



THE CORPORATION OF THE CITY OF VERNON

MINUTES OF

THE AFFORDABLE HOUSING ADVISORY COMMITTEE

THURSDAY, NOVEMBER 4, 2021

VERNON ELKS LODGE NO. 45 AT 3:00 PM

PRESENT Annette Sharkey, Social Planning Council
Catherine Lord, Seniors Rep.
Colleen McEwan, Interior Health Authority
Councillor Kari Gares, Council Appointed
Councillor Kelly Fehr, Chair
Glory Westwell, Habitat for Humanity

DELEGATION Laura Frank, Regional Planning Projects Manager, Regional District North Okanagan

ABSENT Brad Stinn, Building representative
Councillor Brian Quiring
Kimberly Fuller, Community at Large representative
Nanette Drobot, Supportive Housing Advisor, BC Housing
Jake Russell, Community at Large Representative
Councillor Paul Britton, City of Armstrong

STAFF Barbara Everdene, Long Range Planner
Roy Nuriel, Staff Liaison, Economic Development Planner
Tracy Mueller, Committee Clerk
Carson Mackonka, Planning Assistant

ORDER The Chair called the meeting to order at 3:12 PM.

LAND ACKNOWLEDGEMENT *As chair of the City of Vernon's Affordable Housing Advisory Committee, and in the spirit of this gathering, I recognize the City of Vernon is located in the traditional territory of the Syilx people of the Okanagan nation.*

**ADOPTION OF
AGENDA**

Moved by C. Lord; seconded by G. Westwell;

THAT the agenda for the Thursday, November 4, 2021, Affordable Housing Advisory Committee meeting be adopted.

CARRIED

**ADOPTION OF
MINUTES**

Moved by A. Sharkey, seconded by Councillor Gares:

THAT the minutes of the Thursday, August 16, 2021, Affordable Housing Advisory Committee meeting be adopted.

CARRIED

UNFINISHED BUSINESS:

There was no unfinished business discussed.

NEW BUSINESS:**NORTH OKANAGAN
REGIONAL HOUSING
STRATEGY
(DELEGATION
PRESENTATION)**

Roy Nuriel, Economic Development Planner, introduced, Laura Frank, Regional Planning Projects Manager, Regional District North Okanagan who provided a PowerPoint Presentation on the Regional Housing Strategy.

An overview of the report provided by the delegation is as follows:

- The last two years the Board has been committed to identifying challenges with Affordable Housing.
- The key findings of the work done have "set the table" for the strategy.
- The majority of the Region's population is centred in Vernon.
- The delegation provided a high-level overview, as follows:
 - When it comes to growth, it is driven by migration.
 - The Region's growth is entirely dependent on migration into the Region.
 - There have been a lot of new inhabitants over the last couple of years.
 - The bulk of housing stock is comprised of single-family dwellings; unfortunately, there is not a lot of diversity in housing stock.
 - There is a significant shortage of rental units that are \$500 or less; as a result, some individuals are forced to pay more than 30% of their annual income for housing.

- One of the key challenges is there is not enough rental stock available in order to suitably address needs.
- The most affordable community for rentals has been identified as the City of Armstrong.
- The delegation noted that the numbers used within the report are based on 2019 sales prices, therefore, the numbers over the last two years would be significantly lower (due to COVID-19).
- Housing assessments in our Region looked at suitability for the size and adequacy; however, it does not measure homes in significant need of repair.
- Looking at the Regional profile of dwelling affordability is a challenge. In terms of demographics for rental housing, the largest age group being identified as being in need for suitable rental housing falls between the ages of 45 – 64.
- Low to moderate-income earners were also challenged, within Vernon there are 3000 households that currently pay more than the 30% of their income to housing.
- In terms of building the Strategy, and collecting information, consultants were engaged to compile data, and based on the demographics and migration seen, the target recommendations are that half of new homes should be multifamily, a quarter should be family rental apartments, i.e., one bedroom plus den, etc., and the remainder would then be single family units.
- The delegation clarified that City of Vernon has made a lot of progress in multi-family units over the last three years which is helping to make a dent in the shortage in housing stock.
- The Board, based on the data collected, determined there was an emergent need to develop a Regional Housing Strategy. The delegation clarified that the Board is committed to creating a response; however, that no single community can meet all the needs identified.
- The Strategy is been broken into five (5) key objectives:
 1. Establish
 2. Increase
 3. Support and Protect
 4. Reduce Barriers
 5. Strengthen Partnerships and Build Awareness
- The delegation clarified that the aim is to create a list of actions communities can go through with their Councils in order to make some amendments.

- The City of Vernon is further along than other communities in terms of developing additional housing to meet the lower income / rental requirements.
- It was discussed that Lumby reviewed the proposed Regional Plan with their Council and that collectively, their Council was excited that there was a regional initiative being undertaken. Each community would address the targets within their Official Community Plans (OCPs). The delegation noted that as a collective we can identify where the projects are happening, where opportunities can be met, it is not meant to be prescriptive, it is a high-level plan and individual communities can review and determine what is meaningful.
- The delegation noted that in building the Strategy, any suggestions are welcome, changes are needed to be made and presented to the Board in December 2021.

Staff clarified that the proposed document is a regional document; the aim is to partner and see if we can provide different tools.

Each of the five objectives outlined within the Strategy provide some items for consideration. Council has members of the Affordable Housing Advisory Committee asked for ideas on the various suggestions. Each of the five objectives will be reviewed and comments and ideas will be solicited from members of the Committee.

Objective 1: Establish a shared commitment to address the regional affordable housing challenges:

The following questions / comments were posed by members of the Committee:

- Municipalities need to do a report card, but it should be in terms of Regional Benchmarks and how municipalities fit in. An example: the number of subsidized low-income housing, Vernon has X amount, Coldstream has X.
 - The delegation noted that there should be an overarching report card; however, tying into the communities' projects will go a long way toward tying back into the concerted efforts. The only challenge is how do you allocate or set targets for various communities? Feedback received from smaller communities was that they do not have the same social service provisions as other larger centres, i.e., supportive housing.

- It was noted that we need to be cautious in tying mental health data to housing unaffordability; it would be good to understand who is struggling with affordable housing, and mental health / substance abuse; the data needs to be broken down a bit further.
- The worry is that “affordable housing” stigmatizes; the definition of housing options/types needs to have clear and defined definitions. Is the infrastructure and the service at a capacity where it can handle additional resources that might be loaded? There needs to be a level of understanding when this is addressed. As an example, not every community can handle “supportive housing” however, there are others that would be more suited to building other forms of housing stock.
- When a regional context is looked at, the City of Vernon would benefit with access to reports on housing activity within the greater Vernon area.
- Communities as a whole need to outline their community needs and capacity.
- Staff suggested that the City of Vernon could consider putting some targets on the number of units.
- The delegation clarified that in the housing needs assessment, the required income, affordability matrix and the median incomes of families within the region are very low. To tackle the affordability piece, it will be subsidized housing or developing a corporation that would develop housing in the \$300 - \$370K range that is affordable and attainable. Even with those measures, there will still be individuals who will need deeper subsidies.
- The attainable could be tackled with P3s (Private Public Partnerships) for support.
- The data could be further drilled down to number of families in need (median income) or a higher level of which community will meet the targets. The Committee noted that there is a value in breaking out the numbers. Projected housing needs by demographic and size would be beneficial for planning purposes.
- It was discussed that the Strategy needs to be reviewed every 2 years vs. 5 to keep up with the trends.
- A member of the Committee noted that the last two years have been an abnormal timeframe; however, if the trend does continue we will probably continue to see pinch points along the way.
- The Committee asked to change the report to include “median” instead of “average” for income and housing value.

- Questions were posed regarding who specifically would be putting this report card together and how often it will be updated. The use of a “report card” is not overly helpful; maybe it could be changed to challenges / successes. It should be around opportunities, i.e., what are we jumping on and where do we need to have further work?
- It was discussed that having an annual snapshot on development activity would be advantageous.
- In terms of reporting, it would be combining each community and building statistical reports.
- A member of the Committee suggested that the report be broken down to denote “purpose built” rentals. Whether they are subsidized or deeply subsidized.
 - Drilling down into the housing stock needs to be separated into different forms of housing to provide a more realistic picture of the breakdown and what it means to members of the public.
- Staff asked if we should consider including targets for a period of time.
- It was discussed that for renters over 65, and the senior demographic is a huge component and we need to be able to track certain trends of BC Housing subsidies to meet those targets.

ACTION: The delegation noted that we could create a template that is provided to each community; when the yearly update is submitted it will be consistent and the regional report card can then be created.

- The only other challenge is how to correlate with the market price, i.e., broken down on the unit value.
- A template can be created for use that has the construction value beside it to determine if the unit would fit into the “criteria” of affordable.
- It was discussed that the median income of each community should also be included.
- The data card is more for the local government and long-range planning to make sure community needs are met.

Community Engagement

- It was discussed that any community engagement is conducted in the context of Public Hearings by way of changes to the Official Community Plan (OCP).
- Transparency must be part of any Community Engagement process; it is important to have community members buy-in.
- The suggestion is to have a standard template based on the dwelling types and that it is up to each community to provide housing across the spectrum. The templates would go back to the Council for review on what was achieved year-by-year.
- When there is a contentious development, the Regional Plan can assist as a tool for Councils to help inform their decisions, i.e., purpose-built rentals over X number of years.
- It was discussed by the Committee that targets that are too tightly defined become difficult.
- The document will help new Councils to go back to see the guidelines, tracking and methodology.

Objective 2: Increase the diversity, affordability, and supply of housing

Staff introduced Objective 2 of the proposed Strategy and noted that many of the suggested actions are currently underway within the City of Vernon. The Committee was asked to provide their feedback pertaining to Objective 2 of the proposed Strategy.

Before the group discussion, the Delegation clarified that it is more of a “shopping list” for smaller communities to review, decide what they want to tackle or include. If there is one of interest to the group it could be further discussed. As an example, land inventory would be a worthwhile discussion, i.e., what lands could be used to allocate for public housing?

The following questions / comments were posed by members of the Committee:

- It was discussed that land consolidation should be taken into consideration; i.e., buying smaller parcels, changing the zoning, and consolidating takes the uncertainty out of the risk for developers.

- Staff noted that the City of Vernon has lands that are vacant that could feasibly be developed; however, some of the sites have constraints.
- Inclusionary zoning needs to be further reviewed; in terms of multiple bubbles of low-income areas.
- It speaks to neighbouring communities that low-income housing needs to be spread around; transit accessibility needs to be considered.
- To attract BC Housing and subsidizing the available land(s) need to be brought to the table. The non-profits need access to the land. It would be great to see some of the smaller communities engaging in this area.
 - Would they make a commitment to bring X amount of land to the table to create affordable housing?
 - It was discussed that land / servicing costs are significant. Therefore, it becomes unaffordable for non-profit agencies to undertake.
 - If it could be a commitment on each individual government side.
 - In terms of inclusionary housing, who is going to manage the mixed units, and if a non-profit comes in as a partner the subsidies would need to be deep. If it is “purpose built” rentals, it would assist.
- Staff clarified that the City has two tools: 1) density bonusing and 2) reduction in parking. In part of inclusionary zoning more incentives need to be considered.
- The Committee noted that it needs to be straightforward for the developer, they need to know what they are getting into and what the “ask” is. There could be some easy wins with a housing agreement.
- The delegation noted that the “affordable housing reserve fund” could be secured in different ways vs. moving into the percentage fees. From sales and profits X amount is going back to the City for affordable housing but it becomes a challenge.
- Staff noted that in the City of Vernon, there is not the same market conditions as seen in larger municipalities.
- It was discussed where it becomes problematic is that if the market changes, the percentages need to be reviewed and reassessed.
- Stakeholders could be interviewed to find out what the appetite would be for that, i.e., how many permits did we issue and could it be allocated out as a dollar / unit fee.
- It might be worthwhile to look into creating an Affordable Housing Reserve fund so as not to rely on Development Cost Charges (DCC) or monies collected from casino funds.

Zoning Bylaw Amendment

Staff noted that another item that could be considered, and a small lot subdivision provision has been a successful tool.

The following questions / comments were posed by members of the Committee:

- It was discussed a unit that went up on Lakeshore Road is “micro” units. Staff noted that the units have sold very quickly. The price is \$200 - \$250K.
- The challenge with “micro-units’ is that taken out into the general market, they are not easy to finance. Not all lenders are into the “micro suites”.
- It was discussed that “The Hub” building development is 57 residential suites located in downtown Vernon, it is centrally located, with a variety of units, i.e., studio, one bedroom & den, two bedrooms is a more affordable option.
- Another model that might be beneficial in the future is a development that has consideration for caregivers and seniors.

Secondary Suites:

The following questions / comments were posed by members of the Committee:

- The Delegation was asked to provide an overview of the definition of “suite” revenue and how it is applied.
 - In response the delegation clarified that in Burnaby, a basement is 345 square feet; therefore, the basic building code requirements need to be imposed as it can easily be converted into a suite. Down the road, if the person does not want a suite, the basic services are there.
 - All new construction is forcing more than 1 family per dwelling which is a selling feature “suite ready” upon purchase.
 - This model is mutually beneficial for both the buyers (as a potential mortgage helper) and the developers.
 - The only additional costs would be the electrical for second service and thicker drywall.

Objective 3: Promote, Support and Protect Rental Housing:

The following questions / comments were posed by members of the Committee:

- CMHA has launched a “rent bank”. It was discussed that maybe there are further partnerships that could be explored.
- Renter education, their rights, and how to maintain a positive relationship with the landlords in an important education piece. The Committee discussed that tenants have more rights; however, the renter education piece is sometimes used as a tool to abuse the system; for that reason, it is sometimes difficult selling the merits of producing rental only stock to developers / investors.
- The delegation noted that “residential rental zones” can be established and that new parcels can be identified in various municipalities.
- Staff clarified that there are some zones within the City of Vernon where there are potential opportunities; however, a restrictive covenant would have to be placed on title in order to stipulate that the site is intended for rental units only.

Objective 4: Reduce Barriers to Developing Affordable Housing

The following questions / comments were posed by members of the Committee:

- A member of the Committee noted that should be coordinated efforts to ensure that housing outreach workers are working within smaller communities.
 - The delegation clarified that is a need that has been identified.
 - It was discussed there is a need to create a “Regional Position”.
 - Having regular Regional Growth Strategy Advisory Meetings would be beneficial.

Objective 5: Strengthening Partnerships

Staff asked that if there was anything that the members of the Committee would like to raise.

The following questions / comments were posed by members of the Committee:

- The Committee suggested there should be further clarification regarding Appendix 4 of the Strategy, related to the RDNO responsibilities to ensure that everyone is working together because smaller municipalities need the support of the RDNO.

INFORMATION ITEMS:**COMMITTEE TERMS OF REFERENCE (TOR)**

Members of the Committee were provided with the Terms of Reference (TOR) in advance of the meeting.

- The Chair asked everyone to review the TOR; this item will be discussed at the next meeting.

NEXT MEETING

The next meeting will be at the call of the Chair.

MOTION TO ADJOURN

Moved by C. Lord, seconded by Councillor Gares:

THAT the Affordable Housing Advisory Committee meeting of Thursday, November 4, 2021, be adjourned.

CARRIED**ADJOURNMENT**

The Affordable Housing Advisory Committee meeting adjourned at 4:53 PM.

CERTIFIED CORRECT:
Chairperson