1. ADOPTION OF THE AGENDA

1.1 July 8, 2020 Regular Meeting Agenda
That the Housing Committee adopt the agenda for its regular meeting scheduled for July 8, 2020 as circulated.

2. ADOPTION OF THE MINUTES

2.1 April 29, 2020 Regular Meeting Minutes
That the Housing Committee adopt the minutes of its regular meeting held April 29, 2020 as circulated.

3. DELEGATIONS

4. INVITED PRESENTATIONS

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Mortgage Renewal 101 Noons Creek Drive, Port Moody (Inlet Centre)
*Designated Speaker: Joe Sass, Deputy Chief Financial Officer/Director, Financial Planning and Operations*
That the MVHC Board:

a) hereby irrevocably authorizes and directs British Columbia Housing Management Commission (BCHMC) to act on its behalf to renew the existing mortgage presently held by RBC Royal Bank (the “Mortgage”) for the Inlet Centre project located at 101 Noons Creek Drive, Port Moody BC (BCHMC File no. 90173/2976), including but not limited to selecting, at BCHMC’s sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the “Take-out Lender”) on terms and conditions that are acceptable to BCHMC; and

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1 Note: Recommendation is shown under each item, where applicable.
b) directs any two officers or directors, or any one director together with any one officer of the Metro Vancouver Housing Corporation (MVHC); for and on behalf of the MVHC be and are hereby authorized to execute and deliver under the seal of the MVHC or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

5.2 Board Budget Workshop – Overview and Next Steps for Housing Services  
Designated Presenter: Heather McNell, General Manager, Regional Planning and Housing Services and Dean Rear, Chief Financial Officer/General Manager, Financial Services  
That the Housing Committee receive for information the report dated June 24, 2020, titled “Board Budget Workshop – Overview and Next Steps for Housing Services”.

5.3 Redevelopment Project Updates - Existing Sites  
Verbal Update  
Designated Presenter: Jade Hume, Division Manager, Maintenance and Capital Planning, Metro Vancouver Housing

5.4 Welcher Avenue Redevelopment Update  
Designated Presenter: Julia Dugaro, Regional Planner II, Regional Planning and Housing Services and Jotty Gill, Housing Technician, Regional Planning and Housing Services  
That the MVHC Board receive for information the report dated June 8, 2020 titled “Welcher Avenue Redevelopment Update.”

5.5 Manager’s Report  
Designated Speaker: Heather McNell, General Manager, Regional Planning and Housing Services  
That the Housing Committee receive for information the report dated June 22, 2020 titled “Manager’s Report”.

6. INFORMATION ITEMS

6.1 Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing

6.2 Semi-Annual Report on GVS&DD Development Cost Charges

6.3 Housing Agreement Implementation Workshop and Resource Guide

6.4 Metro 2040 Housing Policy Review - Discussion Paper
7. OTHER BUSINESS

8. BUSINESS ARISING FROM DELEGATIONS

9. RESOLUTION TO CLOSE MEETING
   That the Housing Committee close its regular meeting scheduled for July 8, 2020, pursuant to the Community Charter provisions, Section 90 (1)(e) as follows:
   “90 (1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
   (e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district”.

10. ADJOURNMENT/CONCLUSION
    That the Housing Committee adjourn/conclude its regular meeting of July 8, 2020.

Membership:
Hurley, Mike (C) - Burnaby  De Genova, Melissa - Vancouver  Pollock, Glen - Port Coquitlam
Morden, Mike (VC) - Maple Ridge  Dingwall, Bill - Pitt Meadows  Storteboom, Rudy - Langley City
Bond, Mathew - North Vancouver District  Long, Bob - Langley Township  Walker, Darryl - White Rock
Buchanan, Linda - North Vancouver City  McNulty, Bill - Richmond  Wilson, Chris - Coquitlam
Coté, Jonathan - New Westminster
METRO VANCOUVER REGIONAL DISTRICT
HOUSING COMMITTEE

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Housing Committee held at 1:00 p.m. on Wednesday, April 29, 2020 in the 28th Floor Boardroom, 4730 Kingsway, Burnaby, British Columbia.

MEMBERS PRESENT:
Chair, Mayor Mike Hurley, Burnaby
Vice Chair, Mayor Mike Morden, Maple Ridge* (arrived at 1:13 p.m.)
Councillor Mathew Bond, North Vancouver District*
Mayor Linda Buchanan, North Vancouver City* (arrived at 1:04 p.m.)
Mayor Jonathan Coté, New Westminster*
Councillor Melissa De Genova, Vancouver* (arrived at 1:13 p.m.)
Mayor Bill Dingwall, Pitt Meadows*
Councillor Bob Long, Langley Township*
Councillor Bill McNulty, Richmond*
Councillor Glenn Pollock, Port Coquitlam*
Councillor Rudy Storteboom, Langley City*
Mayor Darryl Walker, White Rock*
Councillor Chris Wilson, Coquitlam*

MEMBERS ABSENT:
None.

STAFF PRESENT:
Heather McNell, General Manager, Regional Planning and Housing Services
Jerry W. Dobrovolny, Chief Administrative Officer
Genevieve Lanz, Legislative Services Coordinator, Board and Information Services

1. ADOPTION OF THE AGENDA

1.1 April 29, 2020 Regular Meeting Agenda

1:04 p.m. Mayor Buchanan arrived at the meeting.

It was MOVED and SECONDED
That the Housing Committee adopt the agenda for its regular meeting scheduled for April 29, 2020 as circulated.

CARRIED

*denotes electronic meeting participation as authorized by Section 3.6.2 of the Procedure Bylaw
2. ADOPOTION OF THE MINUTES

2.1 March 4, 2020 Regular Meeting Minutes

It was MOVED and SECONDED
That the Housing Committee adopt the minutes of its regular meeting held March 4, 2020 as circulated.

CARRIED

3. DELEGATIONS
No items presented.

4. INVITED PRESENTATIONS
No items presented.

5. REPORTS FROM COMMITTEE OR STAFF

5.1 Manager’s Report
Report dated April 17, 2020 from Heather McNell, General Manager, Regional Planning and Housing Services, providing members with an update on subsidy assistance, vacancy rates, and response to the novel coronavirus (COVID-19) pandemic.

1:13 p.m. Vice Chair Morden and Councillor De Genova arrived at the meeting.

Members were provided with a presentation on the coronavirus (COVID-19) pandemic response, highlighting compliance with provincial Ministerial Orders and safety measures, rental payment arrangements, and impact to tenant community programs.

Presentation material titled “COVID-19 Update – Metro Vancouver Housing” is retained with the April 29, 2020 Housing Committee agenda.

It was MOVED and SECONDED
That the Housing Committee receive for information the report dated April 17, 2020 titled “Manager’s Report”.

CARRIED

6. INFORMATION ITEMS
No items presented.

7. OTHER BUSINESS
No items presented.

8. BUSINESS ARISING FROM DELEGATIONS
No items presented.
9. **RESOLUTION TO CLOSE MEETING**

**It was MOVED and SECONDED**
That the Housing Committee close its regular meeting scheduled for April 29, 2020, pursuant to the *Community Charter* provisions, Section 90 (1)(e) as follows:

“90 (1) A part of the meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:
(e) the acquisition, disposition or expropriation of land or improvements, if the board or committee considers that disclosure could reasonably be expected to harm the interests of the regional district”.

**CARRIED**

10. **ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**
That the Housing Committee adjourn its regular meeting of April 29, 2020.

**CARRIED**
(Time: 1:22 p.m.)

____________________________   ____________________________
Genevieve Lanz,      Mike Hurley, Chair
Legislative Services Coordinator
To: Metro Vancouver Housing Committee
From: Joe Sass, Deputy Chief Financial Officer/Director, Financial Planning and Operations
Date: June 15, 2020
Meeting Date: July 8, 2020
Subject: Mortgage Renewal 101 Noons Creek Drive, Port Moody (Inlet Centre)

RECOMMENDATION
That the MVHC Board:

a) hereby irrevocably authorizes and directs British Columbia Housing Management Commission (BCHMC) to act on its behalf to renew the existing mortgage presently held by RBC Royal Bank (the “Mortgage”) for the Inlet Centre project located at 101 Noons Creek Drive, Port Moody BC (BCHMC File no. 90173/2976), including but not limited to selecting, at BCHMC’s sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the “Take-out Lender”) on terms and conditions that are acceptable to BCHMC; and

b) directs any two officers or directors, or any one director together with any one officer of the Metro Vancouver Housing Corporation (MVHC); for and on behalf of the MVHC be and are hereby authorized to execute and deliver under the seal of the MVHC or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

EXECUTIVE SUMMARY
The mortgage for the MVHC owned Inlet Centre located at 101 Noons Creek Drive, Port Moody, in the amount of $5,489,225 is coming up for renewal on October 1, 2020.

The current and prior mortgages were arranged through BCHMC whereby BCHMC tenders the loan and chooses a lender of their choice. The interest rates secured by BCHMC’s preferred lender have historically been as favorable, if not lower, as any the MVHC could obtain elsewhere from outside lenders. It is recommended that the Board continues this funding relationship and authorizes BCHMC to act on MVHC’s behalf to renew the existing mortgage.

PURPOSE
To obtain authority to renew the mortgage for Inlet Centre, owned and operated by MVHC, located at 101 Noons Creek Drive, Port Moody.

BACKGROUND
The Inlet Centre is a 96-unit affordable rental housing project funded through the Provincial Homes BC program. The mortgage currently held by RBC Royal Bank is coming up for renewal on October 1, 2020.

FINANCING DETAILS
Details on the existing financing arrangement are as follows:
Current Lender | RBC Royal Bank (through BCHMC)  
---|---
Remaining Principal | $5,489,225 as at October 1, 2020  
Amortization Period | 28 years maturing October 1, 2038  
Interest Rate | 3.886%  
Term | 10 years  
Annual Principal and Interest Payments | $423,367  

The current and prior mortgages are arranged through BCHMC whereby BCHMC chooses an approved Canadian Mortgage and Housing Corporation (CMHC) lender, makes all decisions regarding the terms of the mortgage and handles all necessary requirements to secure the mortgage renewal.

**FINANCING OPTIONS**

Financing renewal options are as follows:

1. **BCHMC Arranged Financing** – This is the existing arrangement. BC Housing routinely tenders mortgage portfolios to the open market on behalf of affordable housing providers under operating agreements. Interest rates have historically been as favourable as any the MVHC could obtain elsewhere from outside lenders. The estimated renewal rate for this option is 2.50% for 10 years. The mortgage rates were driven up earlier in the year despite a significant drop in the market rates as the banks were building in a premium to protect against potential losses due to COVID-19. The 10-year rates for the first half of the year ranged from 2.20% to 2.84% with 2.22% as the most recently confirmed rate. The rates are not expected to fluctuate widely, barring any major shocks to the economy, but could move up higher over the coming months.

2. **Market Financing** - A traditional commercial mortgage could be obtained for the remaining principal balance of $5.5 million. However, the up-front costs of this option could be significant. Lenders typically require surveys, property appraisals and environmental and building assessments to be completed on each property. In addition, there are legal fees, possible mortgage insurance underwriting fees and an application fee. It is unlikely, based on historical rates, that MVHC would be able to achieve a more favorable rate than could be arranged by BCHMC. Furthermore, this mortgage would still subject to BCHMC’s approval and MVHC may no longer be eligible to receive the annual subsidy of $372,000.

3. **MFA Debenture Financing** - MVHC cannot borrow directly from the Municipal Financing Authority (MFA), but could borrow through the conduit of MVRD, similar to the Greater Vancouver Water District and Greater Vancouver Sewerage and Drainage District. MVRD would secure the mortgage by registering the title with the Land Titles Office.

The indicative interest rates are 1.28% for 5 years and 1.80% 10 years. Although the current MFA rates are favorable, the amortization period would need to be extended to 20 years from the existing 18 years in order for the total debt costs, principal and interest combined, to be lower than the mortgage option. Notwithstanding the lower debt costs, it is still a costlier option as MVHC will no longer qualify for the BC Housing subsidy of $372,000 per year. The financing term under MFA may also be limited to 5 years rather than 10 years depending on the market conditions. A shorter term of 5 years poses a greater interest rate risk as future rates could be...
significantly higher. Furthermore, there is reduced flexibility with debenture debt to change terms or pay off the debt early.

ALTERNATIVES
1. That the MVHC Board:
   a) hereby irrevocably authorizes and directs British Columbia Housing Management Commission (BCHMC) to act on its behalf to renew the existing mortgage presently held by RBC Royal Bank (the “Mortgage”) for the Inlet Centre project located at 101 Noons Creek Drive, Port Moody BC (BCHMC File no. 90173/2976), including but not limited to selecting, at BCHMC’s sole discretion, the mortgage renewal terms and arranging mortgage renewal with the take-out lender (the “Take-out Lender”) on terms and conditions that are acceptable to BCHMC; and
   b) directs any two officers or directors, or any one director together with any one officer of the Metro Vancouver Housing Corporation (MVHC); for and on behalf of the MVHC be and are hereby authorized to execute and deliver under the seal of the MVHC or otherwise, all such deeds, documents and other writings and to do such acts and things in connection with the Mortgage assignment, renewal and amendment as they, in their discretion, may consider to be necessary or desirable for giving effect to this resolution and for the purpose of fulfilling the requirements of the lender of the monies.

2. That the Metro Vancouver Housing Committee receive for information the report dated June 15, 2020 titled “Mortgage Renewal 101 Noons Creek Drive, Port Moody (Inlet Centre)” and provide alternate direction.

FINANCIAL IMPLICATIONS
Should the Board approve alternative one to authorize BCHMC to act on MVHC’s behalf, the mortgage will be renewed with a competitive interest rate with no constraints on Metro Vancouver resources. The estimated renewal rate of 2.50% is significantly below the current mortgage rate of 3.886% and would result in savings from the lower interest rate. This will reduce MVHC’s debt servicing costs and thereby increase the ability for higher contributions for capital replacement.

Ensuring the lowest servicing costs for MVHC financing is consistent with one of the key operating objectives of the MVHC, which is to provide affordable housing within the Metro Vancouver region. Long-term debt, financial flexibility and the mitigation of current and future financial risk are objectives of the Financial Management Policy. The approval of alternative one is consistent with these objectives.

Should alternative two be selected, staff would investigate alternative sources of financing based on direction provided by the Board which may result in delays in re-financing and/or higher financing costs for MVHC.

SUMMARY / CONCLUSION
The mortgage for Inlet Centre needs to be renewed for October 1, 2020. As presented in alternative one, it is recommended that BCHMC act on behalf of MVHC as this allows for a competitive interest rate with no impact on Metro Vancouver resources.

The approval of alternative one is consistent with the objectives of the Financial Management Policy.
To: Housing Committee

From: Heather McNell, General Manager, Regional Planning and Housing Services  
      Dean Rear, Chief Financial Officer/General Manager, Financial Services

Date: June 24, 2020  
Meeting Date: July 8, 2020

Subject: Board Budget Workshop – Overview and Next Steps for Housing Services

RECOMMENDATION
That the Housing Committee receive for information the report dated June 24, 2020, titled “Board Budget Workshop – Overview and Next Steps for Housing Services”.

EXECUTIVE SUMMARY
On June 5, 2020 a Board Budget Workshop was held with the objective to seek direction for the preparation of the 2021-2025 Financial Plan. The Board provided direction to staff to bring back adjustments to the Five Year Financial Plan that places increased emphasis on financial sustainability, provides short-term relief for households, maintains work on current goals and objectives, and allows the organization to realize new opportunities in terms of partnering on projects to meet Board objectives.

In response to this direction, staff will prepare budgets with options and alternatives to respond to the direction and address the concerns raised by the Board. A short-term action plan is being developed with detailed scrutiny being applied to all MVHC and Affordable Housing budgets and financial practices to ensure upward pressure on tenant rents is minimized, while continuing to focus on the expansion of affordable housing in the region which is a key Board priority.

PURPOSE
To provide the Housing Committee with an overview of the Board Budget Workshop held June 5, 2020, including the Board direction to staff, and the next steps and considerations for the Housing function.

BACKGROUND
On June 5, 2020 a Board Budget Workshop was held with the objective to seek direction for the preparation of the 2021-2025 Financial Plan. The workshop outlined the principles that guide the work of Metro Vancouver as an organization, the current 2020-2024 Financial Plan, the implications of the COVID-19 pandemic, the tools that can be used to make budget adjustments, and a proposed approach for the 2021-2025 Financial Plan.

Based on the input received from the Board, staff are putting together options for the 2021 Budget and Five Year Financial Plan. This report provides an overview of the workshop and discusses next steps and specific considerations for the Housing function.
BOARD BUDGET WORKSHOP - OVERVIEW
The Board Budget Workshop presentation (see Reference) outlined the principles that guide Metro Vancouver’s long-term work, the current Five Year Outlook, the implications of COVID-19, and the tools available to make budget adjustments going forward.

Current Five Year Outlook
The following key points were covered for the current Five Year Outlook:

- Increases to costs of operations, such as that for Water or Liquid Waste Treatment Plants, are generally consistent with inflation
- Capital Funding, through Contributions to Capital from the operating budget and debt service for the capital program consistently drives the increase in the operating budget and the household impact
- Due to the long timeframe associated with the capital program, a significant portion of the capital spend over the next five years is due to projects already underway (80% in 2021 to 66% in 2024)
- The household impact is set to increase by 6.7%-8.9%
- Utility rates are generally consistent with similar jurisdictions in Canada and the US

Toolbox
Several tools were presented that would allow for reductions in household rates, but would require tradeoffs in terms of impacting the financial strength of the organization or increasing the risk to the organization. As shown in the diagram below, changes to how the organization approaches funding capital projects would have the most immediate effect on household impact. However, careful consideration will need to be given as to the long-term implications of such changes on future household impacts.

Proposed Approach
Staff proposed leveraging the supported tools to create a short-term action plan that would lessen the upward pressure on household impact for 1-3 years. A short-term action plan would enable strategic goals and objectives to be maintained. If larger or more long-term adjustments are desired, a re-evaluation of long-term plans such as the Metro Vancouver Housing Plan, Climate 2050, or the Liquid Waste Management Plan would be required.

Since an annual budget is approved, this approach will allow for adjustments to be made each year as conditions change based on market changes and other factors. The use of the tools will aim to avoid making severe changes that cannot be easily corrected in the short-term.
WORKSHOP DISCUSSION
Discussion at the workshop gave Board members the opportunity to raise concerns regarding the current Five Year Financial Plan and provide input on adjustments to be made going forward.

Key themes discussed include:
- The increasing household impact and member’s ability to pay
- The importance of financial sustainability
- The “growth pays for growth” principle
- Assumptions built into capital projects, including the right sizing of projects and the amount of risk taken on by the organization
- Long-term impacts of changes to amortization of debt
- Maintaining momentum on climate action initiatives

Overall, the short-term action plan approach was supported. As requested by the Board, staff will be bringing back a set of options to address the concerns raised, including the implications of the different options.

NEXT STEPS
Staff are working on the creation of a short-term action plan that would allow the continuation of work on current goals and objectives, but would lessen the upward pressure on household impact for regional ratepayers.

Staff are exploring all viable avenues for budget adjustments, with consideration given to the following:
- Actions that can provide immediate relief while maintaining the work on the long-term vision of the Board
- Risk implications for project delays or deferrals
- The impact of changes to debt amortization on future ratepayers
- The ability of the organization to take advantage of potential stimulus funding

Housing Considerations
The Metro Vancouver Housing Corporation is funded primarily by tenant rents and doesn’t factor in the Household Impact for Metro Vancouver residents. However, the same detailed scrutiny is being applied to all of its budgets and financial practices to ensure upward pressure on tenant rents is minimized, while continuing to focus on the expansion of affordable housing in the region which is a key Board priority.

Over the summer, staff will be concentrating on budget review and program efficiencies. This will include:
- Examining funding mechanisms and opportunities for maintenance and rehabilitation of existing properties
- Reviewing maintenance and support contracts to find opportunities to combine and reduce costs
- Maximizing opportunities for leveraging the annual provisions for development and redevelopment, maintaining them at their current levels
- Undertaking further review of past spending patterns to ensure future budgets are reflective of current trends

**ALTERNATIVES**
This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**
At this time, staff are evaluating the financial implications of budget adjustments to be made for MVHC and Affordable Housing in response to the direction received from the Board. Staff will be reporting back on options for the 2021 Budget and Five Year Financial Plan this fall.

**CONCLUSION**
On June 5, 2020 a Board Budget Workshop was held with the objective to seek direction for the preparation of the 2021-2025 Financial Plan. The Board expressed concerns regarding the increasing household impact and residents’ ability to pay, assumptions built into capital projects, and being able to maintain work on the objectives of the Board. In response to the direction received, staff will be creating a set of options to address the concerns of the Board. Staff are aiming to create a short-term action plan that would reduce the household impact for regional ratepayers. Options and alternatives will aim to balance relief for households with the financial health and overall risk to the organization.

**References:** [Board Budget Workshop Presentation – June 5, 2020](#)
To: Housing Committee

From: Julia Dugaro, Senior Planner, Regional Planning and Housing Services
      Jason Hingley, Division Manager Housing, Finance Policy and Planning

Date: June 8, 2020

Subject: Welcher Avenue Redevelopment Update

RECOMMENDATION
That the MVHC Board receive for information the report dated June 8, 2020 titled “Welcher Avenue Redevelopment Update.”

EXECUTIVE SUMMARY
Metro Vancouver Housing is preparing to develop a new affordable, family-oriented, rental housing project in the 2400 block of Welcher Avenue in Port Coquitlam. In June 2020, Metro Vancouver Housing submitted a Development Permit and Development Variance Permit application to the City of Port Coquitlam. The proposed five-storey building includes 63 homes and is thoughtfully designed to consider the existing neighbourhood context, including a mix of home sizes and age-friendly, accessible design, and be highly sustainable, with an energy-efficient design to support tenant comfort and climate action. This report highlights the key features of the proposed development and outlines the anticipated project timeline.

PURPOSE
To inform the Housing Committee and MVHC Board about progress on the Welcher Avenue redevelopment concept and planning process.

BACKGROUND
On July 26, 2019, the MVHC Board authorized the funds from the MVHC Development Reserve to redevelop the Welcher Avenue housing site, located in Port Coquitlam. Since this time, staff have been working with an architect and consultant team as well as with City staff to refine the concept. In June 2020, Metro Vancouver Housing (MVH) submitted a Development Permit and Development Variance Permit application to the City. This report highlights the key features of the proposed development concept and outlines the anticipated project timeline.

WELCHER AVENUE REDEVELOPMENT CONCEPT
Metro Vancouver Housing is preparing to develop its properties on Welcher Avenue to redevelop two single-family homes and a vacant lot into a five-storey affordable rental apartment building with 63 homes. Homes will support a diverse mix of families, couples, singles, and seniors with a mix of incomes.

The following outlines some of the project’s key features. Images of the proposed concept are provided in Attachment 1.
**Building Design:** The building is thoughtfully designed to fit the existing neighbourhood context, with an L-shaped design to consider visual impacts for neighbouring properties and views to the adjacent park. Attractive landscaping and outdoor space will provide a seamless link to the existing neighbourhood and public space.

**Amenities:** Indoor and outdoor amenity spaces will provide flexible, multi-use spaces for people of all ages and include features such as a lounge area, shared kitchen, bookable meeting/event space, community gardens, outdoor plaza and seating, and landscaping.

**Affordable:** All homes will offer a level of affordability. The specific levels of affordability will be based on available funding. MVH plans to seek funding support from BC Housing’s Community Housing Fund as well as CMHC to support deeper levels of affordability.

**Safe:** The building is designed with CPTED (Crime Prevention Through Environmental Design) principles while the L-shaped design allows for strong visual connections to outdoor areas to support families to watch kids play close by.

**Family-Friendly:** The homes will include a mix of unit sizes, with over 80% of all units as larger family units.

**Accessible and Age-Friendly:** The building is designed to support people of all ages with barrier-free common areas, 10% wheelchair accessible units, and the remaining 90% of units as adaptable, meaning they can easily be customized to suit a range of needs. This includes wide doorways and hallways, reinforced shower walls (to install customized grab bars), and configuration kitchens and bathrooms to allow for greater movement.

**Sustainability:** The proposed development will meet BC Energy Code’s Step Code 4, balancing affordability with energy-efficient design and features to support tenant comfort as well as local climate action. This design standard will reduce greenhouse gas emissions and energy consumption to help meet MVH’s 10-Year Plan targets as well as Metro Vancouver’s regional climate targets in *Climate 2050*.

Materials are being specified to minimize GHG emissions throughout the entire life cycle of the project (which includes manufacturing, shipping, maintenance and disposal). This includes consideration for embodied carbon (most importantly in structural elements), as well as material durability and low-maintenance requirements. The initial target is to reach a 20% reduction in tons of CO\textsubscript{2} compared to a baseline project. Furthermore, the project is eliminating materials with toxic chemicals to support occupant health and well-being and to improve indoor air quality.

The project also incorporates features to reduce the use of water (such as low flow fixtures), reduce the ‘heat island effect’ (with a white roof and light coloured hardscaping and extensive deciduous trees), minimize the life cycle impacts of materials (through the selection of sustainable durable, low-maintenance materials), and improve tenant health and well-being (by eliminating materials with toxic chemicals to improve indoor air quality).
Project-wide, waste reduction is being approached through construction and deconstruction waste management planning. The base target is 75% waste diversion during construction, and quantities will be tracked to ensure compliance with targets. On the individual level, waste reduction is being promoted by incorporating space for separating recycling and compost in each unit.

- **Energy**: An emphasis on natural light, ventilation, and quality, durable building materials will support tenant comfort while features such as Passive House performance level building envelope, high efficiency heat recovery heat pumps, and passive design strategies will allow for careful balance between winter and summer heat gain, reducing energy use and long-term operation costs.

**Integrated Design Approach**

The concept development used an Integrated Design Process (IDP) approach, which involves a range of stakeholders at early design stages, including planning, operations, and maintenance staff, as well as structural, mechanical and electrical technical experts. This early input will ensure that the design responds to a range of needs, is cost-effective and functional for tenants, operations, and maintenance. Additionally, MVH has worked closely with City staff to understand the local context and ensure the design respects the scale and quality of the existing residential neighbourhood.

**BC Housing Community Housing Fund Application**

To support a deeper level of affordability, MVH proposes to apply for BC Housing’s Community Housing Fund (CHF), launched May 27, 2020. The Welcher Avenue project may qualify as a ‘Construction-Ready Project’ with an application deadline of September 4, 2020. The CHF is a competitive program supporting successful projects with forgivable loans of between $75,000 - $150,000 per unit as well as potential ongoing operating subsidy. The program requires a 60-year operating agreement and the following rent structure:

- 20% of units rented at a deep subsidy
- 50% of units rented at or below BC Housing’s Household Income Limits
- 30% of units rented at low end of market

**Municipal Approvals Process & Timing**

The City’s Official Community Plan and Zoning Bylaw designate the property as ‘apartment residential’ (RA-1), which allows for lower-profile multi-family residential uses, up to three or four storeys. To provide more affordable rental homes to support the growing need for affordable housing in the City and the region, the City of Port Coquitlam encouraged MVH to submit for a variance to allow a five-storey building. This will support MVH to build an additional 12 homes, bringing the total from 50 to 63.

MVH has closely with the City to ensure the proposed design meets all City requirements and fits well within the existing neighbourhood. The proposed change in height will be addressed through a Development Permit Variance process that will occur along with the regular Development Permit process. Following the City’s approval of MVH’s Development Permit and Development Variance Permit
application, MVH will apply for a Building Permit before proceeding to construction. It is anticipated that construction will begin as of Spring 2021.

**ALTERNATIVES**
This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**
There are no financial implications to this report.

**CONCLUSION**
Metro Vancouver Housing is preparing to develop a new affordable, family-oriented, rental housing project in the 2400 block of Welcher Avenue in Port Coquitlam. In June 2020, MVH submitted a Development Permit and Development Variance Permit application to the City of Port Coquitlam. The proposed five-storey building includes 63 homes and is thoughtfully designed to consider the existing neighbourhood context, views, and access to the adjacent park. Homes will include a mix of sizes, with a focus on larger family units, and accessible, age-friendly design to support people of all ages and abilities. The building is also designed to meet BC Energy Step Code 4 (‘Net Zero ready’), balancing affordability with energy-efficient design climate action as well as tenant comfort and livability. The project is anticipated to obtain a Development Permit and Building Permit to begin construction by Spring 2021.

As a centrally-located, sustainable rental housing project that aims to provide long-term affordable homes for families, this project is an incredible opportunity that will enhance the social, economic and environmental vitality of Port Coquitlam. It is also an important project to deliver on the *Metro Vancouver Housing 10-Year Plan*, supporting MVH’s targets to create affordable, sustainable, and accessible family-oriented rental housing in communities across the region.

**Attachment**
1. Welcher Avenue Project Images
Metro Vancouver Housing: Welcher Avenue Affordable Rental Housing Project Images

Proposed Development Rendering Looking North

Proposed Development Looking North East
Proposed Development Ground Level Floor Plan with Landscaping

Proposed Development South Elevation
To: Housing Committee

From: Heather McNell, General Manager, Regional Planning and Housing Services

Date: June 22, 2020

Subject: Manager’s Report

RECOMMENDATION
That the Housing Committee receive for information the report dated June 22, 2020 titled “Manager’s Report”.

SUBSIDY UPDATE
Metro Vancouver Housing’s affordable rental units include a mix of Low End of Market (LEM) rents and Rent Geared to Income (RGI). LEM unit rents for MVHC are 10-20% below the average rent for a comparable unit in the municipality. RGI rents do not exceed 30% of the gross monthly household income to accommodate those with low or fixed incomes.

Metro Vancouver Housing provided rental assistance to 1,101 households in May 2020, this represents 33% of Metro Vancouver Housing’s portfolio.

<table>
<thead>
<tr>
<th>Units</th>
<th>RGI Units</th>
<th>% RGI</th>
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<tbody>
<tr>
<td>Total Rentable Units</td>
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<td>1,101</td>
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<td>Units Unavailable due to Redevelopment &amp; Renovation (Redevelopment units include 39 units at Heather Place Phase 1, 24 units at Kingston Gardens and 10 units at Tivoli Gardens)</td>
<td>87</td>
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<tr>
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BC HOUSING: COMMUNITY HOUSING FUND UPDATE
As part of the implementation of the Metro Vancouver Housing 10-Year Plan, MVH plans to seek additional funding support from provincial and federal governments, including BC Housing’s Community Housing Fund. The Request for Proposals (RFP) for the second intake of the Community Housing Fund was launched as of May 27, 2020. This intake invites non-profit and Indigenous housing societies, First Nations, housing co-operatives, and municipalities to propose new affordable housing projects for funding support from the Government of BC.

The Community Housing Fund was launched in 2018 through the provincial housing plan Homes for BC. The fund includes $1.9B over 10 years to develop 14, 350 units of mixed income, affordable rental housing for independent families and seniors. This program targets a mix of 30% moderate income, 50% rent geared to income, and 20% low income (shelter rate). The program includes forgivable loans (capital grants), a 35-year forgivable mortgage, and ongoing operating subsidies to support affordability levels, and is secured with a 60-year operating agreement.
The first intake of the program occurred in 2019. The second intake (2020) differs from the 2019 RFP in several ways:

- **Increased forgivable loans:** While the 2019 fund included a forgivable loan of $100,000 per unit, the 2020 fund provides a range of support based on unit size.
  - Studio $75,000
  - 1-bed - $100,000
  - 2-bed - $125,000
  - 3-bed - $150,000
  - **Implications for MVH:** As MVH generally targets a high proportion of family sized units (2+ bedroom), this will mean a higher amount of capital grants to support projects.

- **Reduced focus on operating subsidies:** The 2020 RFP emphasizes that limited amounts of operating subsidy are available, and that priority will be given to proposals demonstrating limited need for operating subsidy.
  - **Implications for MVH:** To meet the required levels of affordability without ongoing operating subsidies from BC Housing will be challenging. MVH will seek to leverage other funding and financing sources to support the financial viability of projects and reduce the amount of operating subsidies required.

- **Increased alignment with CMHC:** The 2020 RFP encourages applicants to look at additional funding source options with CMHC to increase the viability of projects.
  - **Implications for MVH:** MVH plans to seek funding from both provincial and federal governments and hopes to layer funding from CMHC. As the two programs become more aligned, this will help to access funding from different sources.

- **Two different categories of projects:** One of the most significant changes to the program is the emphasis on ‘Construction-Ready Projects’, those that have secured zoning and Development Permits, have or are within 3 months of Building Permit, and anticipate occupancy within 20 months or less.
  - Construction-Ready Projects – proposal submission deadline: September 4, 2020
  - All Other Projects – proposal submission deadline: January 15, 2021
  - **Implications for MVH:** MVH plans to seek BC Housing funding support for select projects that have the greatest potential to get homes on the ground quickly. Of its active development projects, only one project – Welcher Avenue – may qualify as a ‘Construction Ready Project’ and will be submitted in the Fall. All other priority projects selected (including other active development projects, redevelopment priorities, and Expression of Interest partnership site(s) will be submitted in January 2021.
IDEAS BOOK: EXPLORING INNOVATIVE MODELS FOR TENANT RELOCATION
The Ideas Book is the culmination of a six-month research partnership led by graduate students from the University of British Columbia’s School of Community and Regional Planning, and supported by Metro Vancouver staff. The purpose of this research was to explore innovative development and design models that housing stakeholders could employ to provide alternative or temporary housing for tenants displaced as a result of redevelopment. Using a set of guiding principles and scenario planning to test potential solutions, the report provides recommendations for the use of various innovations, such as modular housing, neighbourhood swing sites, and phased development to facilitate the tenant relocation process at various scales.

HEATHER PLACE REDEVELOPMENT
Phase 1, Building A
Construction completed, Occupancy Permit anticipated mid-July. Long term Heather Place tenants have selected units and are signing tenancy agreements and will be moving into their new homes throughout the month of August. MVH staff have created a moving schedule and are ensuring touch points are cleaned between moves to ensure COVID-19 protocols and best practices are employed for the safety of staff and tenants. Staff are organizing a ribbon cutting media event anticipated at the end of July (date TBC). Planning includes COVID-19 considerations to ensure safe distancing.

AFFORDABLE HOUSING TAX REQUISITION BYLAW 1309, 2020
During the preparation of the 2020 budget, the MVHC Board included in the Affordable Housing budget a $4.0M tax requisition for the purposes of dedicated funding for new Metro Vancouver Housing Corporation (MVHC) affordable housing development projects on lands owned by Metro Vancouver Regional District (MVRD) or by MVRD member jurisdictions. At its July 3, 2020 meeting, the Board approved and adopted a new statutory reserve, Affordable Housing Development Reserve Bylaw No. 1309, 2020, to hold and provide funds for the purpose of new affordable housing.

Attachments
1. 2020 Housing Committee Workplan
### Priorities

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<tr>
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<td>MVHC Policy Review – <em>Tenant Selection Policy</em></td>
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<td>Metro Vancouver Housing 10-Year Plan - Update</td>
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<td>Redevelopment Plan Update</td>
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<td>Long Range Financial Plan</td>
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<td>Regional Planning - Transit Oriented Affordable Housing (TOAH) Update</td>
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<td>Vacancy Report</td>
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To: Housing Committee

From: Mark Seinen, Senior Planner, Regional Planning and Housing Services

Date: June 5, 2020

Meeting Date: July 8, 2020

Subject: Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing

The attached report titled “Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing” was considered by the Regional Planning Committee at its meeting of June 12, 2020 and by the MVRD Board at its meeting of July 3, 2020 and is presented here to the Housing Committee for its information.

This report provides an update on the Evaluation of Land Value Capture and Urban Development as Sources of Revenue for TransLink study, dated February, 2020 (the Study), completed by Coriolis and Wollenberg Munroe and commissioned by TransLink. A copy of the complete Study is provided alongside TransLink’s staff report, both of which are included as Attachments.

Attachment
“Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing,” dated June 3, 2020

References
1. “Evaluation of Land Value Capture and Urban Development as Sources of Revenue for TransLink”, Coriolis and Wollenberg Munro, dated February, 2020
2. TransLink Staff Report to Mayors’ Council, titled “Land Value Capture Policy Study”, dated May 28, 2020
To: Regional Planning Committee

From: Mark Seinen, Senior Planner, Regional Planning and Housing Services

Date: June 3, 2020  Meeting Date: June 12, 2020

Subject: Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing

RECOMMENDATION
That the MVRD Board send a letter to the TransLink Board expressing support for the Land Value Capture Study’s recommendation that TransLink prepare a statement of objectives for affordable housing that considers an increased role in supporting transit-oriented affordable housing.

EXECUTIVE SUMMARY
In 2019, the Regional Planning Committee directed Metro Vancouver staff to work with TransLink on a Land Value Capture Study. Recognizing that rapid transit investment generates significant uplift in land values, the Study explored mechanisms to capture some of this value for public sector reinvestment. There are two areas of particular interest: the first is who benefits from the land lift and the mechanisms to collect the land lift, with municipalities seeing this funding source as a key input for delivering community amenities (e.g. density bonusing and community amenity contributions). The Study found little appetite during partner and stakeholder engagement for diffusing this funding source; however, it found that there is support for TransLink to seek a share of the Property Transfer Tax or potentially to implement a Benefitting Area Tax.

The second area of interest is the re-investment or use of the funds collected. While TransLink is focused on financing regional transportation investments, there is the potential to support broader regional objectives, including investment in new affordable housing. The Study recommends that TransLink clarify its role in affordable housing through a statement of objectives and, if necessary, a business case. This report supports that direction and recommends that the MVRD Board advocate to TransLink to clarify and increase its role in supporting transit-oriented affordable housing.

PURPOSE
To provide the Regional Planning Committee with an update on the Evaluation of Land Value Capture and Urban Development as Sources of Revenue for TransLink study, dated February, 2020 (the Study) (Attachment 1).

BACKGROUND
At the April 5, 2019 Regional Planning Committee meeting, Metro Vancouver staff provided an overview of current research on land value capture as part of the Transit-Oriented Affordable Housing (TOAH) Study. Staff were subsequently directed to collaborate with TransLink on a study that was about to be undertaken to explore additional research. Since that time, Metro Vancouver staff collaborated on the Study to explore, in particular, how land value capture as a tool could be used to support an increase in the supply of transit-oriented affordable housing in the region. This report
reviews the findings of the Study and identifies potential next steps for Metro Vancouver in supporting TransLink’s increased involvement in supporting transit-oriented affordable housing in the region.

**LAND VALUE CAPTURE MECHANISMS**

The *Evaluation of Land Value Capture and Urban Development as Sources of Revenue for TransLink* study (the Study) addresses: the mechanics of land value capture as a fiscal tool, and potential reinvestment approaches for the revenues captured, with a consideration of regional objectives.

The Study confirms that rapid transit investment is often associated with significant land value uplift on nearby properties. A set of potential value capture tools and approaches were reviewed by the study consultant, with pros and cons provided for each. The Study recommends several approaches for further exploration by TransLink, such as:

1. Strategic land acquisition, disposition and direct development – based on stakeholder engagement there was broad municipal and stakeholder support for this approach.
2. Seek a share of Property Transfer Tax from the provincial government – there was broad municipal and stakeholder support for this approach.
3. Introducing a Benefitting Area Tax (BAT), potentially including areas around rapid transit stations and/or Frequent Transit Development Areas or transit corridors – support from member jurisdictions for this approach was mixed (TransLink already has the legislative ability to implement a BAT, although legislative amendments may be required).
4. Revenue-sharing of density bonus funds/community amenity contributions (CACs) in transit-oriented developments – there was significant municipal opposition to this approach.

**RE-INVESTMENT OPPORTUNITIES**

Given that land value uplift occurs through the introduction of transportation infrastructure, the Study suggests that transit, walking and cycling improvements are appropriate ways to re-invest the proceeds of land value capture. This approach could advance key regional transportation objectives in *Metro Vancouver 2040: Shaping our Future*, the regional growth strategy, by providing a source of stable transportation funding and supporting a sustainable mode shift.

There may also be opportunities to use the proceeds of land value capture to invest in transit-oriented affordable housing. One of the most appealing aspects of land value capture tools like the BAT for housing development is the potential for recurring, ongoing revenue, as opposed to variable, one-time levies such as development cost charges (DCCs), CACs and density bonusing.

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1 The uplift in the sampled properties was as high as 46 percent (for a strata residential project), with significant variation across the region and across different land uses and tenures. TransLink’s staff report and the Study contain additional details on the land value uplift case studies.

2 This could include proactive land assembly when acquiring land for new stations, disposition of surplus land, air rights development around rapid transit, and direct participation in revenue-generating urban development projects.
Re-Investing in Transit-Oriented Affordable Housing
The Study describes several ways in which land value capture could be used to support transit-oriented affordable housing in the region, which can be summarized as follows:

1. **Impact Investment** – apply some of the proceeds of land value capture to initiatives such as a revolving loan fund, which is being explored through the ongoing TOAH Study, or other types of affordable housing funds;
2. **Development Projects** – directly provide rental housing units in development projects on TransLink-owned land; and
3. **Regulatory** – when disposing of surplus property, include affordable housing provisions via rezoning prior to sale, or through the terms of sale or lease.

The Study recommends that “because of the ridership benefits from rental housing at transit stations, and because of the pressing need for transit-oriented rental housing in the region, TransLink should consider using land acquisition / disposition and participation in development as means to achieve revenues that can be applied to a mix of transit capital investment, transit operations, and affordable housing.”

As part of the Study’s Partner Working Group, member jurisdictions and stakeholders expressed varying levels of interest with regards to whether TransLink should help develop or fund affordable housing. The Study recommends that, “Because there are varied expectations within the region about the extent that TransLink should be involved in the creation of affordable rental housing, TransLink should establish and communicate clear objectives regarding its role (if any) in supporting, funding, or creating affordable rental housing. If TransLink decides to have a significant role, it should develop a business case for its potential involvement in this area.”

TransLink staff provided a report to the Mayors’ Council on May 28 regarding the results of the Study (Attachment 2). The report distinguishes between land and development-based approaches to supporting affordable housing and tax and fee-based approaches, noting that:

“...if TransLink were to adopt the land- and development-based approaches above, it could become involved in decisions not only about transit, walking, and cycling infrastructure, but also about the creation of transit-oriented affordable rental housing. However, there is not a policy justification for TransLink, as a regional transportation authority, to use the tax and fee-based approaches above to support the creation of transit-oriented affordable rental housing, as that is already the mandate of other levels of government.”

Going forward, Regional Planning staff note that the following questions remain:
- To what extent, if any, is TransLink open / able to accept below-market returns in residential development in exchange for regional transportation and housing benefits (e.g. more transit-oriented affordable housing, more transit ridership)?

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Footnote: 3 Fare revenues from transit trip generation would not be considered as part of a private-sector TOD pro forma, but in TransLink’s case, could offset a portion of the cost of providing below-market units while advancing regional mode share goals. Estimating the potential fare revenues and vehicle trip replacement rates associated with provision of
• Could funding be provided to TransLink to offset the cost of delivering below-market residential (particularly rental) units?
• What are the partnership opportunities (e.g. with host municipalities and/or Metro Vancouver Housing or other non-profit housing operators) to support the operations of rental housing in TransLink-led developments?4

The Study recommends that further consideration of these types of questions could be supported by way of a clear statement of objectives from TransLink with respect to its role in affordable housing. The development of such an objectives statement, and a potential subsequent business case, could allow for ongoing collaboration between Metro Vancouver, TransLink, member jurisdictions, and the development and not-for-profit housing sectors on transit-oriented affordable housing opportunities.

Metro Vancouver’s participation on the Study and its findings presents an opportunity for the MVRD Board to send a letter to the TransLink Board advocating that TransLink prepare a statement of objectives considering an increased role in supporting transit-oriented affordable housing. Staff can support this work by defining Metro Vancouver’s role – e.g. through implementation of Metro Vancouver Housing’s 10 Year Action Plan, Regional Planning’s applied policy research, and supporting transit corridor planning through collaborations such as Supportive Policies Agreements and corridor studies.

IMPLICATIONS OF THE LAND VALUE CAPTURE STUDY FOR METRO VANCOUVER

The Land Value Capture Study makes several other recommendations and references to potential involvement by Metro Vancouver, such as:

1. The Study notes that any new tax, levy or charge imposed by an agency on a property or property owner will impact other agencies to draw upon that same revenue source. For Metro Vancouver and its member jurisdictions, this means working closely with TransLink to recognize the cumulative impacts of such charges, and to ensure that any new tax or charge would not impact the jurisdiction’s own ability to raise revenues (e.g. property taxes, CACs), paralleling the process recently undertaken when TransLink introduced a DCC.

2. Increased involvement by TransLink in urban development projects would not necessarily impact Metro Vancouver’s ability to collect revenues, but could present an opportunity for strategic partnerships (e.g. through the assembly of surplus public lands, or through partnerships with Metro Vancouver Housing).

3. The Study found general municipal and stakeholder support for TransLink, Metro Vancouver and its member jurisdictions to lobby the Province for a share of the Property Transfer Tax; this is one of the Study’s eight recommendations.

affordable housing in transit-oriented locations would be a step toward reconciling the financial and transportation effects.

4 The Metro Vancouver Housing 10-Year Plan commits to “seek opportunities for partnerships with other public sector land owners, such as MVRD, the Province, CMHC, TransLink, and school districts, to develop affordable rental housing on public land (4.2).
4. The Study recommends that TransLink “monitor the positions of the Provincial Government, Metro Vancouver, and municipalities in the region regarding a broader approach to land value tax and then be part of the conversation as a stakeholder when appropriate.” Metro Vancouver has a central role to play as a regional convener and advocate for its member jurisdictions in any future conversations about land value taxes / levies associated with transit infrastructure investments in the region.

5. Finally, as documented in the previous section, the Study recommends that TransLink “establish and communicate clear objectives regarding its role (if any) in supporting, funding, or creating affordable rental housing. If TransLink decides to have a significant role, it should develop a business case for its potential involvement in this area.” Regional Planning may be able to support the development of such an objective statement and, if required, a subsequent business case, to ensure that the broader goals of the TOAH study and Metro 2040 are considered.

**ALTERNATIVES**

1. That the MVRD Board send a letter to the TransLink Board expressing support for the Land Value Capture Study’s recommendation that TransLink prepare a statement of objectives for affordable housing that considers an increased role in supporting transit-oriented affordable housing.

2. That the Regional Planning Committee receive for information the report dated June 3, 2020, titled “Update on TransLink’s Land Value Capture Study and Opportunities for Transit-Oriented Affordable Housing and provide alternate direction to staff.”

**FINANCIAL IMPLICATIONS**

Regional Planning staff involvement with TransLink on the Land Value Capture study was completed as part of the Board-approved 2019 and 2020 Regional Planning budgets.

**CONCLUSION**

Regardless of the exact mechanism, the proceeds of land value capture can be re-invested in flexible ways – for example, toward regional transportation investments, but also potentially toward new transit-oriented affordable housing. The Land Value Capture study recommends that TransLink clarify its role in affordable housing through a statement of objectives and, if necessary, a business case. Metro Vancouver can support TransLink in this regard, while advancing the objectives articulated through the ongoing TOAH study. In the longer-term, Metro Vancouver Housing and other non-profit housing operators could partner with TransLink to support operations of affordable rental housing supported by land value capture proceeds, potentially including units delivered by TransLink-led developments.

**Attachments**

1. Report titled “Evaluation of Land Value Capture and Urban Development as Sources of Revenue for TransLink”, Coriolis and Wollenberg Munro, dated February, 2020

2. TransLink Staff Report to Mayors’ Council, titled “Land Value Capture Policy Study”, dated May 28, 2020
To: Housing Committee

From: Jessica Hayes, Planner, Regional Planning and Housing Services

Date: May 12, 2020

Subject: Semi-Annual Report on GVS&DD Development Cost Charges

The attached report titled “Semi-Annual Report on GVS&DD Development Cost Charges” was considered by the Performance and Audit Committee at its meeting of May 6, 2020 and by the MVRD Board at its meeting of May 29, 2020 and is presented here to the Housing Committee for its information.

Of particular interest to Housing Committee members, the report includes a summary of the value of Greater Vancouver Sewerage and Drainage District (GVS&DD) Development Cost Charge (DCC) waivers granted for eligible not-for-profit rental housing developments in the Metro Vancouver region in 2019, as well as the number of benefiting dwelling units. In 2019, DCCs were waived for a total of 946 rental units throughout the region. The total value of these waivers was approximately $1.5 million. Relief from DCCs is one way that Metro Vancouver contributes to reducing the cost of developing affordable rental housing.

Attachment

“Semi-Annual Report on GVS&DD Development Cost Charges”, dated, April 27, 2020
To: Performance and Audit Committee  
From: Dean Rear, General Manager, Financial Services/Chief Financial Officer  
Date: April 27, 2020  
Meeting date: May 6, 2020  
Subject: Semi-Annual Report on GVS&DD Development Cost Charges

**RECOMMENDATION**  
That the Performance and Audit Committee receive for information the report dated April 27, 2020, titled “Semi-Annual Report on GVS&DD Development Cost Charges”.

**EXECUTIVE SUMMARY**  
Total GVS&DD Development Cost Charges (DCC’s) collected in 2019 was $60.2 million, up from $32.1 million in the prior year. This is due primarily to the rate increase which came fully into effect in May of 2019.

Affordable housing development DCC waivers were approved in 2019 for a total of 946 units representing $1.5 million in forgone revenue.

Total DCC’s held in reserve at December 31, 2019 was $227.5 million.

**PURPOSE**  
To report on the 2019 GVS&DD Development Cost Charge (DCC) revenues and any implications on their adequacy, as required by the Performance and Audit Committee Terms of Reference.

**BACKGROUND**  
Regional GVS&DD Development Cost Charges (DCC’s) are collected on behalf of Metro Vancouver, as set out in the Board approved DCC Bylaw, by member municipalities and remitted twice a year. DCC’s are used to fund growth related capital expenditures. The Performance and Audit Committee Terms of Reference requires that the DCC collections be reported to the Committee on a semi-annual basis. This is the second and final report for 2019.

**DCC COLLECTIONS**  
The collections received for 2019 were $32.1 million (214.2 %) higher than that for 2018. Though there were only modest increases in two of the four sewer areas, the collections still reflect a fairly consistent and, in two areas, an elevated level of development activity combined with the impact of higher DCC rates that were implemented recently. DCC collections received by area are as follows:

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<th>DCC’s Collected</th>
<th>Fraser ($ millions)</th>
<th>Lulu ($ millions)</th>
<th>North Shore ($ millions)</th>
<th>Vancouver ($ millions)</th>
<th>Total ($ millions)</th>
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<td>2019 TOTAL</td>
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<td>$1.373</td>
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<td>2018 TOTAL</td>
<td>$19.808</td>
<td>$1.890</td>
<td>$1.460</td>
<td>$4.959</td>
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The DCC collections are net of waivers for qualifying affordable housing developments under the GVS&DD DCC Waiver for Affordable Housing Bylaw, No. 314, 2018, adopted in May 2018. Previously, waivers were permitted under GVS&DD DCC Bylaw No. 254, 2010. For 2019, DCC waivers were provided for 946 affordable housing units, located in the Fraser Sewerage Area (49%), Vancouver Sewerage Area (37%) and North Shore Sewerage Area (14%). This equates to approximately $1.5 million in forgone DCC collections. The amount forgone in 2019 (new rates) is similar to that for 2018 (previous rates) but the number of waived units has declined by 46% (2018 - 1,761 units.)

Currently, DCC collections are in excess of the actual annual funding requirements for growth related projects. However, as illustrated in the 2020 - 2024 Financial Plan endorsed by the Board last fall, DCC utilization due to growth projects is expected to increase significantly in the short term.

APPLICATION OF DCC FUNDING
The 2019 funding applications to be approved through Greater Vancouver Sewerage and Drainage District Development Cost Charge Reserve Fund Expenditure Bylaw No. 339, 2020 are shown below:

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<th>North Shore</th>
<th>Vancouver</th>
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<td><strong>2019 DCC’s Applied</strong></td>
<td>$125,621</td>
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<td><strong>2018 DCC’s Applied</strong></td>
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Each year, the sewerage growth capital projects that are undertaken are funded through long term debt financing utilizing a 15-year amortization period, for which the DCC’s are used to pay for the principal portion of the borrowing, or be applied directly for growth capital expenditures. Excess DCC collections are maintained as deferred revenues for future application as required. The DCC deferred revenue balances as at December 31, 2019 by Area were as follows:

- Fraser Sewer Area: $147,639,413
- Lulu Island Sewer Area: 24,462,851
- North Shore Sewer Area: 10,860,923
- Vancouver Sewer Area: 44,588,063

**Total:** $227,551,250

A review of the DCC program was completed late in 2017 which resulted in the implementation of new DCC rates effective May 1, 2018 to generate additional future funding of regional growth requirements. The next review of DCC rates is expected to occur in 2020/2021.

ALTERNATIVES
This is an information report. No alternatives are presented.
FINANCIAL IMPLICATIONS
The DCC program was established pursuant to the concept of “growth pays for growth”. Should the collections be inadequate to fund the Sewerage growth related projects, the funding burden would default to Sewer levies collected from the GVS&DD member municipalities.

SUMMARY / CONCLUSION
DCC collections for 2019 were $60.2 million. DCC’s received are used to pay for the principal portion of the borrowing or directly for capital expenditures for growth related GVS&DD projects or for both. As the requirement for capital projects related to growth is substantial and continues to grow, a review of the DCC program rates was completed late in 2017 which resulted in rates increasing effective May 1, 2018. The next review of DCC rates is expected to occur in 2020 / 2021.
To: Housing Committee

From: Jessica Hayes, Planner, Regional Planning and Housing Services

Date: May 12, 2020

Meeting Date: July 8, 2020

Subject: Housing Agreement Implementation Workshop and Resource Guide

The attached report titled “Housing Agreement Implementation Workshop and Resource Guide” was considered by the Regional Planning Committee at its meeting of May 1, 2020 and by the MVRD Board at its meeting of May 29, 2020 and is presented here to the Housing Committee for its information.


Attachment

References
“What Works: Securing Affordable and Special Needs Housing through Housing Agreements”, dated January, 2020
To: Regional Planning Committee

From: Jessica Hayes, Planner, Regional Planning and Housing Services

Date: March 2, 2020

Subject: Housing Agreement Implementation Workshop and Resource Guide

RECOMMENDATION

EXECUTIVE SUMMARY
On January 30, 2020, Regional Planning hosted a Housing Agreement Implementation Workshop, which was an opportunity for housing planners and other key stakeholders in the region to learn more about entering into, administering and enforcing Housing Agreements. The workshop offered an overview of a new Resource Guide developed by Metro Vancouver in partnership with BC Housing titled What Works: Securing Affordable and Special Needs Housing through Housing Agreements. A synopsis of the workshop and Resource Guide are included in this report.

PURPOSE
To provide the Regional Planning Committee and MVRD Board with a summary of the Housing Agreement Implementation Workshop, and an overview of the new Resource Guide titled What Works: Securing Affordable and Special Needs Housing through Housing Agreements.

BACKGROUND
At its July 5, 2019 meeting, the Regional Planning Committee received a report titled “Housing Agreements Workshop 2019”, summarizing the key learnings of a workshop held in April 2019 that brought together municipal housing planners and other key stakeholders to share and discuss issues and emerging best practices for entering into, administering and enforcing Housing Agreements (as per Section 483 of the Local Government Act).

This report provides an overview of the follow-up Housing Agreement Implementation Workshop held on January 30, 2020 and the Housing Agreement Resource Guide, each being outcomes identified at the April 2019 workshop.

IMPLEMENTATION WORKSHOP
On January 30, 2020, Regional Planning hosted the Housing Agreement Implementation Workshop, as a follow-up to the April 2019 workshop, to provide an overview and receive input on the preparation of a new Resource Guide.

Workshop Agenda
The program began with a keynote presentation from CitySpaces Consulting Ltd., the project consultants, and Young Anderson Barristers and Solicitors, who provided the legislative context for
Housing Agreements, an overview of the Resource Guide, and the best practice findings from their research. Attendees also participated in concurrent breakout sessions based on the following “Common Challenges and Solutions” outlined in the Resource Guide:

1. Avoiding conflicts between Housing Agreements and Operating Agreements and / or other provincial legislation;
2. Addressing the lack of capacity for effective monitoring and enforcement; and
3. Impacts on tenants (i.e. balancing tenant eligibility and housing stability and addressing access to amenities and shared spaces in mixed tenure and mixed income buildings).

**RESOURCE GUIDE**

Regional Planning retained CitySpaces Consulting Ltd. (with legal review from Young Anderson Barristers and Solicitors) to conduct research that would lead to the development of *What Works: Securing Affordable and Special Needs Housing through Housing Agreements* (Attachment 1) to assist Metro Vancouver member jurisdictions looking to enter into, administer, monitor, and enforce Housing Agreements (as per Section 483 of the *Local Government Act*).

The Resource Guide is the latest in Metro Vancouver’s existing “What Works” series of housing-related reference materials. The Guide was prepared in response to an interest from Metro Vancouver member jurisdictions, who saw value in developing a learning and reference tool that documents the collective experiences of planning, development, and non-profit housing professionals across the region, and identifies key success factors that contribute to effective Housing Agreements.

The Resource Guide is intended to help Metro Vancouver local governments employ Housing Agreements by:

- providing an overview of Housing Agreements and their legislative context;
- outlining the key steps to structuring a Housing Agreement;
- identifying success factors and key considerations for entering into, administering, monitoring, and enforcing a Housing Agreement;
- highlighting common challenges and proposed solutions for local governments; and
- presenting illustrative scenarios that highlight Housing Agreement terms and conditions for a diversity of housing types.

**NEXT STEPS**

*What Works: Securing Affordable and Special Needs Housing through Housing Agreements*, is being presented to the Metro Vancouver Regional Planning and Housing Committees. Following this, the Resource Guide will be posted publicly on the Metro Vancouver website, and it will be promoted and widely shared with member jurisdictions and other relevant housing stakeholders in the region.

**ALTERNATIVES**

This is an information report. No alternatives are presented.
FINANCIAL IMPLICATIONS
The Housing Agreements Implementation Workshop and the preparation of the ‘What Works’ Resource Guide were funded through the MVRD Board approved 2020 Regional Planning budget. $28,000 was allocated for consultant support for this project from the Regional Planning budget, and BC Housing provided an additional $7,500 contribution.

CONCLUSION
On January 30, 2020, a Housing Agreement Implementation Workshop was hosted by Regional Planning and the RPAC Housing Subcommittee. Building on the success of a workshop held in April 2019, the Housing Agreement Implementation Workshop was an opportunity for housing planners and other key stakeholders to learn more about entering into, administering and enforcing Housing Agreements, and offered an overview of What Works: Securing Affordable and Special Needs Housing through Housing Agreements, a new Resource Guide developed by Metro Vancouver in partnership with BC Housing. The Resource Guide is now being disseminated to members of Metro Vancouver’s Regional Planning and Housing Committees, and will be shared more broadly with member jurisdictions and relevant housing stakeholders in the spring of 2020.

Attachment
“What Works: Securing Affordable and Special Needs Housing through Housing Agreements”, dated January, 2020
To: Housing Committee

From: Jessica Hayes, Planner, Regional Planning and Housing Services

Date: May 12, 2020

Subject: Metro 2040 Housing Policy Review – Discussion Paper

The attached report titled “Metro 2040 Housing Policy Review – Discussion Paper” was considered by the Regional Planning Committee at its meeting of May 1, 2020 and by the MVRD Board at its meeting of May 29, 2020 and is presented here to the Housing Committee for its information.

This report provides an overview and key considerations from the Discussion Paper prepared for Metro Vancouver Regional Planning by Eberle Planning and Research, which identifies preliminary policy considerations and opportunities to contemplate throughout the Metro 2040 Housing Policy Review, one of several thematic policy reviews being undertaken to inform Metro 2050, the update to the regional growth strategy.

A Housing Policy Forum was scheduled to take place on April 7, 2020 but had to be postponed due to COVID-19 which may result in some delays to the policy review timeline.

Attachment

References
To: Regional Planning Committee

From: Jessica Hayes, Planner, Regional Planning and Housing Services

Date: March 9, 2020

Subject: Metro 2040 Housing Policy Review – Discussion Paper

RECOMMENDATION
That the Regional Planning Committee receive for information the report dated March 9, 2020, titled “Metro 2040 Housing Policy Review – Discussion Paper”.

EXECUTIVE SUMMARY
The Metro 2040 Housing Policy Review is one of several thematic policy reviews being undertaken to inform Metro 2050, the update to the regional growth strategy. This report provides an overview and key considerations from the Metro 2040 Housing Policy Review Discussion Paper (Attachment 1). The next steps in the Metro 2040 Housing Policy Review include a Housing Policy Forum, the inputs from which will be used to develop policy options for Regional Planning Committee members to consider in Phase 3 of the policy review process.

PURPOSE
To provide the Regional Planning Committee with the Metro 2040 Housing Policy Review Discussion Paper, which identifies preliminary policy considerations and opportunities to contemplate throughout the Metro 2040 Housing Policy Review.

BACKGROUND
At its November 8, 2019 meeting, the Regional Planning Committee received the report titled “Metro 2040 Housing Policy Review – Scope of Work” (Reference), which presented the process and key milestones for the Metro 2040 Housing Policy Review, one of several thematic policy reviews being conducted to inform Metro 2050, the update to the regional growth strategy. The Discussion Paper is a key component of the ‘research and evaluation’ phase of the project scope.

DISCUSSION PAPER
Metro Vancouver retained Eberle Planning and Research to draft a Discussion Paper to begin to examine to what extent Metro 2040 should be adjusted to better support current practices and changes in the housing policy landscape, and emerging regional aspirations related to the promotion of diverse and affordable housing choices.

To this end, the consultant reviewed and evaluated Metro 2040’s goals, strategies, and policy actions relating to housing; primarily those embedded in Goal 4 (Strategy 4.1), but also elsewhere in the regional growth strategy, including related and supportive policies in Goals 1 and 5. Existing internal plans and strategies, including the Metro Vancouver Regional Affordable Housing Strategy (2016), and the Metro Vancouver Housing 10-Year Plan (2019) were also examined.
Furthermore, the Discussion Paper provides an overview of emerging regional trends and relevant external plans and strategies, including the *National Housing Strategy*, *Homes for B.C.: A 30-Point Plan for Housing Affordability in British Columbia*, and the housing related policies of regional growth strategies from three other jurisdictions.

The consultant met with Regional Planning and Housing Services staff, and received input from the Regional Planning Advisory Committee (RPAC) and RPAC Housing Subcommittee members on an earlier draft of the Discussion Paper, to identify what is working, what could be improved, and any policy gaps or opportunities to consider in *Metro 2050*.

**Key Considerations**

The Discussion Paper notes that the housing policy landscape has changed significantly since the adoption of *Metro 2040* in 2011, and highlights emergent issues that the regional growth strategy may need to consider; for example, a growing and changing population, the financialization of the housing market, tenant protections, the cost and barriers of building affordable housing, increasing rates of homelessness, and heightened public concern around housing overall.

Key Considerations articulated in the Discussion Paper include:

- Ensuring the consistency of new policy wording in *Metro 2050* with the intent of other Metro Vancouver plans and strategies, including the *Regional Affordable Housing Strategy*, *Metro Vancouver Housing 10-Year Plan*, and *Board Strategic Plan (2019 – 2022)*;
- Revisions / clarification needed to describe the municipal requirements to complete Regional Context Statements (RCS) and Housing Action Plans (HAP) (e.g. additional work towards items for RCSs, or expectations for HAPs to be kept up-to-date);
- The relationship of provincially-required Housing Needs Reports with the regional growth strategy’s Housing Demand Estimates, recognizing that the *Metro 2040* Housing Demand Estimates and methodology are also being reviewed as part of the update to the regional growth strategy;
- Highlighting the importance of integrating land use and transportation in service of transit-oriented affordable housing;
- Updated housing-related performance measures in *Metro 2050*, ensuring data availability with a reasonable reporting period (e.g. annual reporting); and
- Clarifying the description of the regional role around housing policy, and strengthening the description of Metro Vancouver’s role as an advocate, convener and provider of data and research.

The three peer regional growth strategies that were examined revealed some policy similarities and differences to Metro Vancouver’s current approach that are worth considering in the development of *Metro 2050*; for example, the creation of a standalone housing goal area, different ways of incorporating housing projections or targets, and new and emerging directions such as the application of an equity lens to housing affordability.
NEXT STEPS
As shown in Figure 1, the policy review process consists of three phases: 1) background research and evaluation of current policy actions (*Where are we now?*); 2) stakeholder consultation and strategic direction (*Where do we want to go?*); and, 3) policy options and recommendations (*Have we arrived?).

Figure 1: *Metro 2040 Housing Policy Review Process*

As noted in the scope of work for the *Metro 2040* Housing Policy Review, an important upcoming milestone is the Housing Policy Forum; the forum was scheduled to take place on April 7, 2020 but has been postponed. The Housing Policy Forum will be an opportunity to consider the early policy considerations set out in the Discussion Paper, and allow for broader consultation with member jurisdictions and key housing stakeholders.

Staff will be using the *Metro 2040* Housing Policy Review Discussion Paper and input obtained during the Housing Policy Forum to develop policy options for Regional Planning Committee members to consider in Phase 3 of the process.

ALTERNATIVES
This is an information report. No alternatives are presented.

FINANCIAL IMPLICATIONS
The *Metro 2040* Housing Policy Review Discussion Paper was funded through the Board approved 2020 Regional Planning budget. $10,000 was allocated for consultant support for this project in the Regional Planning budget for *Metro 2050*-related work.

CONCLUSION
To support the development of *Metro 2050*, staff are reviewing the existing policies of *Metro 2040* to identify opportunities to enhance the goals, strategies, and policy actions it contains. The key considerations from the *Metro 2040* Housing Policy Review Discussion Paper, the completion of
which is a key milestone in Phase 1 of the Policy Review, are summarized in this report. At their respective February 20 and February 21, 2020 meetings, the RPAC Housing Subcommittee and RPAC received a draft version of the Discussion Paper and a presentation from the consultant, and provided feedback which has now been incorporated into the final version of the Paper. The next step in the Metro 2040 Housing Policy Review will involve a Housing Policy Forum. Staff anticipate reporting back to the Regional Planning Committee with a summary of the Housing Policy Forum results and preliminary policy options in the summer 2020.

Attachment

Reference
Metro 2040 Housing Policy Review – Scope of Work