still less than the growth in provincial property transfer tax revenue resulting from the dramatic increase in house prices over the past 10 years.

This leads to the need to not only build rental housing, but to do so in a way that takes away the need to invest in housing for short-term financial gain as opposed to investing in a place to call home.

This is a real issue.

Census data points towards a large and increasing number of vacant homes. 2016 data indicate that in Metro Vancouver, 66,719 homes (6.5% of all homes) were unoccupied, a growth of 14% over the past 5 years¹³. A number of these units are seasonal second homes for foreign buyers, others are pure 'buy and hold' investments, not seeking rental income.

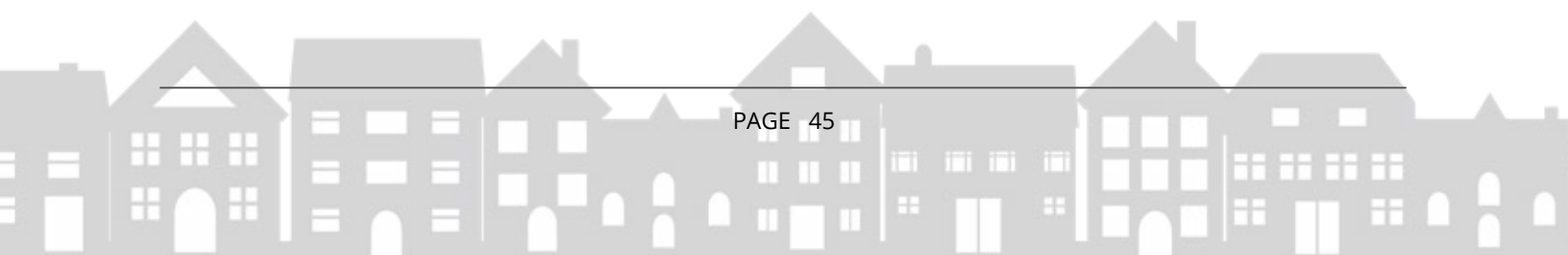
Consequently, we believe there is an opportunity to design the program in a way that creates incentives for private capital to be redirected towards affordable housing. With the right blend of incentives, it may be possible to both draw private capital away from housing investments that drive up prices and towards investments that support long-term investments in the rental housing market.



For example, a potential approach could be an incentive package that would have the following features:

- An investment tax credit for investors (for example 25 per cent of the investment could be claimed against their income tax) for investment in an eligible affordable housing entity (i.e. Social Equity Real Estate Income Trust that is either designated or meets defined conditions).
- To be eligible for such investments, an eligible affordable housing entity would need to hold a percentage of its total units in a way that met certain conditions (i.e. 70% would need to meet local affordability criteria - such as rents of less than 30% of median local income). Requirements would apply for a certain number of years from construction. Limited equity ownership units (i.e. co-ops or housing associations) could be included.
- Ownership rights at end of required holding period would need to be defined (i.e. would government retain in any rights).
- It would be possible to design the credit in a way that would allow overall budget limits that could limit annual budget liability to government.
- It would also be possible to top up private funds with public grants for specific projects - such as those projects focused on very low incomes.
- Eligible investments could include investments in community/municipal housing associations (Whistler Housing Association) and co-ops. Financial Institutions might be enticed to create supportive financial instruments such as a mortgage where you could buy a base share (right to live) and progressively buy more equity.
- Some fairly advanced economic analysis would be needed to determine the precise combination of tax credit and affordable housing investment rules needed to both induce investment and ensure the housing meets the need.

This approach can be supplemented by tax measures to address demand management and thus reduce additional pressure on the rental market that arises when households cannot afford home ownership as an option.





EVIDENCE-BASED POLICY FOR DEMAND MANAGEMENT

A substantial and growing body of evidence points towards the important role of speculative demand in continuing to drive housing prices upwards. While more extensive data exist, the following represent basic points of evidence:

1. Housing prices have risen dramatically even as construction has more than kept pace with population growth over an extended period. In 2016, there was 1 housing start per 1.5 new residents in B.C., compared to a household size of 2.4¹⁴. Looking further back, a recently released study¹⁵ examined Census data between 2001 and 2016, to find that 1.19 net units of housing were added for each new household in Metro Vancouver in that period.
2. There is now an extreme disconnect between housing prices and income that is historically unprecedented in Metro Vancouver. This level of disconnect has not been seen in the past, and it continues to grow. By definition, this could not be the case if the increase in housing prices was simply a result of increased purchasing power of local workers, further pointing towards the role of speculation in driving prices upwards.

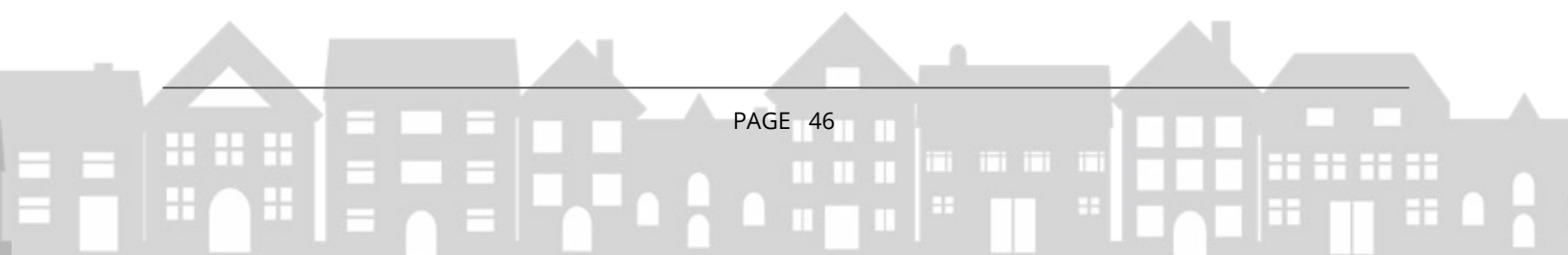
Indeed, from 2005 to 2017 the price of a benchmark house in Metro Vancouver increased from \$389,000 to just over \$1 million while median income increased from \$65,342 to \$72,662. This moved the ratio of house price to income from 5.9 to 13.7.

According to Demographia, which regularly reports on trends in international affordability using this metric, a median multiple of 3 and under is considered affordable. A median multiple of 5.1 and over is considered 'severely unaffordable'.

Put another way, the mortgage payment on the benchmark home would consume 60 per cent of before tax income, even with a 25 per cent down payment. According to a 2015 Vancity study, by 2020, 82 of 88 in-demand jobs will be unable to afford a single-family home in Metro Vancouver¹⁶.

3. Census data point towards a large and increasing number of vacant homes. 2016 data indicates that in Metro Vancouver, 66,719 homes (6.5% of all homes) were unoccupied, a growth of 14% over the past 5 years¹⁷. A number of these units are seasonal second homes for foreign buyers, others are pure 'buy and hold' investments, not seeking rental income.

Several researchers and journalists have now studied this issue for over a decade and have also concluded that investment driven demand is pushing housing prices far beyond the point that most British Columbia residents can afford.





Foreign Investment as a Component of Speculative Demand

While domestic speculation certainly is a factor in driving demand, both Provincial data, collected in conjunction with the application of the foreign investors tax, and recently released Statistics Canada data suggest that foreign investment has been substantial in the least affordable markets in BC.

Statistics Canada data released in December 2017¹⁸ indicates that of condominiums built in the last two years, ownership by non-residents comprised 24% of the total in Richmond, 23% in Coquitlam, 19% in Vancouver, and 9% in North Vancouver¹⁹.

Upon the initial release of the data, headlines highlighted the relatively low ownership of properties by foreign nationals overall, but as noted by Murtaza Haider and Stephen Moranis, this is because “Statistics Canada answered a housing question, but not the one that everyone was asking”²⁰. That is, while the raw data focused on homeowners rather than homebuyers, subsequent analyses were necessary to reveal high rates of ownership in recent years by non-residents, particularly in certain unaffordable markets.

Previously, the only credible source of data on foreign investments - that collected by the Province in conjunction with application of the foreign investors tax - suggested that:

- a. Prior to introduction of the tax, foreign investment was substantial in the least affordable markets in B.C.,
- b. Foreign investment fell dramatically following introduction of the tax, and
- c. It has started to rise slowly again, several months after the tax was introduced, mirroring experiences in other jurisdictions where similar taxes have been applied.



With the possible exception of provincial data on foreign transactions immediately prior to imposition of the foreign investors tax²¹, estimates of foreign investment provided by federal and provincial data are likely quite conservative, due to:

1) Lack of Data on Condo Pre-sales

In some communities, the majority of housing starts are condominiums (for Metro Vancouver, it was 58% in 2016). In downtown Vancouver, prices for presale condominiums have nearly doubled since the end of 2015²². The Canada Revenue Agency has recently sought this data in conjunction with investigations of tax avoidance, and Finance Minister Carole James has suggested that the Province is discussing a registry of condominium presales and assignment sales²³.

2) Local Proxies

A number of foreign buyers make use of local proxies to provide a local address for the property purchase. These include temporary migrants – notably international students (the foreign buyers tax was loosened before the provincial election to exclude students)– as well as established friends, family and business associates. The identities of some beneficiary owners are also concealed in offshore trusts.

3) Tax Avoidance

With regards to provincial data, specifically tax avoidance: advice on how to avoid the tax has been widely circulated²⁴.

4) Definition of a Resident

With regards to the federal data specifically – the definition errs on the side of undercounting foreign ownership: a residential property is considered “owned by residents” where the majority of owners are individuals whose principal residence is in Canada, or entities engaged in economic activities from a location in the economic territory of Canada. In the situation of an equal number of residents and non-resident owners for the same property, the property is classified as “owned by residents”.

The large and profitable market in selling Vancouver real estate has been established in Asia Pacific over the past 30 years, since the sale of the Expo lands to a Hong Kong consortium in 1988²⁵. Surveys undertaken by wealth management companies have shown that Vancouver has been one of the most desirable destinations of high net-worth families in China²⁶.



The Need to Address Short-Term Rentals

Short-term rental properties pose two broad problems for affordability:

- 1) They drive demand for high-end condo products for purchase as investments, potentially further driving up prices.
- 2) They take away from already very limited long-term rental stocks, particularly where they are not limited to primary residences. Instances of what amount to hotel operations have been well documented, with single owners renting out large numbers of units.

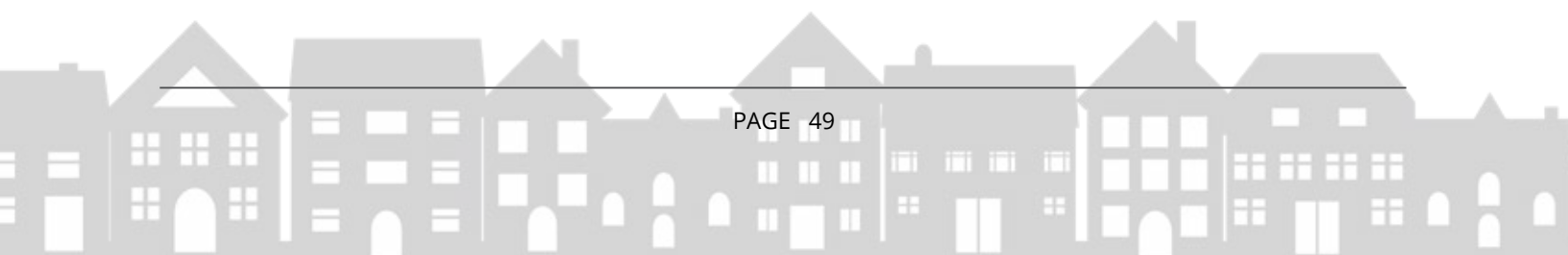
One study of short-term rentals in Vancouver found that commercial operators with multiple, entire-home listings are making the bulk of revenues: in Vancouver, 20 per cent of the hosts make 70 per cent of the revenue. This study also demonstrated the impact of Airbnb on a small scale, noting that in well-established neighbourhoods like Kitsilano, “Airbnb growth is completely outpacing new constructions and actually reducing net available housing stock”²⁷. The growth of short term rentals has also been documented in communities across the province. For example, in Penticton, the number of short-term rental guest stays grew by 152% from 2014 to 2015²⁸.

Enforcement can be very costly for local governments and may require continuous fine-tuning as property owners adapt to evade enforcement activities, and no one city has been able to develop a policy framework to effectively enable and enforce short-term rental activity²⁹.

Major platforms such as Airbnb have also in many instances been non-cooperative with local governments on a range of issues relating to enforcement.

Further complicating matters, multiple platforms are also active in many regions, including not just Airbnb, but VRBO and Craigslist. In the City of Richmond for example, in November 2016, staff found Airbnb accounted for approximately 47% of total listings, while approximately 40% of listings were on VRBO, and at least 9 other sites identified as offering listings³⁰.

Such challenges point towards the need for involvement of other orders of government to comprehensively address short-term rentals, providing clarity and support to local governments that lack the capacity to address the challenges associated with the rapidly evolving marketplace.







THE CASE FOR A PROACTIVE APPROACH TO HOMELESSNESS

Homelessness is an issue that impacts throughout B.C.

The B.C. Rental Housing Coalition has compiled the results of homeless counts over the past several years. Their data demonstrates that people are homeless in large urban communities, suburban communities, resource and tourist dependent communities and rural areas across the province.

Results of Community Homeless Counts			
Community	Geography	Year of the Count	Homeless Population Counted
Squamish	DM	2012	200
Nelson	CY	2016	116
Terrace	CY	2016	63
Cranbrook	CY	2016	111
Williams Lake	CY	2015	59
Port Alberni	CY	2016	73
Smithers	T	2014	22
Parksville (Oceanside)	CY	2013	49
Penticton	CY	2016	128
Greater Victoria	RD	2016	1,387
Vernon	CY	2017	153
Prince George	CY	2016	205
Comox Valley	RD	2016	157
Nanaimo	CY	2016	174
Kelowna	CY	2016	233
Cowichan Valley	RD	2017 (summer)	150
Campbell River	RD	2015	52
Sunshine Coast	RD	2016	40
Fraser Valley	RD	2016	603
Metro Vancouver	RD	2017	3,605
Kamloops	CY	2014	95
TOTAL			7,675

DM-District Municipality, CY-City, T-Town, RD-Regional District



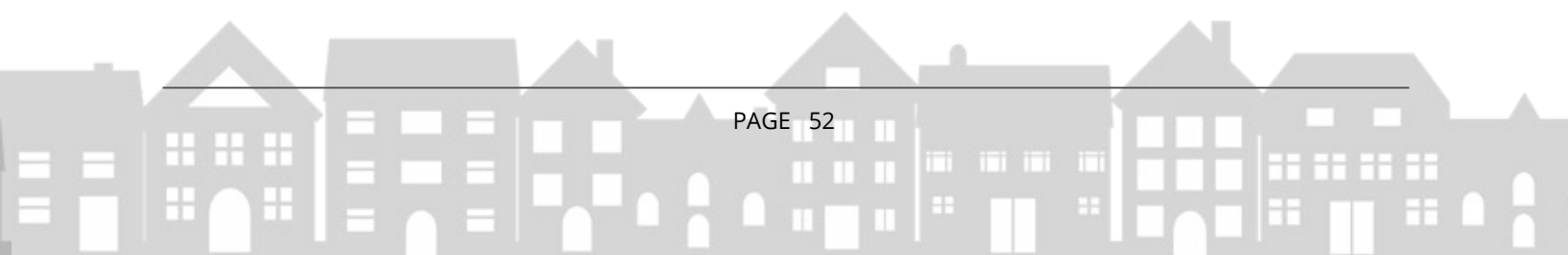
In addition, the homeless population is diverse and growing. For example, the most recent Metro Vancouver count showed that in Metro Vancouver:

- Homelessness had grown by 30% since 2014;
- 21% had a part-time or full-time job;
- 4% had served in the Canadian Armed Forces;
- 21% were seniors;
- 16% were youth;
- 50% had been in the same community for at least 10 years;
- 83% reports at least one health condition (addiction, mental illness, medical condition, physical disability) and 52% reported two or more health conditions;
- 72% of those surveyed were male, 27% female, 1% another gender;
- 34% were Aboriginal – as compared the 2% of the overall regional population who identified as Aboriginal; and,
- 51% had been homeless for over 1 year.

Homelessness is directly related to a shortage of affordable housing. Where there are acute housing shortages, they are felt most directly with those who face the greatest personal challenges and need to deal with low incomes.

There are substantial federal and provincial programs to work with people who are homeless or at risk of becoming homeless. However, numerous studies suggest that this programming needs to be more integrated and more case centered (see Housing and Support for Adults with Severe Addictions and/or Mental Illness in British Columbia, Centre for Applied Research in Mental Health and Addiction, Faculty of Health Sciences, Simon Fraser University, as an example).

The same studies show that the institutional costs associated with dealing with the consequences of homelessness are greater than the costs of providing housing to the homeless population. In hard numbers, the average street homeless adult with severe addictions and or mental health issues in B.C. costs the public system in excess of \$55,000 per year. Provision of adequate housing and supports is estimated to reduce this cost to \$37,000 per year. Such findings have been further reinforced by other recent studies, including a recently updated examination of costs of services for homeless people with mental illness in five Canadian cities³¹. This is supported by patterns of service data revealed in the 2017 Metro Vancouver homeless count which showed 50% of respondents had used an emergency room in the past year; 40% had used the hospital for non-emergencies, and 39% had used an ambulance.





Research of this type has led to an increased emphasis on looking at the causes of homelessness and questioning whether current approaches need to be changed. Homelessness is widely considered to be a three-stage process that can be mapped as pathways into homelessness, a period in which a person is homeless and pathways out of homelessness.

All jurisdictions who work at addressing homelessness work at all three stages. However, Canada and the United States have placed more emphasis on the second phase of managing homelessness than have other jurisdictions such as the U.K. and Australia. In those jurisdictions greater emphasis has been placed on prevention.

A number of recent studies have discussed shifting the emphasis in Canada towards prevention. These include work done by Metro Vancouver (Addressing Homelessness in Metro Vancouver, February 24, 2017) and work done through the Canadian Observatory on Homelessness (Leading the Way: Reimagining Federal Leadership for Preventing Homelessness, Stephen Gaetz, Erin Dej, Jessie Donaldson, Nadia Ali, 2017; A New Direction: A Framework for Homelessness Prevention, Stephen Gaetz, Erin Day, 2017).

The newly released National Housing Strategy speaks to a rights-based approach to housing, which is consistent with this new emphasis on prevention. Alberta has also moved to adopt a preventative approach with respect to youth homelessness.

In this context, the time seems right for British Columbia to shift to a preventative approach.



APPENDICES





APPENDIX 1

UBCM Special Committee on Housing

Terms of Reference

Purpose:

Communities across the province are increasingly faced with shortages of affordable housing, impacting individuals across the income spectrum. The Special Committee will explore opportunities for voluntary local government action, and identify avenues for further work with other levels of government and the development industry to make housing more affordable for people who live, work and contribute to B.C.'s communities. In identifying solutions, the Special Committee will consider:

1. The Current Housing System

An overview of key elements of the housing system, focusing on those factors that impact the availability of both affordable market and non-market housing, including:

- interrelated federal, provincial and local government roles and policies impacting housing;
- the provincial framework for development finance, and local government development finance practices; and,
- the roles of supply and demand side factors in shaping housing prices, including impacts of foreign investment and the commodification of market housing.

By identifying these elements, the Special Committee will establish a framework for considering feasible solutions to the affordability crisis.

2. Local Government Best Practices

Local governments are increasingly demonstrating leadership in the provision of affordable housing. The Special Committee will examine and highlight actions that local governments are currently implementing to increase housing supply and affordability, including examples of development approval streamlining and coordination with the development community. Best practices will be selected to demonstrate a range of locally developed solutions and highlight local government choice in addressing affordability

3. Opportunities for Local Government Innovation Going Forward

The Special Committee will consider innovative approaches that would grant local governments additional options to support the timely development of affordable housing in the face of barriers such as neighbourhood opposition and provincial regulatory requirements, such as:

- opportunities for better integration of land use and transportation infrastructure;
- new housing forms; and,
- tools to improve predictability and transparency for the development industry.



1. Provincial and Federal Roles

While local governments can take action to create affordable housing, they cannot tackle the crisis alone. The Special Committee will identify:

- supports (legislative, funding or policy) necessary to enable innovative action by local governments;
- opportunities presented by the pending National Housing Strategy; and,
- federal and provincial actions to address housing prices that lie outside local government jurisdiction.

In exploring these issues, the Special Committee will undertake a review of existing research, examine best practices, consult with local governments and others, and perform any other work necessary or desirable to fulfill its mandate.

Members and Support:

UBCM Executive will appoint up to 12 Special Committee members composed of:

- at least 1 member from the UBCM Executive;
- at least 6 members from amongst local government elected officials and senior staff, who may or may not be members of the UBCM Executive
- up to 4 other members, who may or may not be elected officials, but who are either partners in local government or possess specific relevant expertise;
- UBCM Executive will appoint one of the members as the Chair;
- the Special Committee will be supported by UBCM staff and an external advisor with unique expertise in local government–provincial relations, policy development and municipal finance.
- the Special Committee may contract with any other person within its budget allocation, and subject to approval by UBCM's Executive Director.

Products/Deliverables:

The Special Committee will prepare a report of its findings for the UBCM Executive. The final report will be provided by October 31, 2017, unless the term of the Committee is extended. If the term of the Special Committee is extended, it shall provide an interim report to the UBCM Executive by October 31, 2017.

Resources:

UBCM will pay costs of the Special Committee, up to the maximum budget allocation, including:

- travel and per diem expenses for Committee members at the same rates as UBCM Executive policies;
- meeting and other operating expenses of the Committee;
- consultant fees and expenses;
- any other expenses specifically approved, in advance, by the Executive Director.

Term:

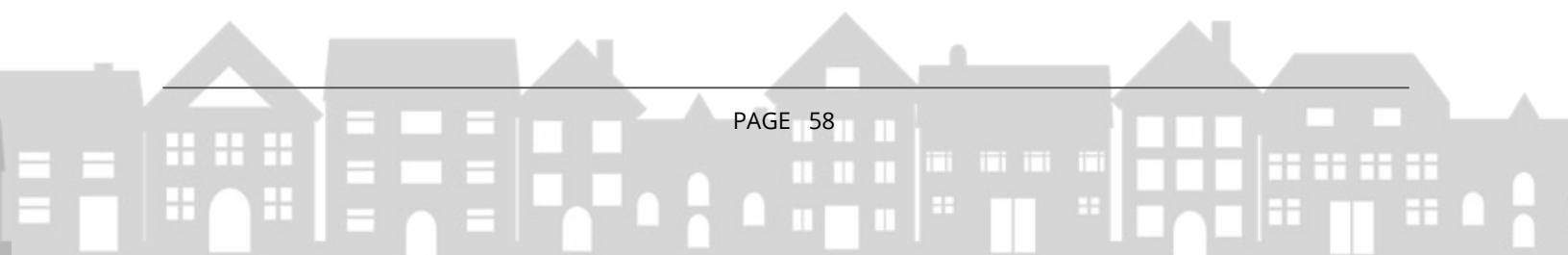
The Special Committee will meet from June 2017 through to October 31, 2017, at the call of the Chair. The UBCM Executive may also consider extending this term as needed.



APPENDIX 2

Committee Membership

- **Chair:** Mayor Greg Moore – City of Port Coquitlam. Chair of Metro Vancouver Regional District and Chairperson of the Metro Vancouver Housing Corporation.
- Director Wendy Booth – East Kootenay Regional District, UBCM President
- Councillor Murry Krause – City of Prince George, UBCM Past President
- Councillor Bruce Hayne – City of Surrey, UBCM Vancouver Metro Area Representative
- Mayor Mike Clay – City of Port Moody. Chair, Metro Vancouver Housing Committee
- Mayor Derek Corrigan – City of Burnaby
- Gil Kelley, General Manager of Planning, Urban Design and Sustainability – City of Vancouver
- Lisa Spitale, Chief Administrative Officer – New Westminster
- Robert Lapham, Chief Administrative Officer – Capital Regional District
- Doug Gilchrist, Division Director, Community Planning and Real Estate – City of Kelowna
- Kishone Roy, CEO – BC Non-Profit Housing Association
- Dr. David Ley, Professor of Geography – University of British Columbia
- Richard Wozny, Principal – Site Economics
- Carol Frketich, Regional Manager, Affordable Housing BC – Canada Mortgage and Housing Corporation





APPENDIX 3

Overview of the Canadian Housing System

Overview

Housing in Canada is a large, complex economic sector that is highly influenced by federal, provincial and local government policy.

Government policies affecting housing are often influenced by specific and very valid considerations including economic, environmental, safety and liability matters. Housing prices can often become the residual consequence of a whole series of individual decisions on other policy questions.

At the same time a number of demographic forces are impacting demand for housing in Canada. These include an aging population, smaller family units and urbanization. As Canadian cities deal with the consequences of these trends in the current policy framework, they are challenged to address the often-conflicting requirements of:

- those who need additional housing at affordable prices;
- current residents who are concerned about how change will impact both property value and the quality of life within their neighbourhoods;
- developers who are interested in meeting market demand, which may be driven by the demand from investors in higher priced units;
- an urban economy that is increasingly characterized by substantial disparity income;
- a housing market that has both a profit and a number of non-profit (e.g. social, supportive, seniors) segments.

The federal and provincial governments both face complex policy questions with respect to housing.

Policy Components

- Monetary - interest rates
- Fiscal - deficit/debt
- Income - Housing policy and income distribution policy are very closely related
- Tax - income, consumption, property
- Regulatory - tenure, zoning, subdivision, building standards
- Sectoral - CMHC policies, public investment, rent subsidies, subsidies

Federal Role

Monetary Policy - Interest Rates

- historic low interest rates have pushed up demand for housing in Canada and likely fueled demand for housing as an investment. They have also contributed to historic household debt levels and the associated economic risk associated with such levels.



Tax Policy - Income Tax;

- Since the last round of U.S. Tax Reform in the 1980's there has been a global trend to reduce the progressivity of income tax rates so as to remain competitive with the U.S. In Canada, this was a key outcome of the 1980's tax reform, which reduced the number of income tax rates, brought down top marginal rates and substituted consumption tax revenue (GST) for income tax. The same tax reform also reformed depreciation rates (CCA) to more align with economic depreciation and support investment in job creating sectors. One outcome was to bias investment less towards real estate. However, it seems apparent that substantial capital has still favoured real estate investment over investment in business sectors, leading to the twin issues of sluggish business investment and overheated property markets.
- One area of federal taxation that is often raised in relation to housing policy is the taxation of capital gains. Capital gains on principal residences are exempt from income tax. Most other capital gains are taxable as is interest earned on investment. This creates a tax incentive to invest in a principal residence. A second capital gains issue sometimes raised has to do with capital gains tax on property that is to be used for housing. There are, from time to time, calls to exempt such sales from capital gains taxation to ease the transition of such property into use for housing. The flip side of the issue is that this creates a very large tax benefit from a relatively small number of wealthy landowners.

International Movement of Money

- This is a highly complex and specialized area. However multiple commentators have maintained that international investment in the housing sector is significantly impacting prices. The impact of the provincial investment tax in Metro Vancouver would support this observation. What, if any, additional actions are appropriate remains a complex and challenging question.

Housing - CMHC Guarantees

- CMHC guarantees on high ratio mortgages have been a key component of Canadian housing policy for over 50 years. They enable a significant number of Canadians to access homeownership. The federal government has in recent years managed the rules around access, in an effort to balance the somewhat competing objectives of enabling Canadians to access the mortgage market and managing the rate of increase in consumer debt. This somewhat elusive balance has been a focus of successive federal Ministers of Finance.

Housing Investment - mostly in non-profit sector

- Historically, the federal government has made substantial investments in the non-profit housing sector, while the level of investment has declined over time, these assets continue to form an important part of the housing stock. It is expected that the proposed National Housing Strategy will include significant new investments.



- The non-profit sector contains at least three distinct segments. These are subsidized housing for lower income Canadians, housing for lower income seniors (some of which is connected to supports received from the healthcare sector) and supportive housing for those who are homeless or at risk of homelessness (most of which is associated with some form of social supports).
- In Metro Vancouver and the Capital Region, local government owned regional housing corporations are important players in this sector.

Provincial Role

Tenure - Land Titles, *Strata Title Act*, Residential Tenancy Law

- A key role of provincial governments is providing a framework for property law and tenure. In B.C., this includes the *Land Title Act*, the *Strata Title Act* and the *Residential Tenancy Act*. It also includes the agencies that administer this legislation.
- While much of this is taken largely for granted, it is important to recognize the innovations in this area can have dramatic results. One example is the introduction of what is now the *Strata Property Act* (then the *Condominium Act*) in the 1970's.

Exchange - Real Estate Regulation

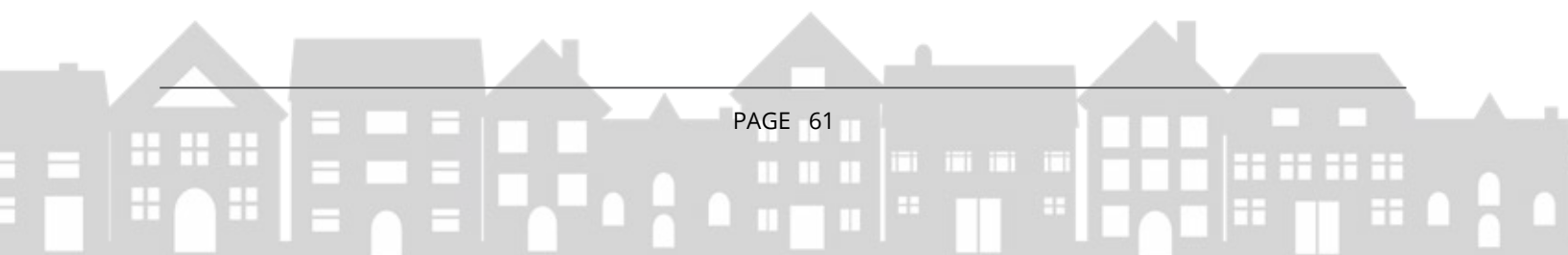
- The provincial government regulates the real estate profession to ensure fair dealing.

Social Policy - Income Support

- Housing policy and income policy have traditionally been seen to be closely related. Put bluntly, governments can support lower income citizens with money, housing or a mix of both. In Canada and in B.C., there has been a mix of these two approaches.
- Recent analytical work (Richard Florida and others) has shown that North American cities including Vancouver have increasing income disparity. This has resulted in housing prices rising while the incomes of many residents have stagnated. One result is an increase in a range of informal housing arrangements.

Provincial Land Use Policy - ALR, Crown Land

- The provincial government exercises land use authority over most of the land in the province. It does this in three ways.
- Crown Land represents over 90 per cent of the provincial land base. The province manages this land base directly, providing tenures (e.g. forest licenses and leases) to users. It does this within provincial constitutional authority, which operates within the context of the constitutionally derived legal rights of First Nations.





- The province can and does regulate private land use. The primary example of this is the Agricultural Land Reserve where the use of agricultural land is regulated by the Agricultural Land Commission. A second example is private managed forest land, where the province has provided a framework for self-regulation through the Managed Forest Council.
- The province also provides legislative authority for local government regulation of land.

Building Standards

- The provincial government regulates building standards. This is a complex area that involves all three levels of government. The federal government, through the National Research Council, researches building standards and develops the national building code. The provincial government adopts the code into law, with amendments that reflect matters specific to the province. Local governments play a key role in administering the code through local building inspections services.

Transportation/Transit

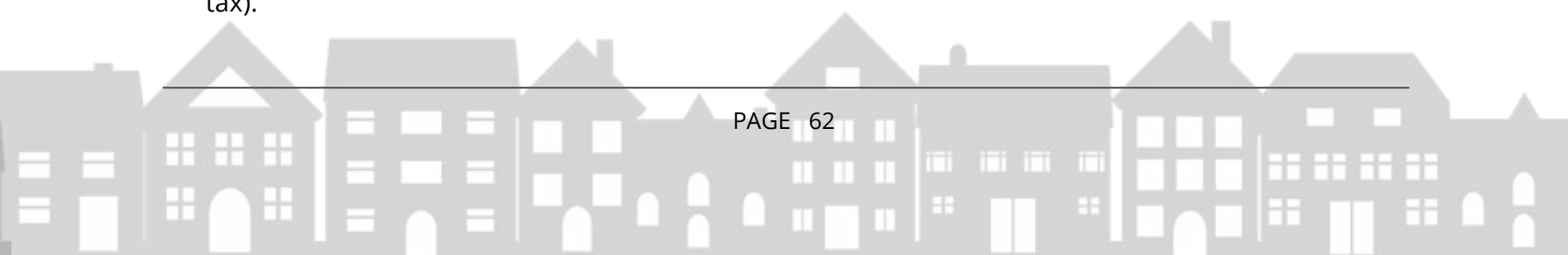
- The provincial government is responsible for provincial highways, a key component of the inter-municipal transportation system in Metro Vancouver and the Fraser Valley.
- It has also created TransLink to operate transit systems and finance the inter-municipal major road network. TransLink operates under provincial legislation, is run by a Board of Directors that operates at an arm's length basis from the government with major strategic and financial decisions subject to approval by a council of south coast mayors.
- Although TransLink operations are financed with defined and delegated revenue sources, major projects require cost sharing with the province and often the federal government.
- Transportation decisions have a major impact on housing as they influence the ability to travel from specific areas to other parts of the region.

Tax Policy

- Provincial tax policy touches housing in a number of ways. The province imposes residential school tax, the property transfer tax and offsets property taxes through the homeowner grant.

Supports - Rent Subsidies, Homeowner Grant, Investment

- The province also provides important financial supports for lower income renter and homeowners.
- These include rent subsidies for lower income renters, rent subsidies for lower income seniors (SAFER), the provincial homeowner grant which reduces property taxes for homeowners (with greater proportional impact on lower valued houses, somewhat reducing the regressive nature of the property tax).





- The province also finances housing for lower income renters by non-profit providers a portion of the capital cost of development of approved developments.

Legal Framework for Local Government Decision Making

- The province, through the *Community Charter*, *Local Government Act* and *Vancouver Charter*, establishes a framework for local governments. Included within this framework are local government planning, zoning, development approval and development finance authority.
- As well, the province creates and regulates the framework for local government finance, including development finance.

Local Government Role

- Within the provincial legislative framework local governments plan and regulate land use within their jurisdictions.
- The planning framework consists of regional growth strategies, official community plans, zoning bylaws, development permits and a number of other regulatory tools.
- Closely associated with the planning framework are development finance tools that enable local government to address the financial consequences of development and redevelopment.
- Local governments may also operate a building inspection service that operationalizes provincial building standards.
- Local governments also regulate housing in other ways, such as property maintenance standards and public nuisance regulation.
- Local governments are also responsible for the local road network.
- In parts of B.C. local governments are responsible for transit services in conjunction with B.C Transit. On the south coast, they are specifically prohibited from operating transit services outside of the TransLink framework without approval from TransLink. However, one municipal bus company (West Vancouver) does operate.

Property Tax - Within Provincial Structure

- Local governments' primary source of revenue is property taxation, which represents about 50 per cent of overall local government revenue. Well over 50 per cent of this comes from residential property, though residential property tax rates are substantially lower than those for non-residential property.
- Both Metro Vancouver and the Capital Regional District operate large housing corporations that provide a substantial amount of subsidized housing.



Private Sector Role

- Design, finance, build and transact housing within larger legal and economic context

Non-Profit Sector Role

- Design, finance, construct and exchange non-profit housing

Observations

- Federal and provincial governments have big demand driving levers - interest rates, income distribution, incentives on sectoral distribution of equity investment, tenure.
- Many senior government actions have contributed to current housing situation - tax policies that contribute to income disparity, tax policies working to move investment from real estate to other sectors, weak rules regarding foreign investment, reduced role in subsidized housing sectors.
- Local government role functions with created - and quite precise - policy frameworks and tends towards back-end of process.
- Local governments have created very substantial housing supply in constrained circumstances.
- Local government navigates the space between approving new housing and the interests of existing residents. Historically, the primary role of zoning law and process is the creation of a secure context for investment.



APPENDIX 4 Summary of Recommendations

1. A Rental Housing Strategy

- **1.1 Support for the provincial government's major housing construction commitment-** UBCM should support the provincial government's commitment to build 114,000 units of affordable market rental, non-profit, co-op, supported social housing and owner-purchased housing through partnerships over 10 years.
- **1.2 Ensure delivery of 114,000 units is flexible enough to meet community needs-** Any program to deliver the 114,000 units must be flexible enough to meet the diverse needs of B.C. communities. Matters such as the mix between subsidized and market units, the mix between retention and renovation of existing units and new units, the target group for the units (single workers, families, seniors) should fit the needs of communities.
- **1.3 Work towards retention and renewal of existing subsidized housing-** The federal and provincial governments should provide for renewal of operating agreements with non-profit housing providers to ensure that existing non-profit housing is retained and properly maintained.
- **1.4 The Province and federal government should continue and expand programs that will encourage the retrofitting of existing housing stock to improve energy efficiency.** Such initiatives can have many benefits including reduced operating costs for residents, and reduced greenhouse gas emissions. These initiatives may be particularly valuable for residents of northern B.C. where energy costs can be a major contributor to housing costs.
- **1.5 Work towards retention and renewal of existing privately owned purpose-built rentals-** The most affordable rental housing is that which already exists. However, this needs to be maintained in order for it to not slide into inadequacy.

It is recommended that the federal and provincial governments create a renewed residential rehabilitation program and that the provincial government allows a slightly higher allowable rate of rent increase to landlords under rent controls to provide both the:

- (a) basis for continued maintenance; and,
- (b) more substantial rehabilitation where required.

To balance this with the interest of renters, we recommend that these measures be combined with enhanced protection for tenants. This would be done through enabling local governments to refuse demovictions that result in evictions and to require replacement rental housing before allowing the demolition to proceed. Also, enabling municipalities to manage renovations through



clearer authority where they can require and enforce standards of maintenance bylaws and deny building permits where renovations may result in evictions, without incurring liability, would all support affordable rental housing.

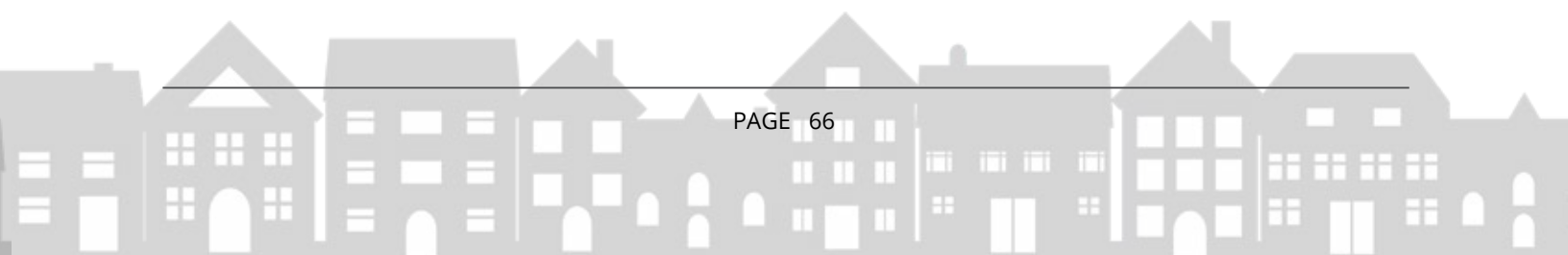
- **1.6 Support the construction of new privately financed purpose built rental housing-** It is recommended that the Province and federal government work towards creating a financial and regulatory context that supports the construction of new privately financed purpose built rental housing.

Subsidized housing is too expensive to fully address the existing gap between rental housing demand and supply. Substantial private investment is needed. Most B.C. communities have not seen enough new, privately financed, purpose built rental housing constructed for many years. In many situations, this has resulted in reduced rental housing quality or outright shortages leading to very low vacancy rates. Rising prices have priced housing units out of the range of many British Columbians. The only short-term solution is more rental housing. However, developers have difficulty in making the business case for such housing competitive with that for new condominiums. Changing that should be a priority.

Possible specific actions that could be useful include:

- a tax credit for investment in new purpose built rental housing trusts; and,
 - deferment of capital gains tax where an existing property is transferred to and retained in a purpose built rental-housing trust. It should be noted that this would not eliminate the tax, but simply defer it until the property is removed from the trust, as if the owner had continued to own the existing property.
- **1.7 Provide local governments with the legislative authority to create zoning for affordable rental housing** - For several years, local governments have called on the provincial government for the ability to create zones for rental housing. The provincial government has rejected this proposal on the basis that it is too great an intrusion into private property rights. It has instead opted to provide authority for rental agreements to be negotiated between local governments and developers at the time of zoning. Over the 25 years this has been in place, it has been a useful provision. However, the scale of the affordability crisis makes it clear that more is needed.

Recently Ontario, Alberta, and Manitoba have begun to provide local governments with the authority for inclusionary zoning which includes the ability to require that developments in specific zones have a minimum number of affordable rental units. This is a substantial policy change but the potential for this to remove challenging negotiations from the re-zoning process and the way in which this could facilitate rental development in transit priority areas in advance of major transit capital projects suggest that the time has come to seriously consider such a change.





- **1.8 Promote wood-frame construction-** By far the most economical way of constructing new rental housing is mid-density wood frame development. Wherever practical, government financed initiatives should utilize and showcase B.C. wood products. This is especially important when it involves less traditional uses for wood, such as taller buildings.
- **1.9 Review the Residential Tenancy Act provisions relating to secondary rental-** Secondary suites and second dwellings on what were previously single-family parcels have become a housing option for new renters and a means by which new owners help finance purchases. These are an increasingly important source of supply, and in many communities, regulations have been altered over the past 20 years to provide clearer legal status to these dwellings.

This is largely an area where local government has current authority and discretion to act in ways that are consistent with community needs. However, it is important that property owners who have rentable accommodation are willing to put that onto the rental market as opposed to utilizing it for short-term rentals or leaving it vacant.

To make this form of affordable rental housing more viable for prospective landlords, the government should give particular attention to the needs of these arrangements and specifically create provisions for dealing with problem tenants, as it reviews the *Residential Tenancy Act*.

- **1.10 Funding rental housing- we do not recommend a specific funding source, but highlight that property transfer tax revenues are significant** – over \$2 billion in 2016 – as a result of high housing prices and therefore the Province has a responsibility to re-invest a significant portion of this revenue to address the impact of higher housing prices on B.C. households.
- **1.11 Program design-** Program design be built on a model in which local governments collaborate with non-profit providers to create local delivery strategies rather than working on a project-by-project basis, which will place local governments in the role of approving individual projects either before or after provincial financing is in place.
- **1.12 Community integration and income mix-** It is recommended that the program design ensures that projects are created for a mix of incomes and are appropriately integrated into existing neighbourhoods.
- **1.13 Non-profit sector capacity-** It is recommended that the provincial government work with non-profit housing providers and the federal government on the design of the co-investment fund promised in the National Housing strategy in order to create additional financing possibilities for non-profit housing providers.
- **1.14 Limited equity home ownership-** Increased prices mean that prospective homeowners need new pathways to homeownership. The development of the *Condominium Act* in the 1970's revolutionized the B.C. housing market, dramatically increasing options for homeownership while substantially reducing the availability of rental housing.



Given that traditional homeownership is out of reach of many British Columbia families, it is time to explore the expansion of limited equity ownership models that allow for home purchase, but limit the value of resale.

It is recommended that the provincial government act to facilitate the increased development of limited equity homeownership forms such as housing co-ops and housing associations.

It is recommended that local governments document best practices for community housing associations such as the Whistler Housing Association so that this experience can be applied to the creation of employee housing in resource and smaller tourist oriented communities.

- **1.15 Provincial/local government urban development agreements**

In order to create affordable housing, there is often a need for associated infrastructure. For example, ensuring that affordable housing is located near transit lines is an important component of reducing household costs and increasing affordability. Not only does this benefit people and the environment, ensuring renter households reside near transit lines helps drive transit ridership.

In other communities, a similar link exists between transportation, water or sewer infrastructure and future housing supply. Linking infrastructure to housing requires a clear process by which future zoning, together with appropriate density and inclusionary housing targets can be linked to infrastructure development.

In Metro Vancouver, the Mayors' Council on Regional Transportation has proposed a structure for such agreements. We believe this can support both the transportation strategy and the creation of affordable housing.

Similar approaches should be available to other communities to reach common goals with the Provincial Government.

- **1.16 Increasing property tax flexibility** –creating affordable rental housing is going require the use of an array of policy tools. It is recommended that the provincial government provide local governments with the authority to create property tax sub-classification for affordable rental property.

Development Approval Timelines and Costs:

- **1.17 We recommend that the provincial government work with local government and stakeholders to review the process for rezoning property** - Such a review would be able to take an impartial and in-depth look at whether the existing process appropriately engages affected citizens.
- **1.18 We recommend that the Province consider examining Local Government Act changes to allow Development Cost Charges for additional growth-related costs associated with higher density zoning** – This would replace the uncertainty associated with re-zoning and a range of negotiated agreements with a clear, certain process that is regulated by the province while also providing local governments a legislated way to pay for the cost of growth.



2. A Demand Management Strategy

- **2.1 Taxation tools to address speculation-** These tools should be adopted with the short-term goal of stabilizing prices, and the long term goal of increasing the diversity of housing options to ensure that affordable options are available to British Columbians:
- **2.2 Taxation to address foreign Investment pressures on demand:**
 - Remove condominium presale exemptions from the existing foreign-buyers tax to ensure equity,
 - Revisit the foreign buyers tax rate to ensure that it is sufficient to curb rebounding rates of demand and potentially expand the geographic scope of implementation to limit spill-over effects between regions, and,
 - Require declaration of beneficial ownership for transactions that are currently not registered at the Land Title Office (e.g. bare land trust agreements) to close a major loophole in the current foreign-buyers tax.
- **2.3 Taxation targeting speculation more broadly (foreign and domestic):**
 - Review the existing property transfer tax, to:
 - make it more progressive – consider approximately maintaining current revenue levels from the tax while introducing a sliding scale of rates according to transaction cost,
 - dedicate revenues from the tax towards affordable housing, and
 - ensure regional equity in distribution of affordability funds – recognizing that residents of some areas will inevitably pay higher or lower tax rates on average.
 - Update Federal capital gains exemption regulations for primary residences, to:
 - limit the number of times they can be used, and
 - set a maximum value on the limit.

It is recommended that these changes be applied going forward (non-retroactively) so as not to penalize beneficiaries of past transactions.

- **2.4 Consider penalizing rapid speculative resale-** We recommend that the Province consider the application of a seller's tax that would penalize rapid speculative re-sale. Such a tax could decline to zero after a set period of time so as not to negatively impact long term residents selling their property. Alternately, consideration should be given to scaling the property transfer tax for the same purposes.
- **2.5 Improved data collection, data development and data sharing-** these are necessary to support evidence based policy and ensure accountability. It is recommended that the Province and federal government work together to address these needs, including:
 - Creation of a pre-sale registry.
 - Publication of aggregate data on pre-sales.
 - Investigation and follow-up on the findings of reports such as “Low Incomes and High House Prices in Metro Vancouver”³² to identify additional data needs and actions to address tax avoidance in real estate.



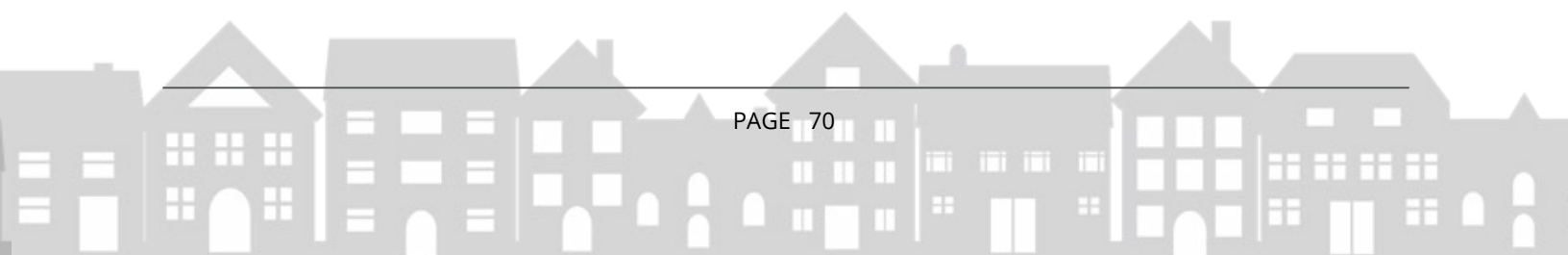
- Ensuring better co-ordination of agencies responsible for monitoring and regulating the relations between property transactions and capital flows, including CRA, FINTRAC, the banks, and the Real Estate Council of BC.

Short-term rentals:

- **2.6 Investigate options for regulating short term rentals-** The Province should investigate, in consultation with local governments, options for regulating short term rentals with the goals of:
 - enforceability,
 - retaining local government choice, and
 - providing local governments with more clarity, and regulatory power where needed, to address uncertainty regarding e.g. the applicability of business license approaches to companies like Airbnb, particularly where these platforms are based outside of the local government in question.
 Options for consideration should include:
 - **Adoption of platform accountability-** requiring that all hosts have a license or permit and only allow websites like Airbnb to list and advertise properties that have a permit number ('Platform accountability', approach favoured by Fairbnb³³).
 - **Placing a cap on the number of days per year a property is rented as a short-term rental-** requiring that short-term rental platforms automatically delist property listings that host beyond a specified upper limit of rental nights (e.g. 60 as in Amsterdam).
- **2.7 Address tax fairness-** We recommend that the Province investigate and implement policy to address the current tax fairness issue whereby residential properties currently used for commercial purposes as short-term rentals cannot be subject to property taxation that properly reflects the use of the property.
- **2.8 Good practices for short-term rentals-** we recommend that the Province create a good-practices guide for local governments to raise awareness of existing approaches to regulation of short-term rentals.

3. A Comprehensive Homelessness Strategy

- **3.1 Reduce pathways into homelessness-** Coordinated actions are needed to reduce pathways into homelessness, including specific actions related to caring for those dealing with mental health conditions, transition plans for children again out of government care, effective addiction treatment, and development of employment strategies either as part of the proposed mental health and poverty reductions strategies or as additional stand-alone strategies.





- **3.2 Enhance transitions out of homelessness-** Coordinated actions are needed to enhance transitions out of homelessness, including transitional employment training and effective addiction recovery. One specific area that could be considered is a focused employment program tied to new housing construction, built on the model of the BladeRunners³⁴ program.
- **3.3 Consider an integrated case-management approach-** When considering how best to approach these recommendations, the provincial government should consider an integrated case management approach that creates a single point of contact for individuals who are homeless or at risk of homelessness, in order to create and implement a client-centered homelessness prevention or recovery plan.
- **3.4 Recognize local needs-** Any provincial housing investment initiative should include sufficient units of transitional and supportive housing to meet the specific needs of individual communities.
- **3.5 Ensure enforceability of agreements made between facility operators and local governments-** Local governments have the difficult job of finding a balance between community concerns and the need to provide for various forms of supportive housing and shelters. A key part of this is reaching agreement with facility operators with regard to how such housing will be operated. To be useful, these agreements must be enforceable.

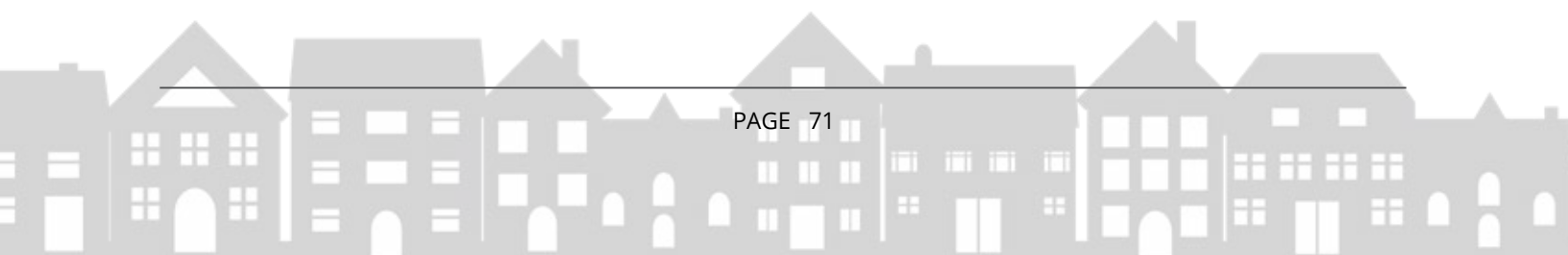
When negotiated, it may not always be clear if the facility operator can meet the terms of the agreement within the confines of the *Residential Tenancy Act*. If commitments cannot subsequently be honored it becomes a basis for those opposed to such housing to argue that such commitments are meaningless.

For this reason, legislation should be clarified to provide a clear legal basis for the enforcement of agreements made between housing facility operators and local governments.

- **3.6 UBCM should consider creating a good-practices guide for managing homelessness-** Like any kind of land use, housing the homeless or those at risk of homelessness requires local government zoning approval. This is often contentious and requires local government to balance community concerns with the need for such housing.

Local governments operate in a complex legal environment. In both Victoria and Abbotsford (*Abbotsford City vs. Shantz* BCSC 2015; *Victoria City vs. Adams* BCSC 2008/BCCA 2009), the court established that individuals had a Charter right under Section 7 (life, liberty and security of persons) to camp on public property and that local governments had a right to regulate but not prohibit such use of public property.

It is recommended that UBCM work with local governments with experience in managing homelessness to create a good-practices guide that documents effective, pro-active strategies for managing homelessness.





APPENDIX 5

UBCM Resolutions on Housing

Affordable Housing Generally

2014-B43 Affordable Housing Terrace

Whereas the lack of affordable and/or co-operative housing in northern communities is having a deleterious effect on local economies and the quality of life for many British Columbians;

And whereas affordable housing is essential to support vibrant and healthy communities, and will continue to be required:

Therefore be it resolved that UBCM advocate to the provincial government to increase the number of new affordable housing units constructed in British Columbia as soon as possible.

2014-B44 Rental Assistance for Housing Cooperatives Metro Vancouver

Whereas non-profit cooperative housing provides valuable mixed income housing for a range of households, with low-income cooperative members benefiting from rent subsidies geared to income assistance;

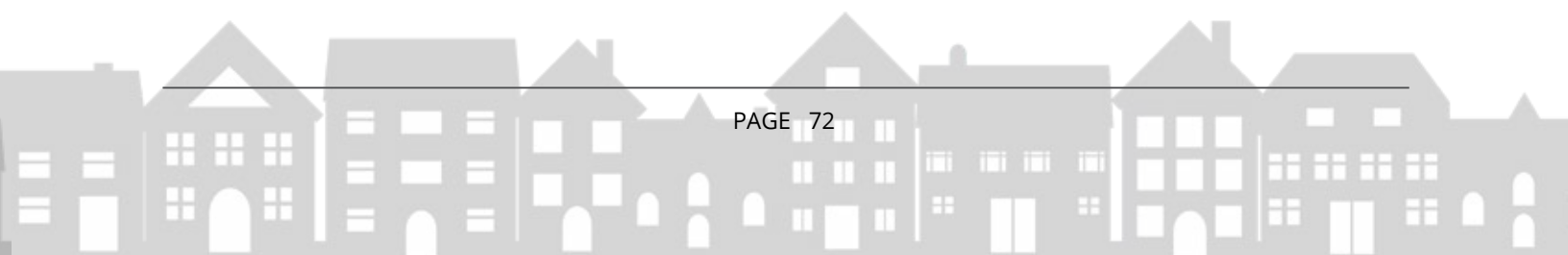
And whereas in the next twenty years operating agreements with over 180 cooperative housing providers will expire, affecting almost 11,000 units in Metro Vancouver and more than 14,500 units 6 across the province; in the short term, by 2017, rent-geared-to-income subsidies for low-income members will cease for one-quarter of housing cooperatives in B.C.:

Therefore be it resolved that local governments throughout British Columbia urge the federal and provincial governments to work together to reduce the uncertainty for vulnerable members of housing cooperatives by ensuring that long-term, cost-shared rental assistance programs are in place as federal cooperative housing agreements expire.

2014-B45 Seniors' Housing NCLGA Executive

Whereas the lack of appropriate affordable housing, particularly in small rural BC communities makes it difficult for seniors and those with special needs to age in place;

And whereas access to safe, affordable and appropriate housing helps to create vibrant, sustainable communities:





Therefore be it resolved that UBCM urge the provincial and federal governments to work with community partners to develop solutions to the lack of seniors' housing and to provide the necessary long-term funding to support the construction of a full range of affordable seniors' housing choices across British Columbia.

2017-B44 Regulation & Licensing of Supportive Recovery Homes Chilliwack

Whereas addictions are a health care issue and the operation of supportive recovery homes can play an important role in supporting improvements to individual and community health outcomes through recovery from drug and alcohol addictions;

And whereas under the *Community Care and Assisted Living Act*, many of the operating standards required of licensed treatment facilities—such as screening, programming, nutrition, staff competencies, and staff-to-client ratios—do not apply to supportive recovery homes, thereby reducing their effectiveness and putting at risk the safety of the vulnerable individuals they serve; facility staff; and the local community:

Therefore be it resolved that the Union of British Columbia Municipalities urge the provincial government to undertake licensing and more stringent regulation of supportive recovery homes to ensure effective care, support, and safety for persons seeking assistance with recovery from drug and alcohol addictions; and to provide improved oversight and accountability to the communities in which they are situated.

Property Transfer Tax Revenues

2017-B17 Property Transfer Tax for Homelessness & Affordable Housing Langley Township

Whereas the District of Saanich introduced resolution B109 in 2007 for said purpose with a prescriptive remedy of 20 per cent of the Property Transfer Tax (PTT) to be annually directed to a pooled fund to be administered by UBCM to address homelessness and affordable housing;

And whereas the resolution was endorsed by the Executive but not acted upon by the provincial government;

And whereas the incidences of homelessness throughout B.C. have increased exponentially in the past decade and most particularly in recent years, based on anecdotal and empirical information derived from the Regional Homelessness Count across Metro Vancouver and across the province as a whole;

And whereas there is a growing financial and social burden on local governments who are not statutorily mandated to provide below-market housing and deal with homelessness issues, but are nonetheless increasingly forced to spend inordinate and extraordinary resources relative to their tax base as in order to deal with the rising homeless population while concomitantly grappling with affordability issues;



And whereas the provincial PTT has increased by 44 per cent between 2014/15 and 2015/16, and is forecast to increase by over 50 per cent between 2015/16 and 2016/17:

Therefore be it resolved that UBCM request that a defined percentage of funds arising from the Property Transfer Tax be attributed to a specific “Affordable Housing and Homelessness” reserve fund in order to address these issues proportionately facing local governments throughout the province of B.C.

Demand

2015-B47 A Housing Action Agenda for British Columbia Vancouver

Whereas housing is becoming increasingly unaffordable in many areas of the province due to a range of factors, including speculation, the rising cost of land and strong demand driven by population growth;

And whereas rental housing, which provides housing affordable to a wide range of tenants with low or mid-range annual incomes, has not been built in large volume since the end of provincial and federal programs, resulting in record low vacancy rates in many areas;

And whereas Premier Christy Clark has recently acknowledged the severity of the problem for renters and first-time home buyers, promising to consider options available to make housing more affordable:

Therefore be it resolved that the Province develop and implement a comprehensive housing program, including measures to stimulate rental housing construction, maintain existing rental housing, reduce speculation, increase investments in social and non profit housing and expand opportunities for first-time home buyers.

2016-B136 Housing Affordability West Vancouver

Whereas it is well known that Vancouver has become one of the least affordable places to live in the developed world, and that the housing situation in Metro Vancouver has reached a crisis point;

And whereas speculation in residential real estate, particularly by foreign investors, is having a significant impact on housing prices and affordability for those living and working in the Metro Vancouver area;

And whereas housing is a necessity for all residents, and not simply a commodity of trade;

And whereas unaffordable housing results in lost productivity as workers commute longer distances, it impacts economic growth as more household income is devoted to housing costs and as skilled workers leave Vancouver, and it negatively affects the diversity of our communities;

And whereas it has been suggested that foreign investors avoid paying the applicable taxes on real estate investments through various means:



Therefore be it resolved that UBCM urge the provincial government, and the federal government through the Federation of Canadian Municipalities, to take immediate action to discourage speculation in real estate, particularly by foreign investors, and to ensure that foreign real estate investors pay a fair share of provincial and federal taxes.

2017-A2 Encouraging the Use of Residential Property for Housing Victoria

Whereas residents and communities across British Columbia face acute housing affordability and housing availability challenges, threatening the economic security of individuals as well as the productivity and viability of local economies, as youth, seniors, people with disabilities and working people lack access to affordable housing options;

And whereas effective fiscal and taxation tools have been identified to address these challenges by encouraging the use of residential property to provide housing, and discouraging speculation, “flipping,” commodity investment and other market distortions aimed at maximizing the exchange-value of residential property for the owner, while contributing toward a sharp escalation in the price of housing:

Therefore be it resolved that the Province of British Columbia and Government of Canada take action to introduce effective fiscal and taxation tools to encourage the use of residential property to provide housing, and discourage speculation, “flipping,” commodity investment and other market distortions that contribute toward a sharp escalation in the price of housing.

2017-B14 Restoration of Land Value Tax Victoria

Whereas concern around housing affordability is widespread in British Columbia communities, and the Land Value Tax provides a fiscal mechanism to incentivize improvements to property for housing and other purposes, and creates a disincentive to holding vacant property for speculative purposes;

And whereas local governments in British Columbia previously had the authority to introduce Land Value Taxes—taxing land at a higher rate than improvements:

Therefore be it resolved that the Government of British Columbia restore the authority of local governments to introduce a Land Value Tax, to incentivize improvements to property for housing and other purposes, and create a disincentive to holding vacant property for speculative purposes.



2017-B20 Split Classification for Short Term Commercial Accommodation

Tofino

Whereas the Prescribed Classes of Property Regulation enables BC Assessment to split-classify two specific Short Term Overnight Commercial Accommodation Properties (strata accommodation properties and 'bed and breakfast'residential properties) between Class 1 and Class 6 to reflect the dual residential and commercial use of these properties;

And whereas the regulation does not capture residential properties that are also used commercially for short-term overnight accommodation (known as "short term rentals" or "vacation rentals"), creating a tax fairness issue:

Therefore be it resolved that the Province amend legislation so that all residential properties used for short-term overnight accommodation be eligible to be split-classified between Class 1 and Class 6, and that classification methodology for short-term rentals be developed in consultation with stakeholders.

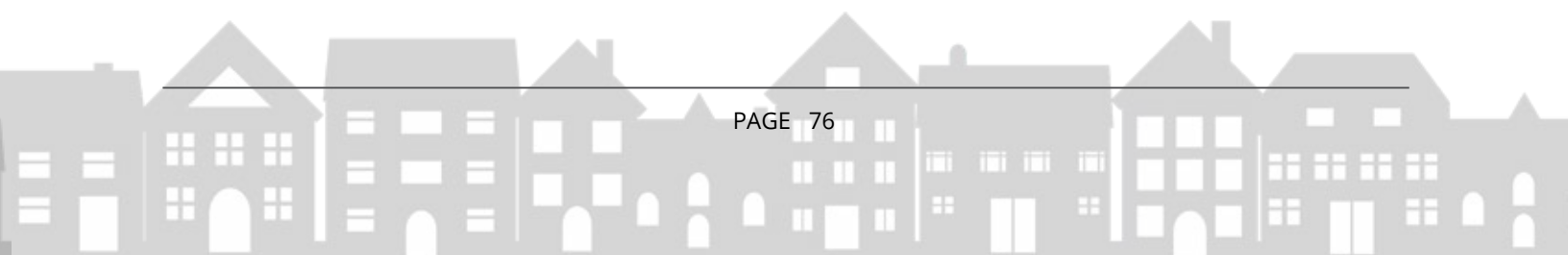
2017-B91 Tax on Vacant & Derelict Residential Properties

Nelson

Whereas the Government of British Columbia and Legislative Assembly responded to a housing affordability crisis by proceeding with legislation that empowered the City of Vancouver to introduce a surtax on vacant residential properties;

And whereas communities across British Columbia face housing affordability pressures while a portion of the housing supply in all communities remains vacant, including properties that have remained derelict for years and, these derelict vacant buildings pose substantial risks in terms of public safety as well as liveability and desirability for adjoining/nearby neighbourhoods and properties:

Therefore be it resolved that UBCM request the Province of British Columbia to extend the authority to introduce a surtax on vacant and derelict residential properties to local governments across British Columbia and encourage the occupancy, maintenance and improvement of buildings to address housing affordability and public safety.





Rental Housing

2012-B143 Market Rental Housing Stock New Westminster

Whereas market rental housing provides an important housing supply for low to moderate income earners;

And whereas on average, only 675 purpose-built rental units are built in Metro Vancouver each year;

And whereas the region's existing rental stock is aging and at risk for redevelopment;

And whereas there is a significant economic impairment to developing market rental housing compared to strata condo development:

Therefore be it resolved that the provincial government provide incentives for the retention of existing and development of new market rental housing.

2014-B42 Rental Subsidies for Low Income Households Kitimat

Whereas the District of Kitimat is concerned that the current economy has resulted in high rental rates and has affected the ability of residents on low and fixed incomes to acquire housing in Kitimat and throughout the region;

And whereas access to safe, affordable housing is a requirement to create healthy communities:

Therefore be it resolved that UBCM call on the provincial government to increase BC Housing rental subsidies for low-income households in communities affected by industrial development.

2015-B14 Tax Incentives – Affordable Housing Vernon

Whereas the lack of rental housing tax incentives has caused a reduction of investment in rental units, resulting in a decline in the amount of available rental inventory in most cities and towns across the country;

And whereas many municipalities attempt to address this shortage but are unable to provide the tax incentive required to motivate the private sector to invest in the rental marketplace;

And whereas the capital cost allowance that was allowed by Canada Revenue Agency on rental units could be applied to reduce an individual's total taxable income, thereby acting as an incentive towards this type of investment which was recouped upon sale of that asset to another party;



And whereas the lack of affordable housing and the incidence of homelessness is a growing and complex problem affecting all British Columbians and Canadian communities:

Therefore be it resolved that UBCM call on the federal government, through the Federation of Canadian Municipalities and other avenues as appropriate, to re-examine the long term benefits of providing a capital cost allowance to investors in rental projects that can be used where those business losses can be used against other income, including employment income.

2015-B48 Purpose Built Rental Housing Maple Ridge

Whereas the provision of incentives for private investors and developers to build purpose-built rental housing would increase the rental housing supply and contribute to overall affordable housing options; as demonstrated through programs in the United States, like the Low Income Housing Tax Credit;

And whereas the discontinued federal Multi-Unit Residential Building program provided for an incentive to create rental housing, not replacing this program has created diminished rental housing stock;

Therefore be it resolved that the Federation of Canadian Municipalities request that the federal government review current tax structures and programs to provide incentives for investment that increase purpose-built rental stock.

2017-B53 Rental Housing Esquimalt

Whereas lower investment in rental housing stock over the past 30 years have resulted in a low vacancy rate and steadily increasing rental costs in many communities;

And whereas market conditions have led to increased appetite for rental building owners to invest in upgrades to their buildings which provide improved unit quality, safety, and energy efficiency, but this creates the impetus for existing tenants to be evicted and subsequently experience challenges finding suitable and affordable replacement housing;

Therefore be it resolved that UBCM call upon the Province to provide a funding model and regulatory framework to assist local governments in reducing the impact of “renovictions” on tenants while continuing to encourage investment in upgrading older rental housing;

And be it further resolved that UBCM call upon the Province to increase the housing allowance portion of Income Assistance and Disability Assistance, as well as housing subsidies through BC Housing, to mitigate the impact of rising rental costs on low-income and vulnerable British Columbians.



2017-B120 Long Term Rental Accommodation Radium Hot Springs

Whereas there is a shortage of long term rental accommodation in British Columbia;

And whereas there are elements of the *Residential Tenancy Act*, including limits on allowable rent increases and controls on tenancy agreements, that are a disincentive to the development of new long term rental accommodation housing stock;

And whereas existing homeowners are reluctant to enter the long term rental accommodation market due to the widespread protections afforded tenants under the *Residential Tenancy Act*:

Therefore be it resolved that UBCM request the Minister Responsible for Housing to undertake a review of the *Residential Tenancy Act* to identify and address elements of the Act that discourage development of new long term rental accommodation housing stock and that discourage existing homeowners from offering long term rental accommodation.

2017-B126 Renovictions & the *Residential Tenancy Act* New Westminster

Whereas the practice of renovictions, by which some landlords evict their tenants under the guise of performing major renovations and then significantly increase the rent of those units, is on the rise in our province;

And whereas this practice is very disruptive to those impacted, including the elderly, low-income families, and new immigrants, and contributes to housing unaffordability and homelessness;

And whereas municipalities are limited in their ability to address this issue and many tenants are unaware of their rights or are reluctant to exercise them:

Therefore be it resolved that UBCM urge the provincial government to undertake a broad review of the *Residential Tenancy Act* including, but not limited to, amending the *Residential Tenancy Act* to:

- allow renters the right of first refusal to return to their units at a rent that is no more than what the landlord could lawfully have charged, including allowable annual increases, if there had been no interruption in the tenancy;
- eliminate or amend fixed-term tenancy agreements to prevent significant rent increases upon renewal; and
- permit one tenant or applicant to represent and take collective action on behalf of all tenants in a building.



Homelessness and Vulnerable Populations

2012-B43 Housing for Adults with Developmental Disabilities

Duncan

Whereas: 1. The provincial government is cutting funding and supports for adults with developmental disabilities, resulting in the closure of group homes and mounting waiting lists for services; 2. These group homes form a vital and necessary part of the housing continuum that has won broad support from members of the public at large, families of adults with developmental disabilities and the communities in which they are located; 3. We support the creation of new supportive housing options to provide appropriate options for parents and their adult children with developmental disabilities; and 4. The BC Community Living Action Group, which represents more than 65 affected agencies and organizations, thousands of families, and adults with developmental disabilities, has called for an end to service cuts and closure of group homes:

Therefore be it resolved that UBCM urge the provincial government to end funding cuts, implement a moratorium on the closure of group homes and provide sufficient financial resources both to maintain this vital housing resource and address growing waiting lists.

2012-B44 Transitional Housing in Rural & Remote Communities

Terrace

Whereas ample and varied housing stock is an essential part of a healthy and prosperous community;

And whereas housing for the hard-to-house and transitional housing is scarce in many rural and remote communities in British Columbia:

Therefore be it resolved that UBCM urge the provincial government to provide ongoing operational funding for support services for the hard-to-house and transitional housing in British Columbia.

2013-B52 Provincial Funding of Social Service & Housing Programs

Trail

Whereas the behaviours of people living with mental health, addictions and other chronic and social health issues without access to appropriate housing and related supports has a negative impact on the safety and economic development of our communities;

And whereas low cost housing with appropriate outreach, social and health supports is a cost effective means of stabilizing and improving the lives of those living with these chronic issues:

Therefore be it resolved that the Ministries of Social Development, Housing and Health work together to provide sufficient funding to local service providers and housing programs to address the needs of individuals living in our communities with mental health, addictions and other chronic social and health issues.



2015-A2 Mental Health and Addiction Services and Resources

Delta

Whereas local governments have been raising concerns in recent years regarding the increasing demands being placed upon police resources and hospital emergency services by people with mental health and addiction issues;

And whereas people with mental health and addiction issues deserve proper and timely psychiatric and medical care;

And whereas some municipalities have made repeated requests to the Provincial government to provide adequate resources to deal with people with mental health and addiction issues without seeing any improvements to services or resources:

Therefore be it resolved that the provincial government be called upon to develop a long-term, multifaceted strategy to help people suffering from mental health and addiction issues including integrated health and psychiatric care, criminal justice reform, and access to affordable housing, as a matter of priority within the BC health care system;

And be it further resolved that UBCM call on the provincial government to ensure that the level of resourcing and facilities for providing mental health and addiction services are increased throughout the province to allow for improved access and treatment for those suffering from mental health issues, including addictions

2017-B17 Property Transfer Tax for Homelessness & Affordable Housing

Langley Township

Whereas the District of Saanich introduced resolution B109 in 2007 for said purpose with a prescriptive remedy of 20 per cent of the Property Transfer Tax (PTT) to be annually directed to a pooled fund to be administered by UBCM to address homelessness and affordable housing;

And whereas the resolution was endorsed by the Executive but not acted upon by the provincial government;

And whereas the incidences of homelessness throughout BC have increased exponentially in the past decade and most particularly in recent years, based on anecdotal and empirical information derived from the Regional Homelessness Count across Metro Vancouver and across the province as a whole;

And whereas there is a growing financial and social burden on local governments who are not statutorily mandated to provide below-market housing and deal with homelessness issues, but are nonetheless increasingly forced to spend inordinate and extraordinary resources relative to their tax base as in order to deal with the rising homeless population while concomitantly grappling with affordability issues;



And whereas the provincial PTT has increased by 44 per cent between 2014/15 and 2015/16, and is forecast to increase by over 50 per cent between 2015/16 and 2016/17:

Therefore be it resolved that UBCM request that a defined percentage of funds arising from the Property Transfer Tax be attributed to a specific “Affordable Housing and Homelessness” reserve fund in order to address these issues proportionately facing local governments throughout the province of BC.

2017-B44 Regulation & Licensing of Supportive Recovery Homes Chilliwack

Whereas addictions are a health care issue and the operation of supportive recovery homes can play an important role in supporting improvements to individual and community health outcomes through recovery from drug and alcohol addictions;

And whereas under the Community Care and Assisted Living Act, many of the operating standards required of licensed treatment facilities—such as screening, programming, nutrition, staff competencies, and staff-to-client ratios—do not apply to supportive recovery homes, thereby reducing their effectiveness and putting at risk the safety of the vulnerable individuals they serve; facility staff; and the local community:

Therefore be it resolved that the Union of British Columbia Municipalities urge the provincial government to undertake licensing and more stringent regulation of supportive recovery homes to ensure effective care, support, and safety for persons seeking assistance with recovery from drug and alcohol addictions; and to provide improved oversight and accountability to the communities in which they are situated.

2017-B52 Addressing Homelessness New Westminster

Whereas the homeless population in Metro Vancouver increased by 29.8 per cent between 2014 and 2017;

And whereas the federal Homelessness Partnering Strategy has focused its resources on crisis response to the chronically and episodically homeless resulting in those at-risk of homelessness not being eligible for housing support and advocacy services;

And whereas municipalities have experienced significant funding cuts to housing outreach, referral and advocacy services, and inadequate funding from other orders of government to address addictions and mental illness is significantly impacting the sheltered and unsheltered homeless population:

Therefore be it resolved that UBCM urge the provincial government to work collaboratively with the federal government to place equal emphasis on homelessness prevention and crisis response, to increase funding for housing outreach, referral and advocacy services, and to provide additional funding to address addictions and mental health.



2017-B98 Federal Homelessness Partnering Strategy

Kitimat

Whereas the Government of Canada funding for the Homelessness Partnering Strategy – Rural and Remote Homelessness program no longer gives priority to communities with population bases less than 25,000;

And whereas the changing focus of this program has left small communities under-served and unable to work with the vulnerable populations in finding adequate housing and facilitating social services for individual clients, and without this funding, small local governments are unable to fund outreach workers for these services without creating further financial pressure by downloading of provincial and federal responsibilities:

Therefore be it resolved that UBCM call on the federal government to refocus the Homelessness Partnering Strategy– Rural and Remote Homelessness program funding to those programs in communities of less than 25,000 population.

Environmental Sustainability

2012-B25 Energy Efficiency Improvements for Homeowners

Terrace

Whereas the Province of British Columbia has provided funding and programs to homeowners for energy efficiency improvements;

And whereas the Province of British Columbia has committed to reducing greenhouse gas emissions through the Climate Action Charter:

Therefore be it resolved that UBCM request the Province of British Columbia to continue and to expand programs that will encourage the retrofitting of existing housing stock to improve energy efficiency.

2016-B46 Home Renovation Tax Credits

Saanich

Whereas the Quebec government has recently announced a new tax credit to encourage home renovations, and the Official Community Plan of Saanich and of municipalities across British Columbia and Canada recognize the importance of home renovations, housing variety, affordability and adaptability in their communities' quality of life, health, sustainability and economy;

And whereas housing renovations are recognized to help seniors stay at home, help the special needs of a family member or convert a house to an intergenerational home, and create skilled employment for young people, and the use of refundable tax credits for renovations is known to boost energy efficiency, local economies and reduce off-permit renovations:



Therefore be it resolved that UBCM urge the governments of the Province of British Columbia and Canada to create new tax credit programs for consumers to help encourage home renovations that focus on energy efficiency, improved mobility and aging in place projects, that are over \$1,000.

2017-B23 Local Partnerships for Energy Efficiency Retrofits

Victoria

Whereas local governments across North America are partnering with other levels of government to provide incentive programs to property owners to save money and reduce the environmental impact of buildings, including incentive programs funded through local service charges to support the installation of solar energy technology options for solar photovoltaic, solar hot air and solar hot water;

And whereas municipal local improvement charges in British Columbia cannot currently include the provision of cost recovery for municipal services on private property;

Therefore be it resolved that the Province of British Columbia work with local governments, First Nations governments and the federal government to introduce robust incentive programs to support residents, property owners and property managers in improving energy efficiency of buildings to address climate action and housing affordability objectives, and that the Province of British Columbia enact legislation to allow the cost recovery of municipally-financed green energy technologies on private properties through municipal local improvement charges.

Housing Strategies

2013-B54 Social Housing

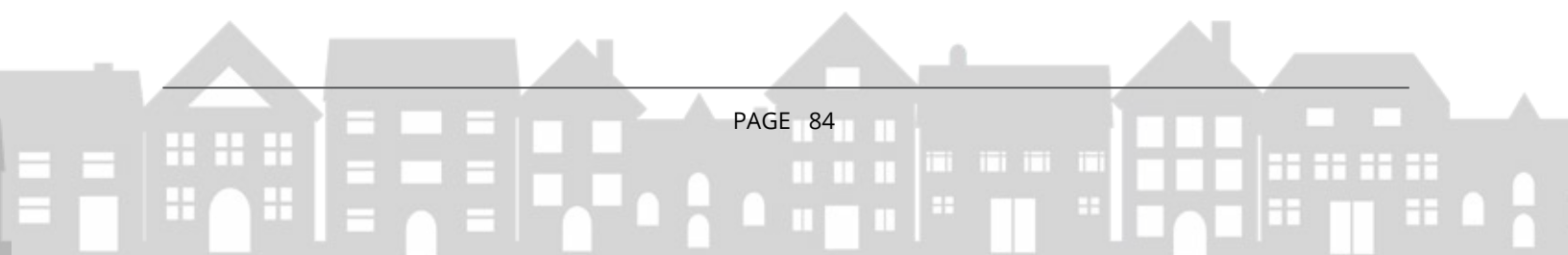
Burnaby

Whereas the anticipated upcoming expiration of subsidy or rent supplement operating agreements with the provincial and federal governments will have a significant impact on the availability of affordable and subsidized rental housing, including some housing units targeted towards persons who are homeless;

And whereas the lack of affordable housing and the incidence of homelessness is a growing and complex problem affecting all British Columbian and Canadian communities:

Therefore be it resolved that UBCM call on the federal government, through the Federation of Canadian Municipalities and other avenues as appropriate, to assess, examine, and renew the subsidy, rent supplements, or other supports for operating agreements set to expire;

And be it further resolved that UBCM call on the federal government, through the Federation of Canadian Municipalities and other avenues as appropriate, to collaborate with provincial, territorial and municipal governments, and non-profit housing providers and other housing stakeholders to ensure the viability and sustainability of all social housing stock through a national action plan on housing for Canada.





2014-B46 Development of a New Long Term Federal Plan to Fix Canada's Housing Crunch Richmond, Burnaby, Prince George, Port Moody

Whereas a stable and secure housing system that creates and maintains jobs and allows for a range of living options is essential to attracting new workers, meeting the needs of young families and supporting seniors and our most vulnerable citizens;

And whereas the high cost of housing is the most urgent financial issue facing Canadians with one in four people paying more than they can afford for housing, and mortgage debt held by Canadians now standing at just over \$1.1 trillion;

And whereas housing costs and, as the Bank of Canada notes, household debt, are undermining Canadians' personal financial security, while putting our national economy at risk;

And whereas those who cannot afford to purchase a home rely on the short supply of rental units, which is driving up rental costs and making it hard to house workers in regions experiencing strong economic activity;

And whereas an inadequate supply of subsidized housing for those in need is pushing some of the most vulnerable Canadians on to the street, while \$1.7 billion annually in federal investments in social housing have begun to expire;

And whereas coordinated action is required to prevent housing issues from being offloaded onto local governments and align the steps local governments have already taken with regard to federal/ provincial/ territorial programs and policies;

And whereas the Federation of Canadian Municipalities (FCM) has launched a housing campaign, "Fixing Canada's Housing Crunch," calling on the federal government to increase housing options for Canadians and to work with all orders of government to develop a long-term plan for Canada's housing future;

And whereas FCM has asked its member municipalities to pass a council resolution supporting the campaign;

And whereas BC local governments have continuing housing needs to support a diverse range of residents to access affordable and appropriate housing choices, such as specialized subsidized rental with supports, affordable rental, and entry level homeownership, that can only be met through the kind of long-term planning and investment made possible by federal leadership:

Therefore be it resolved that UBCM endorse the FCM housing campaign and urge the minister of employment and social development to develop a long-term plan for housing that puts core investments on solid ground, increases predictability, protects Canadians from the planned expiry of \$1.7 billion in social housing agreements and ensures a healthy stock of affordable rental housing for Canadians.

**2015-B47 A Housing Action Agenda For British Columbia
Vancouver**

Whereas housing is becoming increasingly unaffordable in many areas of the province due to a range of factors, including speculation, the rising cost of land and strong demand driven by population growth;

And whereas rental housing, which provides housing affordable to a wide range of tenants with low or mid-range annual incomes, has not been built in large volume since the end of provincial and federal programs, resulting in record low vacancy rates in many areas;

And whereas Premier Christy Clark has recently acknowledged the severity of the problem for renters and first-time home buyers, promising to consider options available to make housing more affordable:

Therefore be it resolved that the Province develop and implement a comprehensive housing program, including measures to stimulate rental housing construction, maintain existing rental housing, reduce speculation, increase investments in social and non profit housing and expand opportunities for first time home buyers.

**2016-B45 Renewed Call for a National Housing Strategy
Burnaby**

Whereas the lack of affordable housing and the incidence of homelessness is a growing and complex problem affecting all British Columbian and Canadian communities;

And whereas an incomplete continuum of housing options negatively impacts individual and family well-being, local economic growth and sustainable, complete community development:

Therefore be it resolved that UBCM urge the federal government to expedite the development of a national housing strategy

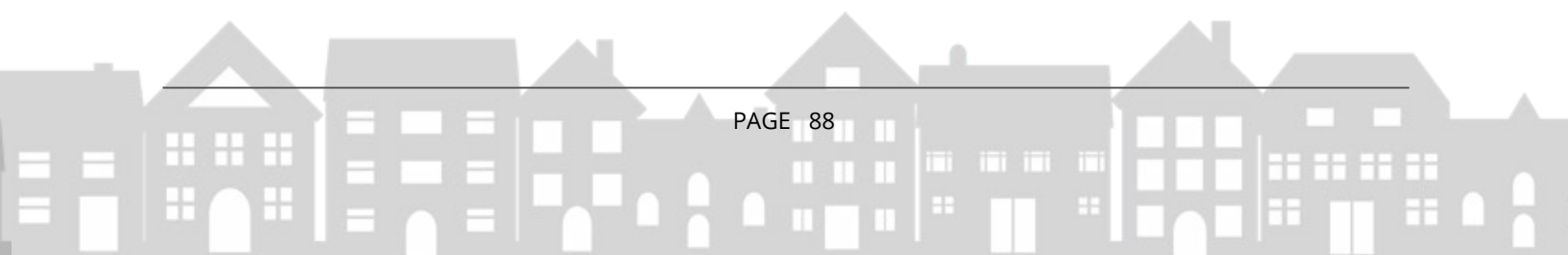


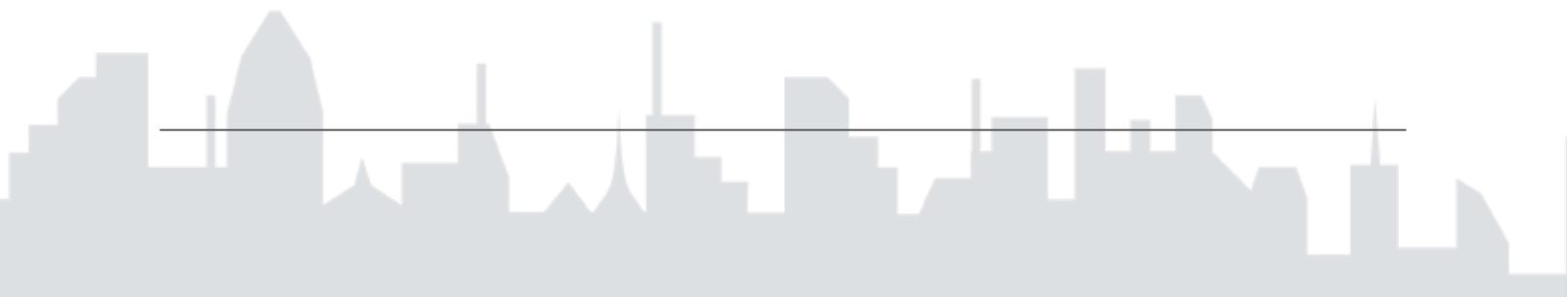
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