



City of Richmond

Report to Committee

To: Planning Committee **Date:** June 26, 2019

From: Kim Somerville **File:** 08-4057-04/2019-Vol 01
Director, Community Social Development

Re: **Housing Needs and Co-Location Opportunities**

Staff Recommendation

That staff be directed to work within the existing policy framework to analyze the co-location of affordable housing for seniors and other priority groups identified in the Affordable Housing Strategy 2017–2027 in conjunction with future City projects as they arise on a case-by-case basis as described in the report titled “Housing Needs and Co-Location Opportunities”, dated June 26, 2019 from the Director, Community Social Development.

Kim Somerville
Director, Community Social Development
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REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Real Estate	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Project Development	<input checked="" type="checkbox"/>	
Parks	<input checked="" type="checkbox"/>	
Recreation and Sport Services	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At the September 18, 2018 Planning Committee meeting, staff received the following referral:

That staff review senior's housing in the city with regard to:

- (1) Examining areas of the city suitable for senior's housing;*
- (2) Setting principles to establish and encourage development of senior's housing;*
- (3) Examining potential City contributions to support senior's housing; and*
- (4) Examining partnerships with community groups; and report back.*

At the February 5, 2019 Planning Committee meeting, staff received the following referral:

That the following referral motion be incorporated into an existing referral examining Senior's Housing:

That staff be directed to review all future city projects to assess if they are compatible with senior and or affordable housing units using the airspace above the projects. Furthermore staff to report back on the option of creating a policy that makes the creation of affordable housing a priority whenever possible in the future City projects and to actively look for partners with Richmond, Provincial and Federal stakeholders.

The purpose of this report is to respond to the above referrals, describe the City's current approach to meeting the housing needs of the priority groups identified in the Affordable Housing Strategy and identify potential steps for co-locating affordable housing in conjunction with future City projects.

This report supports Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

Strategic Direction #1: Expand Housing Choices

The report supports the following policies defined in the City's Affordable Housing Strategy 2017–2027:

Strategic Direction 2: Maximize use of City resources and financial tools, and

Strategic Direction 4: Facilitate and strengthen partnership opportunities.

This report also supports the following actions identified in the Age-Friendly Assessment and Action Plan:

- *Working with health partners to ensure that a continuum of options, from independent housing to residential care, is available; and*
- *Working with health partners to ensure sufficient supported, affordable housing is provided locally for disabled and frail older adults, as well as those with dementia and other mental health challenges.*

Background

Richmond acknowledges that a mix of housing options that meet the needs of various social and demographic groups is essential to creating a liveable and inclusive community. The Affordable Housing Strategy 2017-2027 identifies the following priority groups in need of affordable housing:

- Families;
- Low and moderate income earners;
- Seniors;
- Persons with disabilities; and
- Vulnerable populations (including households on fixed income, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health and addictions issues, and indigenous people).

The City uses a range of policies and programs to develop affordable housing options for these priority groups in partnership with senior levels of government, the private and non-profit sector.

Seniors Housing Needs

One housing challenge currently facing Richmond is its growing and ageing population. Based on Statistics Canada data, the proportion of Richmond residents aged 55 and over increased from 20 percent (34,142 people) in 2000 to 33 percent (73,354 people) in 2018. This trend is expected to continue. Population forecasts published by BC Stats estimate that up to 42 percent of Richmond residents could be aged 55 and older by 2041.

The aging population trend has led to increased demand for seniors' housing. For example, the 2018 rental vacancy rate for private, independent-living seniors' units was 0.5 percent. In addition, there is significant unmet demand for affordable seniors' housing. In 2017, 49 percent of all Richmond applicants on the BC Housing social housing waitlist were categorized as seniors. Furthermore, based on Metro Vancouver data, approximately 24 percent of all individuals experiencing homelessness in Richmond in 2017 were seniors.

Seniors' Housing Types

There are a variety of housing types available for seniors in Richmond (defined by the City as individuals aged 55 years and older). Many seniors choose to remain in their homes as they age to remain in a familiar setting. Aging in place can often be accommodated with home adaptations or renovations, such as lowering existing kitchen counters and cupboards, reducing the height of door thresholds at room entrances and installing grab bars in bathrooms and other locations.

Purpose-built seniors' housing is another option. There are three general categories of seniors' housing that vary depending on the level of on-site support provided to residents: independent living, assisted living and residential care facilities. These buildings may include affordable units (also known as subsidized or non-market) or units provided by the private market (e.g. unsubsidized). There are approximately 2,140 units of purpose-built seniors' housing within the three categories in Richmond (Table 1). As noted above, the vacancy rate for these units is less than 1 percent.

Table 1: Estimate of Purpose-Built Seniors' Housing Types in Richmond (2018)

Seniors' Housing Type	Affordable (non-market) Units	Private Market Units	Total Units
Independent Living	911	369	1,280
Assisted Living	112	45	157
Residential Care (beds)	672	31	703
Total	1,695	445	2,140

Source: Seniors Services Society (<http://www.seniorsservicessociety.ca/hhousingdirectory.html>)

Analysis

As directed by the Affordable Housing Strategy, the City is committed to meeting the housing needs of a range of priority groups, including seniors. The following analysis describes the City's current priorities and approaches to meeting the housing needs of seniors in Richmond.

City Areas Suitable for Seniors' Housing

Based on research completed by the Canada Mortgage and Housing Corporation (CMHC), seniors in British Columbia consider a range of factors when making a decision about where to live. For example, seniors consider whether a dwelling is easy and safe to get around in, the cost of housing, proximity to friends and family, and if there is a sense of community. Seniors also prefer locations in proximity to hospitals and other health services; amenities, such as recreation facilities, shops, restaurants, and social activities; and access to public transportation.

In general, seniors' housing is appropriate in any location zoned for multiple family residential use or designated for multiple family residential use in the Official Community Plan (OCP). In addition, Richmond's OCP specifically encourages seniors' housing in locations central to community amenities, including public transit, recognizing mobility and service needs.

Principles for Encouraging Establishing Affordable Housing

The City's Affordable Housing Strategy defines a set of strategic directions that provide guidance for City involvement in affordable housing. While these directions are not specific to seniors' housing, they provide a solid foundation for City actions that help meet the needs of low and moderate income seniors in Richmond. The strategic directions are as follows:

1. Use regulatory tools to encourage a diverse mix of housing types and tenures;
2. Maximize use of City resources and financial tools;
3. Build capacity with non-profit housing and service providers;
4. Facilitate and strengthen partnership opportunities; and
5. Increase advocacy, awareness and education roles.

These foundational principles support a broad-based, city-wide approach to creating affordable housing, including seniors' housing. This approach focuses on leveraging the strengths of local housing providers and the financial capacity of the federal and provincial governments to help achieve the City's seniors' housing objectives.

The OCP provides direction applicable to the development of private-market seniors' developments. For example, the OCP directs the City to:

- Encourage a mix of housing types and tenures to support diverse needs; and
- Encourage housing that incorporates "aging-in-place" concepts, accommodates special needs and supports independent living units.

Guided by these policies, staff work to secure and promote a diverse mix of housing options, including seniors' housing, in Richmond.

Potential City Contributions to Support Seniors' Housing & other Priority Groups

The City's Affordable Housing Strategy identifies low and moderate income seniors as one of the five priority groups for affordable housing. The City's role in seniors' affordable housing to date has primarily been that of providing City land and capital contributions, which are intended to leverage significant levels of funding from the provincial and federal governments. For example, in 2014, the City contributed \$24 million in capital funding from the Affordable Housing Reserve to the Kiwanis Towers project, a 296-unit affordable seniors' development. This project also received \$16.3 million in long-term financing from the provincial government. The City continues to work in partnership with other levels of government to leverage its resources to increase the supply of affordable housing for seniors, as well as other priority groups identified in the Affordable Housing Strategy; however, opportunities must take into consideration the availability of funding in the City's Affordable Housing Reserve, as well as the availability of funding from the provincial and federal governments.

The City also plays an important role in securing low-end market rental units in private market developments through a density bonus incentive. These units are made available to residents of all ages, including seniors. Similarly, the City's Market Rental Housing Policy encourages the development of new market rental housing units, as well as the protection of existing market rental units, where seniors may currently live or that could be suitable for seniors living in the city.

Partnership Opportunities with Community Groups

A range of stakeholders have roles to play in the provision of affordable housing. The City has a long history of working with partners and continues to value partnership opportunities to meet the needs of low and moderate income individuals, including seniors. Based on the direction provided in the Affordable Housing Strategy, the City prioritizes:

1. Working in partnership with BC Housing, private market developers and the non-profit sector to facilitate the development of affordable housing including new seniors' housing buildings;
2. Facilitating partnership opportunities between developers and non-profit organizations to enable the placement of seniors into low-end market rental units secured through the City's Low-End Market Rental program;
3. Working with the federal and provincial governments to advocate for new funding to create all types of affordable housing developments (including all types of seniors' housing) in Richmond; and
4. Working through staff at City facilities to help increase awareness about provincial funding programs and other resources related to home renovation programs for seniors who wish to remain in their homes as they age.

Overall, the City continues to play a leadership role in facilitating partnerships to support affordable housing developments. By leveraging City resources, including cash-in-lieu contributions, the City can effectively support local stakeholders in increasing the supply of affordable housing in Richmond.

Affordable Housing and Future City Projects

Affordable housing that is co-located and integrated with other City facilities, such as community centres, fire halls, libraries, or child care facilities is evident in some municipalities. Recent examples include projects in Vancouver and Calgary that incorporate affordable housing units above fire stations. As directed by the referral received on February 5, 2019, staff have proposed a process to identify co-location opportunities for affordable housing developments in Richmond.

Current City policy direction prioritizes the concept of co-locating affordable housing with other City projects. For example, the City's Affordable Housing Strategy 2017–2027 directs the City to explore opportunities to co-locate affordable housing with existing or new community assets.

To allow for flexibility in responding to specific development opportunities, staff recommend that a formal City policy related to project co-location not be created and that instead, staff work within the existing policy framework to analyze the co-location of affordable housing in conjunction with future City projects as they arise on a case-by-case basis.

This approach would enable the City to work on each opportunity as a unique situation to address both the opportunities and challenges related to the specific site and to develop co-located facilities that include affordable housing where appropriate. Potential challenges may include legal restrictions related to the manner in which a property was acquired by the City or limitations on use imposed by legislation or bylaw, including the *Zoning Bylaw*, *Community Charter* and *Local Government Act*.

For example, in some cases lands are donated to the City for park purposes and are subject to the terms of a trust arrangement, which may legally prevent the use of a site for any purpose other than a park. In other situations, there may be limitations on use imposed by legislation, as in the case of land dedicated as a park on a plan or limitations on use imposed through a reservation bylaw. Furthermore, due to growth in the city, particularly in the city centre where there are greater limitations to parkland acquisition any potential development on City parks must be given careful consideration due to the current and future impacts of loss of parkland and expected level of service. The inventory of City-owned land that is already designated for residential use may present a more favourable opportunity for consideration than land designated for park use.

The significant cost and time associated with developing affordable housing must be considered as developing rental housing units in conjunction with another City facility will increase the total capital cost of the facility, could impact the overall financial viability of the project and may extend the amount of time required to construct the building.

The following steps are proposed to guide the City's analysis of the potential co-location of affordable housing in conjunction with future City projects on a case-by-case basis:

1. Convene an interdepartmental team comprised of all relevant staff;
2. Analyze property acquisition records, relevant City policies and previous Council decisions related to the property;
3. Determine whether or not the subject property or another City property is more suitable (i.e. appropriate zoning, allowable density, land cost, loss of parkland, etc.);
4. Review potential legal barriers and City bylaw restrictions;
5. Complete a financial analysis;
6. Advocate for required funding from the provincial and federal governments as needed;
7. Explore potential partnership opportunities for non-profit management of the housing;
8. Develop a proposed engagement plan taking into consideration timing, notification requirements, and public and key stakeholder consultation; and
9. Present the findings to City Council for recommendation on how to proceed, including any required procedures.

Housing affordability continues to be a critical challenge facing Richmond residents. By pursuing innovative approaches, such as co-locating affordable housing with future City projects, the City can play a leadership role in increasing the supply of affordable housing. As directed by the City's Affordable Housing Strategy, the City is committed to meeting the housing needs of a range of social and demographic groups, including the following priority groups: seniors, families, individuals experiencing homelessness, and women and children experiencing family violence. To help mitigate the financial risk when reviewing co-location opportunities that include affordable housing, staff will work with the provincial and federal governments to advocate for capital funding. There may also be opportunities to incorporate homeownership condominium units, which could be sold to offset the cost of developing and operating the affordable housing units. Should City Council wish to further prioritize seniors or any other priority group, City staff would require additional direction.

Financial Impact

None.

Conclusion

There is significant unmet demand for affordable housing, including seniors' housing—both market and affordable—in Richmond. Accordingly, the City has identified seniors as a priority group in the Affordable Housing Strategy and is committed to working proactively and through partnerships to increase the supply of seniors' housing throughout Richmond. The City continues to monitor opportunities to leverage its policy tools, land holdings and financial resources to support seniors' housing development. Staff propose that the City work within the existing policy framework to analyze co-location of affordable housing in conjunction with future City projects as they arise on a case-by-case basis.



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