

A woman wearing a purple hijab and a green dress stands in a lush garden. She is surrounded by various plants, including a large grapevine arbor overhead and several potted plants. The garden is filled with green foliage and colorful flowers, including dahlias and pink flowers. The background shows a house with a window and a balcony with more plants.

Metro Vancouver Housing 10-Year Plan

2022 Progress Update



Metro Vancouver Housing provides safe and affordable rental homes for more than 9,400 people on 49 sites across the Metro Vancouver region. Our sites are diverse, mixed-income communities that include families, seniors and people with disabilities. Supported primarily by our tenants' rents, we are a non-profit organization that has partnered with tenants, governments and service providers to support healthy and engaged communities since 1974.

Metro Vancouver acknowledges that the region's residents live, work, and learn on the shared territories of many Indigenous peoples, including 10 local First Nations: Katzie, Kwantlen, Kwikwetlem, Matsqui, Musqueam, Qayqayt, Semiahmoo, Squamish, Tsawwassen, and Tsleil-Waututh.

Metro Vancouver respects the diverse and distinct histories, languages, and cultures of First Nations, Métis, and Inuit, which collectively enrich our lives and the region.

Metro Vancouver Housing 10-Year Plan – 2022 Progress Update | July 2022

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Front Cover: Metro Vancouver Housing resident

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Introduction

The *Metro Vancouver Housing 10-Year Plan* was adopted in November 2019 to provide a framework for how Metro Vancouver Housing will provide, preserve and expand its portfolio of affordable rental housing across the region.

Since the launch of the 10-Year Plan, the world has changed dramatically. The COVID-19 pandemic spread throughout the world, highlighting existing inequities, and further emphasizing the need for affordable housing. Global markets and supply chains were shaken, resulting in unprecedented construction cost escalation. Rising costs and uncertainty, combined with rising interest rates, are driving the cost of housing higher. As the region’s population continues to grow, more pressure is placed on an already strained rental supply, and social housing waitlists continue to rise, particularly for family and seniors housing.

The effects of climate change are also becoming more impactful in our region. Events such as extreme heat, wildfire smoke and poor air quality, and increasing frequency and intensity of storms and flooding have hit BC dramatically in the past two years. These events emphasize the need for more resilient buildings and communities, and to re-think the way we design and deliver housing.

For more information, see [Appendix 1: Factors Influencing Affordable Housing](#).




Despite these challenges, implementation of the 10-Year Plan is underway and strong. This report outlines what has changed since the adoption of the plan, highlights progress to date towards targets and goals, and describes how Metro Vancouver Housing is adapting and moving forward.





Implementing the Plan – Progress to Date

The *Metro Vancouver Housing 10-Year Plan* set key goals, actions, and targets to provide, preserve, and expand affordable rental housing across the region. The following section outlines progress towards plan targets and highlights key initiatives undertaken to date to deliver on goals and actions.

Targets

10-YEAR TARGET	PROGRESS TO DATE	STATUS
 Mixed-income Maintain at least 30% of our portfolio as Rent-Geared-to-Income to support a range of affordability needs and ensure long-term financial sustainability.	<p>Currently 31% of units are Rent-Geared-to-Income (as of Q1 2022).</p> <p>By providing a mix of incomes, MVH is able to subsidize rents across its portfolio, and support inclusive communities.</p>	On Track
 Diverse housing types Maintain at least 70% of portfolio as 2-bedroom units or larger to support family-friendly housing and provide a mix of unit sizes to allow flexibility and suit a range of needs.	<p>Currently 81% of units are family sized units (2-bedroom or larger).</p> <p>New development projects are targeting 50-60% family units to maintain a focus on family housing while providing more options for seniors, singles, and couples. Having a range of home sizes within each building allows people to stay in the community as their needs change.</p> <p>With ~800 units currently in design or construction, this will help bring the total of family sized units in our portfolio to 75%.</p>	In Progress
 Energy efficient Reduce energy consumption by 25% for major rehabilitations, such as building envelope upgrades, and for new construction (from 2015 National Energy Code for Buildings).	<p>All current and planned projects are designed to reduce energy consumption by at least 25%.</p> <ul style="list-style-type: none"> • Major building rehabilitations are targeting 25–50% better • New construction projects are targeting 25–55+% better 	On Track

10-YEAR TARGET	PROGRESS TO DATE	STATUS
 Low emission Reduce GHG emissions in housing portfolio by 45% (from 2010 levels) over the next 10 years to work towards the region's goal of being carbon neutral by 2050.	<p>In 2021, MVH's entire portfolio produced 7.88 gCO₂/m², a 10% reduction from 2010 levels. Reducing total GHG emissions will be a challenge as we continue to build more housing; even though all new MVH buildings are fully electric, there's still a small portion of GHG emissions associated with electricity use.</p> <p>When adjusted for what is within MVH's control, such as operational changes and upgrading equipment (but not accounting for changes in weather or increased floor space from new construction), the 2021 measure (7.88 gCO₂/m²*HDD) show a 23% reduction from 2010 levels.¹</p> <p>With its 10-Year Capital Maintenance Plan underway, MVH is currently on track to reach 42% reduction from 2010 levels with upgrades to existing systems. And, as technology becomes more readily available and cost effective, MVH may exceed the 45% reduction target.</p>	On Track
 Well-maintained Maintain a portfolio-wide Facility Condition Index at or below 20% over the next 10 years to support safe and healthy homes for existing tenants.	<p>Current Facility Condition Index (FCI): 13.5% (FCI is an industry standard used to measure the condition of buildings in our portfolio.)</p> <p>Metro Vancouver Housing's asset management program monitors FCI and uses this measure to help prioritize maintenance and renewal projects to meet our 10-year target. This program also feeds into redevelopment planning by identifying which properties are candidates for renewal vs. redevelopment.</p>	On Track
 Age-friendly Work towards 20% of units as adaptable or fully accessible to support people of all ages and abilities.	<p>Currently 6% of homes in our portfolio are accessible or adaptable</p> <p>All new/redevelopment projects are being designed as 100% adaptable and/or accessible. With ~800 units in design or construction, this will help bring our total portfolio to 24%, exceeding our 10-year target.</p>	On Track
 Growth Increase housing portfolio with 1,350 new and redeveloped units approved over the next 10 years.	<p>7 projects are underway to provide ~800 new and redeveloped units. This represents close to 60% of the target with projects in the first two years of the plan. Given the rising cost of construction, projects were 'front-loaded' to best leverage available funding.</p> <p>Metro Vancouver Housing is seeking additional funding support to continue with additional projects and to provide even deeper affordability, with an aspirational target of 2000+ new and redeveloped units.</p>	In Progress

¹ The gCO₂/m²*HDD measure eliminates the impact of increased floorspace (m²) as well as weather variables (HDD = Heating Degree Days, HDD is a count of the amount of hours needed throughout a year to heat your building. i.e. higher HDD = colder year)



Support Healthy, Engaged Communities

We know that homes are more than just buildings. By working closely with our tenants, Metro Vancouver Housing (MVH) supports a wide range of tenant engagement and community building programs tailored to tenant needs and interests.

1.1 Continue to engage and expand tenant associations and deliver quality programs to support community building.

- Continuing to work with existing tenant associations to deliver programs that support community building such as clean up days, spring flower program, crime prevention programs, community gardens, community/environmental clean-ups, food skills for families, educational workshops, tenant social events, housing extreme makeovers, and mural painting.
- Working closely with tenants who are interested in creating associations to support engagement initiatives that are tenant-led.
- Implementing a welcome process for new tenants, to provide information at move-in and a check-in with them a few months after move-in. This helps to form relationships between tenants and staff, share information about resources and programs, and encourage participation in tenant associations and community building programs.
- Working to provide programs and opportunities at housing sites where there are no tenant associations. This helps to provide flexibility for tenants and families who may be interested in participating in activities but don't have time or interest in participating in an ongoing way, or to generate interest in creating tenant associations where they don't exist.

1.2 Explore opportunities for new programs and partnerships to engage and empower tenants.

- Seeking new partnerships to expand tenant programs, such as:
- Collaborating with other Metro Vancouver departments to deliver tenant programming (e.g., partnering with Regional Parks to coordinate field trips and custom programs for MVH tenants).



- Working with Immigrant Link Society to introduce a Free Food Program to help minimize food waste and support families in need.
- Collaborating with FortisBC to hold energy saving competitions with tenant groups to raise awareness and promote energy conservation.
- Collaborating with BC Hydro to engage tenants on decorative wrap designs for hydro boxes and involve tenants in beautifying housing sites.
- Collaborating with local police on crime prevention programs for housing sites.
- Introducing and expanding new programs targeted to tenant needs and interests. For example:
 - Free Food Program to help minimize food waste and support families in need
 - Hydroponics and Fogponics Pilot Projects at Community Gardens, with tenant-led training and gardening workshops
 - Playspace Design Projects to engage tenants in designing and painting new outdoor play areas to provide safe spaces for kids to play and ride bikes away from roadways
 - Pop-up vaccine clinics at select seniors housing sites, to provide easy access for flu shots and COVID booster shots
- Updating tenant communications to make information more engaging and easier to access (e.g., website, online forms, tenant newsletters, tenant handouts and information guides).
- Engaging and educating tenants around waste management and the roll out of new waste management systems, in partnership with other Metro Vancouver departments and municipalities.

1.3 Complete a full review of all tenant policies and tenancy agreements to ensure alignment with industry standards and best practices.

- Complete (2021). Moving forward, MVH will continue to review policies annually and monitor industry standards, best practices, and tenant/staff needs to update or add policies on an ongoing basis.

1.4 Explore affordability models to support financially sustainable operations and tenant affordability.

- Approved a new Tenant Selection Policy (2020) to clearly outline income limits and eligibility criteria to further align with BC Housing, and provide greater clarity for staff and tenants.
- Exploring a range of affordability models and financial scenarios for new development projects to assess the impacts of funding partners, construction escalation, rising interest rates, and financing.

1.5 Continue to invest in staff resources to deliver and maintain quality housing and tenant services.

- Implementing staff training and supporting capacity building in topics such as health and safety, operations and tenant management during inclement weather, tenant well-being and mental health, diversity and inclusion, respectful workplaces, crime prevention, emerging practices in sustainable/high-performing buildings, accessibility, Indigenous relations, archaeology practices, community building and tenant engagement, and emergency preparedness.
- Creating and implementing new standards, templates, and processes to enhance efficiency of operations, maintenance, and development projects. For example, project management reporting, tenant relocation supports, community engagement materials, moving forms online, and standardizing processes for site maintenance.

Free Food Program

Metro Vancouver Housing, in partnership with Immigrant Link Centre Society, introduced a Free Food Program at a number of its housing sites, redistributing perishable food that is being disposed of from grocery stores prior to its “best before” date. This important program assists residents with their grocery bills and provides healthy, nutritious food. This successful program is currently serving 150 families across 13 housing sites and will be expanded across Metro Vancouver Housing sites to serve even more communities in need.

“Thank you so much for the free food program. It helps so many families.”

— Metro Vancouver Housing Tenant



Hydroponic gardening towers at MVH's Habitat Villa community gardens



“The hydroponics pilot program is a wonderful learning experience and a great way to teach kids about hydroponics and the life cycles of plants.”

—Metro Vancouver Housing Tenant

Hydroponics and Fogponics – Gardening Pilot Project

Benny, a Metro Vancouver Housing resident and avid gardener, worked with Metro Vancouver Housing to roll out these two hydroponic tower systems as a pilot project to add to existing community gardens. These systems support plants to grow in nutrient-rich water without soil. This makes growing much faster so that food plants can be harvested up to three times per season. Residents have embraced this project and engaged kids in gardening, from growing seedlings to placing them in the towers to grow and mature. Plantings have included arugula, spinach, and bok choy.

Interest in the project is quickly spreading to other buildings and organizations. Building on this success, residents are now exploring fogponics, another form of growing plants without soil, that uses humidity to deliver nutrients to plant roots.

GOAL 2

Preserve and Renew Existing Housing to Maintain Affordability and Improve Sustainability And Accessibility

Due to the cost of development, existing housing tends to be more affordable than new housing, making it critical to maintain our existing stock of affordable rental housing. At the same time, older buildings tend to be less energy efficient and produce higher carbon emissions than newer ones. By investing in renewing its existing housing stock, Metro Vancouver Housing (MVH) can maintain quality affordable homes, improve tenant comfort, and enhance sustainability.

2.1 Continue to implement Metro Vancouver Housing's asset management program to maintain and renew existing housing.

- Metro Vancouver Housing uses a comprehensive asset management program and ongoing monitoring and assessment to prioritize minor and capital maintenance across the portfolio. Eight major projects are underway that will renew 558 homes, upgrade buildings and outdoor amenities, enhance energy efficiency, and reduce GHG emissions.
- Evergreen Downs, Delta: construction completed in 2022
- Kelly Court, Vancouver: construction phase
- Strathearn Court, Vancouver: design and approvals phase
- Reframed Initiative: MVH is collaborating with other organizations to explore innovative and replicable design approaches for building rehabilitation for six different housing sites, including three MVH properties (Crown Manor in New Westminster, Le Chateau Place in Coquitlam, and Manor House in the City of North Vancouver)
- Minato West, Richmond: conceptual design phase
- Somerset Gardens, Surrey: conceptual design phase

2.2 Continue to explore and implement new technology to improve energy efficiency and reduce greenhouse gas emissions of existing housing.

- In combination with asset management, MVH uses an energy management program to strategically replace equipment and take action towards its energy and carbon goals. The program assesses



energy use across existing buildings and identifies where upgrading specific equipment could make the most significant impact towards reducing its energy and greenhouse gas emissions. Recent projects include:

- Hugh Bird Domestic Hot Water (DHW) Project: replaced a mid-efficiency unit with a Gas Absorption Heat Pump (GAHP) unit and high-efficiency condensing boiler backup that was 100% fully funded by FortisBC. This reduced natural gas usage and GHG emissions by roughly 30%.
- Following on from the success to the Hugh Bird project, MVH is now undertaking a second pilot project with FortisBC to replace a natural gas make up air unit with a GAHP unit.
- This strategic approach to energy management is also used to assess and prioritize capital maintenance projects and create a 10-year plan for capital investment to address existing housing needs and work towards MVH's *10-Year Plan* goals for GHG emission reductions.

2.3 Incorporate adaptable, barrier-free design elements upon renovation of units and common areas to enhance accessibility of existing housing.

- Construction is underway for a full building rehabilitation at MVH's Kelly Court property, a 100% wheelchair accessible building. The rehabilitation will give new life to the building and make outdoor amenities more accessible (i.e., wheelchair accessible community garden planters and paths).
- When renovating units, MVH takes step to enhance unit accessibility wherever possible. For example, adding reinforcements in bathroom walls to add custom grab bars, and upgrading items like door handles and faucets to more accessible versions.

- Where possible, MVH is also exploring opportunities to expand housing through rehabilitation projects (e.g., if there is potential to add additional units while renewing the building). This could provide the opportunity to add more accessible units to existing buildings.

2.4 Update MVH Building Standards to support attractive, age-friendly housing that is durable and cost-effective to maintain.

- Updating Building Standards to integrate new products and practices that support livability and accessibility. For example, switching from carpeted flooring to vinyl plank flooring presents fewer trip hazards for people with mobility challenges, while also making floors more durable and easier to clean, and reducing allergies and respiratory issues. Other examples include upgrading door handles and faucets, and using colour contrast for critical surfaces and edges to support people with visual impairments.

2.5 Continue to explore funding and partnership opportunities to support capital maintenance and enhance sustainability of existing housing.

- Since 2019, MVH has obtained over \$660,000 in funding from FortisBC and CleanBC for energy related projects. Additional applications and processes are underway to seek an additional \$11 million to support capital maintenance projects that enhance energy efficiency and reduce GHG emissions.
- Financing building rehabilitation projects to better leverage MVH equity and advance more projects sooner to mitigate rising construction costs and interest rates.
- Collaborating with the BC Non-Profit Housing Association, BC Housing, Pembina Institute and City of Vancouver through the "Reframed Initiative" to explore ways to innovate and improve non-market building rehabilitation (see Goal 4 for details).

Upgraded and expanded outdoor amenity space and community gardens



"Thank you for a wonderful, well-thought out project. I'm very happy with the renovations."

—MVH Tenant

The Benefits of Building Renewal— Evergreen Downs Project Highlight

Metro Vancouver Housing recently completed a building rehabilitation at its Evergreen Downs property in Delta. The project involved replacing the exterior wall cladding, windows and doors, roof membrane, and balconies, as well as upgrading the outdoor amenity space. Additional insulation was added, along with a new system for heating/cooling and air ventilation in hallways, making the building more energy efficient and comfortable for tenants throughout all seasons.

Tenants were engaged in the re-design of the outdoor amenity space and expansion of community gardens. The project will extend the life of the building by at least 40 years and result in significant savings in energy and GHG emissions, provide a more comfortable building for tenants, improve building resilience to extreme weather events, lower energy bills for MVH and tenants, and refresh the building's aesthetic, helping to promote a sense of pride for tenants and staff.

"I saw a reduction of \$50 over a two-month period from the same period last year on my heating bill. And the windows are so nice and quiet compared to the old ones."

—Metro Vancouver Housing Tenant

Before



After





2021 FortisBC Efficiency in Action Award for Outstanding Achievement in Energy Savings

Metro Vancouver Housing won the Innovation Award for a Gas Absorption Heat Pump Project at its Hugh Bird Residence. This project reduces GHG emissions by 10 tonnes CO₂ per year (equivalent to driving a gas vehicle 40,000 kilometres) and provides operational savings of about \$2,000/year.



“[Metro Vancouver Housing’s] willingness to learn about this new technology and leadership in participating not only led to an impressive 35% savings for domestic water heating at their site, but also contributed to a successful pilot project that is leading to the launch of a gas heat pump rebate program for all FortisBC customers.”

– FortisBC

GOAL 3

Grow Strategically Through Redevelopment and Expansion

At a time when land costs are ever-rising, Metro Vancouver Housing (MVH) has a real opportunity to provide more housing through redevelopment and expansion of our existing housing sites, and partnerships to build new housing on public land. Having access to land means we can use our funding more effectively and have a more significant impact.

3.1 Pursue opportunities to expand through redevelopment and acquisition of new housing sites, buildings, and/or units in strategic locations across the region.

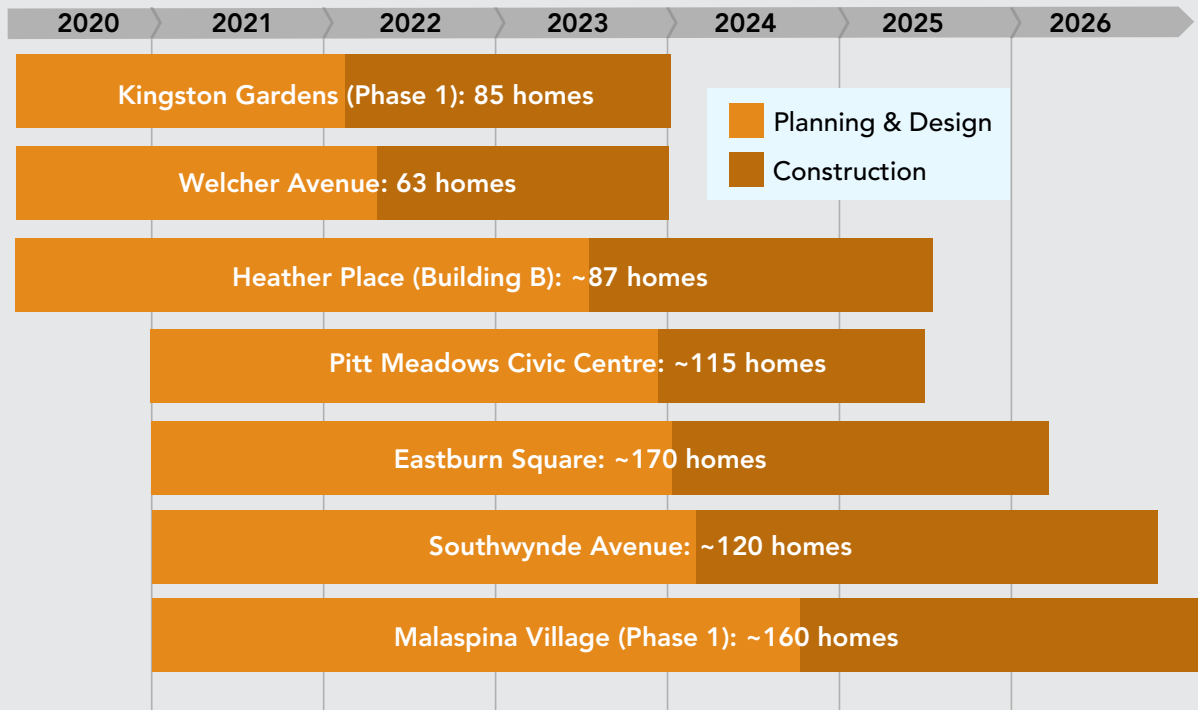
- Seven projects underway will provide roughly 800 new and redeveloped affordable rental homes
 - Two projects (Kingston Gardens and Welcher Avenue) in the construction phase will provide 148 homes in Surrey and Port Coquitlam.
 - Five projects in the design/approval phases will provide over 650 homes as well as roughly 220 affordable childcare spaces in the municipalities of Vancouver, Burnaby, Pitt Meadows, and Coquitlam. These include redevelopment (Heather Place B, Eastburn Square, Malaspina Village Phase 1) and new development (Southwynde Avenue, Pitt Meadows Civic Centre) projects.
- Metro Vancouver Housing is also undertaking feasibility studies and concept planning to explore potential for a new housing site in the District of North Vancouver.

3.2 Create and implement a Redevelopment Plan to assess and prioritize existing housing sites for renewal or redevelopment over time.

- Completed (2020). Implementation of the plan is underway and feeds into ongoing strategic planning for redevelopment and capital maintenance projects.



Metro Vancouver Housing Development Timeline



3.3 Use sustainable design and construction methods to develop housing that is energy efficient and minimizes greenhouse gas emissions.

- The seven projects in design and construction phases integrate a range of sustainable design approaches:
 - Projects in construction phase (Welcher Avenue and Kingston Gardens)—Net Zero Energy Ready/ BC Energy Code Step 4
 - Projects in design/approvals phase (Heather Place B, Eastburn Square, Southwynde Avenue, Pitt Meadows Civic Centre, and Malaspina Village Phase 1)—minimum BC Energy Code Step 3 with low carbon systems, and exploring feasibility and funding opportunities to further enhance energy efficiency and reduce GHG emissions.
- Working with municipalities to ensure appropriate parking supply for new affordable housing and exploring options to support alternative transportation (e.g., secure bike parking, car share).
- Integrating electric vehicle charging and/or capacity in all new housing developments, and exploring opportunities for electric bike charging where possible.
- Exploring opportunities to enhance sustainability in new housing developments (see Welcher Avenue Net Zero Energy Study below), and exploring the feasibility of applying new technologies (e.g., exploring solar thermal for domestic hot water).

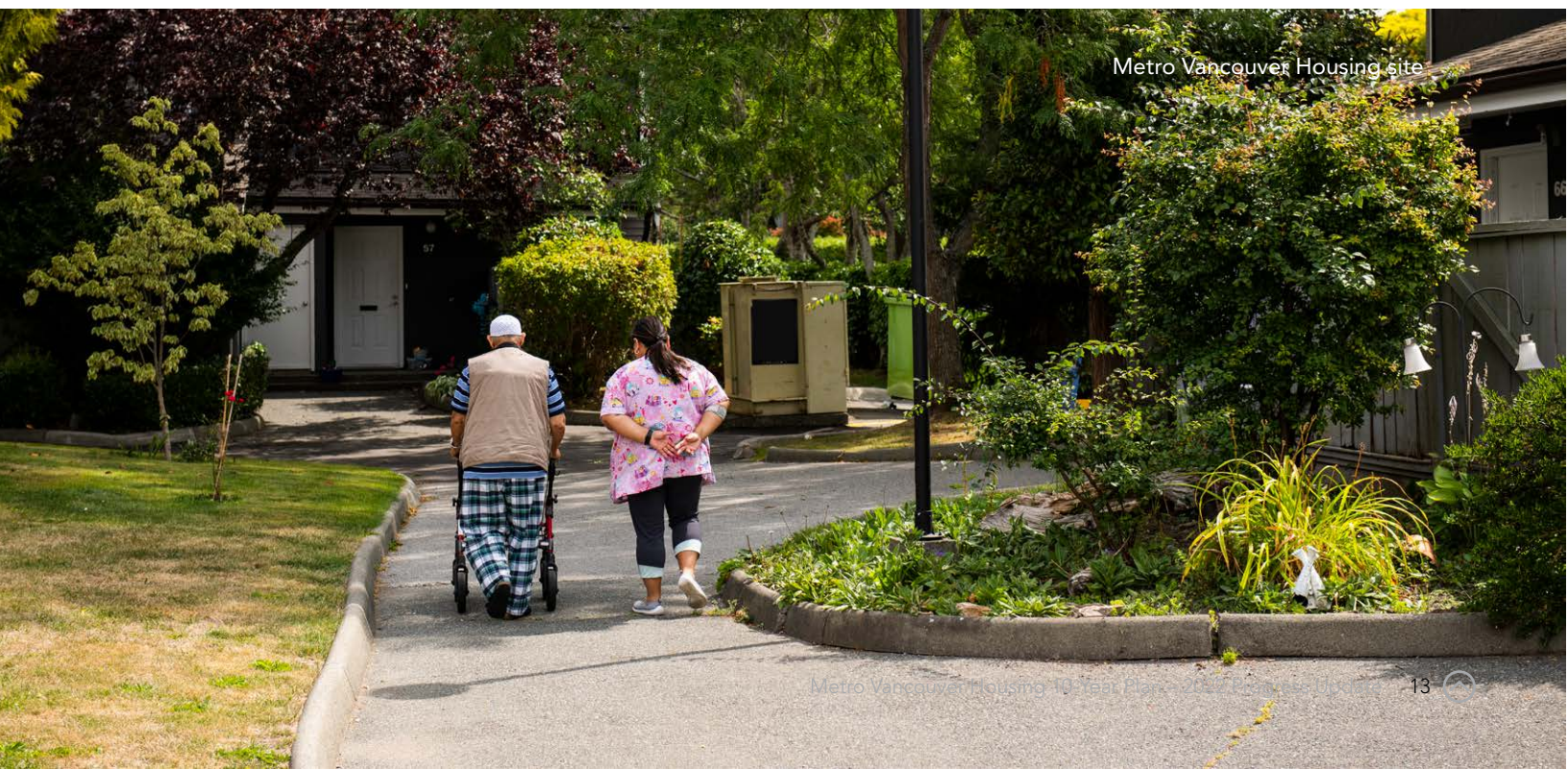
3.4 Apply barrier-free, age-friendly housing design to all new housing construction to support people with disabilities and aging in place.

- The seven projects in design and construction phases integrate a range of accessible, barrier-free, age-friendly design approaches:
 - 5 to 10 per cent wheelchair accessible units in all buildings, with the remainder of units and common areas applying barrier-free and universal design principles.
 - All units will be designed so that they can easily be adapted as tenant's needs change (i.e., reinforced walls to install custom grab bars).
 - Accessible parking and parking for mobility scooters, located as close to elevators as possible.
 - Projects integrate a mix of unit sizes to suit singles/couples, as well as larger units (two- and three-bedrooms) to suit families. By integrating a mix of unit sizes in every building, we will better support tenants to remain in the community as their needs change.

- Indoor and outdoor resident amenities are designed to be flexible, multi-use spaces to suit a wide range of ages and uses. Continuing to explore accessibility standards and best practices to enhance accessibility in new housing developments (see Approach to Accessible, Age-Friendly Housing below).

3.5 Explore opportunities to expand revenue sources to support financially sustainable development and operations.

- Metro Vancouver Housing's mandate is currently to provide affordable rental housing. MVH also has a range of current partnerships to provide related amenities in buildings for tenants and the broader community, such as affordable childcare or seniors centres. However, there is potential to develop mixed-use buildings where ground floor retail spaces could be leased (e.g., for commercial uses) to provide additional revenue, and ideally, also provide convenient access to businesses and services for tenants. Further exploration is needed to assess feasibility and identify specific opportunities.



Welcher Avenue: Net Zero Energy Study

Net Zero Energy (NZE) is defined as a building that has 100% of its energy met by renewable sources of energy, through either on-site or off-site sources. Using funding from Metro Vancouver and the Federation of Canadian Municipalities (FCM), MVH undertook a study for its Welcher Avenue development project to assess the potential to bring the project from the municipal minimum requirements (BC Energy Step Code 3) to NZE, or as close as possible.

The study examined a series of measures to reduce energy use and greenhouse gas emissions, looked at lifecycle costs over 25 years (capital costs, ongoing maintenance, utility costs for tenants and MVH), comfort for tenants, durability, and resilience to changes in climate. The results of this study were applied to the Welcher Avenue project design to enhance sustainability and make the project Net Zero Energy Ready. This means that additional measures could be added in the future to bring the building to NZE, such as adding solar panels to the roof and other renewable energy technology. As an affordable housing development, the trade-offs between affordability and sustainability must be carefully balanced.

Metro Vancouver Housing is undertaking further study to explore the feasibility of renewable energy sources such as solar thermal to help take the building to the next level, and show leadership in providing affordable housing that is also highly sustainable.



Rendering of MVH's Welcher Avenue development

Approach to Accessible, Age-Friendly Housing

One of MVH's goals is to enhance accessibility in existing and new housing to better support people with disabilities and allow people to remain in their homes as they age.

To help guide its approach to accessibility for new housing projects, MVH undertook a detailed review of various accessibility standards, including municipal requirements, BC Building code requirements, funding program design requirements (BC Housing Design Guidelines, and CMHC Co-Investment Fund) to identify the highest minimum standards that must be applied. Following this, MVH worked with an accessibility consultant, as well as an Accessibility Advisory Committee made up of representatives with lived experience, to perform a gap analysis and identify additional best practices that could be applied to further enhance accessibility and livability for people with disabilities. This will be an ongoing assessment as standards, regulations, and best practices continue to evolve.



(top) Example of a wheelchair accessible unit in MVH's Heather Place A property. Appliances, such as microwaves and laundry are located lower to the ground with spaces for wheelchairs to maneuver under sink and stove areas.



(bottom) In washrooms, grab bars and "roll-in" showers are used.

GOAL 4

Develop Partnerships to Expand Affordable Rental Housing Across the Region

Given the challenges of developing affordable housing to meet the needs of our region, we know we can't do it alone. Partnerships between public, private, and non-profit sectors will be critical to achieve our shared goals for a more inclusive, affordable region that everyone can call home.

4.1 Partner with member jurisdictions to support and develop affordable rental housing across the region.

- In 2020, MVH issued an Expression of Interest to member jurisdictions to identify municipally-owned land for Metro Vancouver Housing to develop affordable rental housing. Evaluation criteria were created to help assess opportunities based on: development readiness, density (number of units), livability and proximity to transit and amenities, local government incentives, and regional equity (presence of existing MVH housing).
- Two sites were identified through this first call, in the City of Burnaby and City of Pitt Meadows. Projects are currently in the schematic design and development approvals phase.
- A second round was issued in 2022 that identified a new site in the District of North Vancouver for further exploration. Feasibility studies and concept planning are underway.

4.2 Seek opportunities for partnerships with public sector land owners to develop new affordable rental housing on publicly owned land.

- See action 4.1 for progress in partnering with member jurisdictions.
- Continuing to explore opportunities with other public sector land owners.



4.3 Pursue portfolio-based funding partnerships with other levels of government to support the development and preservation of affordable rental housing.

- Actively pursuing portfolio-based funding partnerships with BC Housing and CMHC to deliver a package of 10-year development priorities.
- Exploring opportunities for other government funding including the Federation of Canadian Municipalities Sustainable Affordable Housing Initiative, BC Hydro, FortisBC, CleanBC, New Childcare Spaces Fund, Enabling Accessibility Fund, Low Carbon Economy Challenge Fund, and more.

4.4 Expand housing management services across the region by taking on affordable rental housing units developed through inclusionary housing policies.

- Metro Vancouver Housing is continuing to explore the feasibility of providing a service to manage affordable units in private developments, and elements that would be required to facilitate successful partnerships. In new developments, private sector developers are often required to build a certain amount of affordable rental units in exchange for additional density. In most cases, municipalities require that these units be managed by a non-profit housing provider. However, policies vary as to how these partnerships occur and there are many considerations such as the distribution of units throughout the building, the design of units to suit specific demographics, use of shared or separated spaces (such as parking and amenity spaces), costs and maintenance of units and the building, and ownership or lease of the affordable units (ideally at a nominal rate).

4.5 Explore opportunities to create new affordable rental housing through innovative partnerships with the development sector and other housing stakeholders.

- Developed principles to guide the exploration of development partnerships and operational partnerships to ensure alignment with MVH objectives.
- Exploring the potential for development partnerships on select sites where there is potential for high density high-rise development, which is not financially feasible for MVH to develop as non-market housing.
- Undertaking land value analysis studies for select sites to support further exploration with the development community.
- Exploring the potential for operational partnerships to meet a broader range of housing needs and/or support mission-aligned goals, such as family-oriented amenities like childcare facilities or other amenities to serve the needs of tenants and broader communities.

4.6 Collaborate and partner with other non-profits to support affordable rental housing in the region.

- Continuing to build relationships, engage, and collaborate with other non-profits and housing stakeholders to share learnings and best practices throughout the affordable housing industry. For example:
 - Collaborating with other organizations through the “Reframed Initiative” to explore ways to innovate and improve non-market building rehabilitation (see Innovation and Leadership in Building Rehabilitation below)
 - Meeting regularly with the BC Nonprofit Housing Association to discuss energy management best practices and learnings to share with the broader sector
 - Engaging with other non-profits and housing stakeholders to share resources, approaches, and lessons learned (e.g., tenant relocation policies and strategies, approaches to operations and maintenance during COVID, working with tenants during elevator rehabilitations, etc.)
- Presenting learnings at conferences and webinars to share knowledge among the industry (e.g., Welcher Avenue Net Zero Energy Feasibility Study, Capital Planning, Deep Retrofits to Protect Affordable Housing)
- Participating in the Housing Registry Steering Committee to monitor demand for affordable housing, connect with other non-profits, and advise on provincial policy
- Advocating to provincial and federal governments for affordable non-profit housing (e.g., providing feedback on reports, budgets, and initiatives)
- Participating in municipal housing action planning initiatives and housing provider round tables to advance affordable housing and inform local housing needs reports
- Supporting other non-profit housing providers (e.g., letters of support for rezoning applications)

Innovation and Leadership in Building Rehabilitation – Pembina Reframed Initiative

Metro Vancouver Housing is working together with BC Non-Profit Housing Association, BC Housing, Pembina Institute and City of Vancouver to make homes safer, more energy-efficient, more resilient and less polluting through the “Reframed Initiative.” Through six demonstration projects (three from Metro Vancouver Housing’s portfolio), “Reframed” brings together the construction industry, building owners, policy makers, and the financial industry to shift current retrofit approaches towards advancing healthier, more comfortable, and resilient low-carbon homes.

Projects are currently in the concept design phase and all six design consultants are working together on “exploration labs” with support from technical experts on climate change, energy efficiency, and health. The findings from these explorations will be implemented in the deep energy retrofit projects, and learnings will be shared out broadly with the affordable housing industry.



Earth tubes are one concept being assessed through the Pembina Reframed exploration labs. Earth tubes temper incoming fresh air by taking advantage of stable soil temperatures (at least 1.8 m deep). A key benefit of this approach is avoiding the use of mechanical equipment that relies on refrigerants, which is a major source of GHG emissions.



Moving Forward

Adapting to a Changing World

Given the challenges of a changing and uncertain world, it will be critical to adapt and stay flexible as Metro Vancouver Housing implements its *10-Year Plan*. Some of the key approaches will include:

- Working closely with our tenants to tailor programs to their needs
- Collaborating with other organizations to broaden the programs MVH can offer to tenants
- Working closely with other non-profits and housing stakeholders to share resources, practices, and learnings, and to support each other in leadership and innovation
- Working with tenants to raise awareness and shift practices to support sustainability (i.e., conserving energy and water, reducing waste)
- Upgrading existing buildings and building new housing that is energy efficient, reduces our carbon footprint, and is more resilient to climate change and extreme weather
- Continuing to seek and apply best practices for operations, renewal, and development of new housing to support tenant well-being, environmental sustainability, and financial viability
- Seeking funding partnerships to leverage MVH's equity and increase what the organization is able to deliver, whether reaching higher levels of sustainability in retrofits, providing more housing, or deepening affordability for tenants
- Seeking partnerships with public, private, and non-profit sectors to advance affordable rental housing across the region
- Monitoring local and global markets and supply chains to assess how they will impact current and future projects
- Continuing to invest in major capital maintenance and development projects, recognizing that costs will continue to rise and it is critical to move forward and keep momentum

Next Steps

Metro Vancouver Housing will continue to move forward with implementing the *10-Year Plan*, and use the plan to guide decision-making for operations, maintenance and renewal, and development of new housing.

Targets and performance measures will be tracked and reported on an ongoing basis, with Progress Reports every two years.

Appendix 1: Factors Influencing Affordable Housing

Pandemic – Short & Long Term Impacts

Starting in 2020, just months after the *10-Year Plan* was adopted, the COVID-19 pandemic spread throughout the world, affecting every industry and community. The effects, however, were not the same for all. The pandemic highlighted existing inequities, and disproportionately impacted those who were already disadvantaged such as lower income households, people who are or at risk of homelessness, Indigenous and racialized families, people with disabilities, and seniors. The pandemic also highlighted issues around childcare, domestic violence, essential workers, wage inequity, unemployment, food security, access to healthcare, social isolation, mental health and well-being, affordability issues, access to appropriate housing and outdoor spaces, and the ways in which we live, work, shop, and socialize. These issues further emphasized the need for affordable housing to support equitable and resilient communities.

For MVH, some of the biggest impacts at the start of the pandemic included:

- **Operational safety.** Staff quickly adapted to new safety procedures for interacting with tenants and housing sites such as sanitizing and distancing measures, use of personal protective equipment, and where possible, switching to virtual communications.
- **Tenant affordability.** At the start of the pandemic, federal and provincial financial assistance was available for those who had been impacted by job loss and rent increases were frozen. Metro Vancouver Housing worked closely with our tenants to ensure that resources were in place and that no evictions occurred due to financial issues caused by the pandemic.
- **Tenant programs and support.** Metro Vancouver Housing worked with tenants and other organizations to tailor programs to the issues that were most pressing for tenants including affordability, food security, and mental and physical well-being. Metro Vancouver Housing introduced programs like the Free Food Program, expanded community gardening, provided pop-up vaccine clinics at seniors housing buildings, and helped to find safe ways to exercise and socialize such as exercise challenges and the creation of new outdoor play spaces.
- **Development delays.** As the world adjusted to safe distancing protocols on job sites, and switching from in person to digital communications, there were some delays to municipal development approvals, and to construction contractors which affected project timelines.
- **Escalation.** The start of the pandemic triggered major global and local impacts to supply chains, material shortages, and labour shortages, which led to significant increases in costs across many industries. This impacted everything from construction costs for housing projects, to operating/maintenance costs, to the cost of food and everyday items which impacted overall affordability for residents across the region, particularly for lower income households.



There are also many longer-term implications, and uncertainties moving forward:

- **Challenges related in inequity and affordability will continue.** With rising housing costs and stagnating wages, the demand for affordable housing will continue to rise, particularly for vulnerable populations.
- **Reconsidering how we design housing to live, work, and gather.** The pandemic highlighted the importance of certain features of our homes and the need to reconsider how we design homes for the future. For example, planning for live/work spaces, the need for larger mail/parcel rooms, the importance of personal/private outdoor space, the ways in which shared amenity spaces can be used, the importance of outdoor spaces for social gathering, and integration of gardening for food security.



- **Ongoing uncertainty.** With numerous waves and strains of the COVID-19 virus, the world continues to adapt to an uncertain future. This will continue to affect and guide how MVH designs and delivers housing, operations, and tenant programs.

Rising Housing Costs

As housing costs continue to rise across the region, households at all points of the housing continuum are feeling the effects. The following outlines some of the key factors driving the need for more affordable housing:

- **A growing and changing population.** Between 2016 and 2021, Metro Vancouver's population grew by 7.3 per cent, an additional 179,395 people.² The population continues to increase, however, the land base available for housing construction is limited by the region's natural geography and policy framework. At the same time, the average household size is decreasing.³ Fewer people per household combined with a growing population means that we need even more dwellings in order to accommodate everyone. Our population is also aging and there is a need to provide more accessible and age-friendly housing for seniors.
- **Stagnating incomes.** Rental rates in the region have been growing at a much faster pace than incomes, making it harder for lower income households to make ends meet. Between 2002 and 2021, median rents in the region increased by 97 per cent, while average wages increased by only 65 per cent.⁴

There is not enough rental housing in our region. Over the past 5 years in Metro Vancouver, the number of renter households grew by over 22% while the number of new rental homes grew by only 2.5%.

- **An insufficient supply of rental housing.** Construction of purpose-built rental housing has not kept pace with the growing number of renters. Between 2006 and 2016, the number of renter households in Metro Vancouver increased by 22.4 per cent,⁵ while rental units increased by just 2.5 per cent.⁶ It is also challenging to provide affordable rental housing where it is needed most, such as near transit and amenities, due to higher land costs and demand in these areas. Research has shown that lower income renter households can spend up to two-thirds of their pre-tax income on housing and transportation costs alone, and that living near frequent transit makes it easier to absorb high housing costs.⁷

² Statistics Canada, Census of Population, 2021

³ Statistics Canada, Census of Population, 2016, 2021

⁴ CMHC, Rental Market Survey, 2021

⁵ Ibid.

⁶ CMHC, Rental Market Survey, 2021

⁷ Metro Vancouver, *Housing + Transportation Cost Burden Study*, 2015

- **Affordability challenges, particularly for low and moderate income households.** Low and moderate income households face significant challenges in finding units that they can afford in the Metro Vancouver region. Close to one-third of renter households are in 'core housing need', meaning that they are living in housing that is unaffordable and/or falls below acceptable housing standards.⁸ In 2021, Less than 25 per cent of purpose-built rental units were affordable to households earning less than \$48,000 per year.⁹

- **A significant need for family-sized housing units.** The availability of family-sized rental units continues to be a serious challenge, with only 27 per cent of all purpose built rental units in the region having two or more bedrooms.¹⁰ This is even more challenging for affordable family housing. The number of families waiting for subsidized housing has increased significantly in recent years (+40.6 per cent between 2016 and 2021 and +76.6 per cent between 2009 and 2021).¹¹

Social housing is not keeping pace with population growth.

Over the past 5 years in Metro Vancouver, our population grew by 7.3% while social housing waitlists grew by over 38%.

- **Growing waitlists for subsidized housing.** The demand for affordable housing is outpacing population growth. Between 2016 and 2021, the population in Metro Vancouver increased by 7.3 per cent while social housing waitlists increased by 38.6 per cent. In 2021, there were 14,552 households on the waitlist, of which 5,527 were senior households, and 4,933 were family households.

⁸ Statistics Canada, Census of Population, 2016

⁹ CMHC, Rental Market Survey, 2021

¹⁰ Ibid.

¹¹ BC Housing, Research and Corporate Planning Department, May 2021

Climate Change and Extreme Weather Events

The effects of climate change are becoming more and more impactful in our region. Events such as extreme heat and “heat dome” impacts, wildfire smoke and poor air quality, and increasing frequency and intensity of storms and flooding have hit BC dramatically in the past two years.

Such events emphasize the need for more resilient systems, organizations, buildings, and communities. For MVH, this means:

- **Building design for resiliency.** Moving forward, MVH will continue to approach the design of new housing, and explore required upgrades in existing housing, to ensure tenant safety and well-being (e.g., effective cooling and air filtration, spaces of refuge, backup power in the event of emergencies).
- **Tenant communications and support.** Sharing information quickly and effectively with tenants during extreme weather events, such as heat advisories, to ensure tenants are aware of potential health risks and are connected with resources they may need.
- **Community building.** Tenant engagement and community building is also critical. In the case of emergencies or extreme events, studies have shown that social fabric is one of the most important indicators of resilience.¹² Connecting neighbours and forming supportive communities is one of the ways that MVH can help to support and empower tenants and build community resilience. Another example, is using programs such as community gardening to support food security.
- **Emergency preparedness.** Metro Vancouver Housing has emergency preparedness plans and works with tenants and staff around education and awareness. Information is shared with tenants at move-in, through community bulletins, and through engagement with Tenant Associations (e.g., holding events and workshops with first responders). Staff also participate in regular safety and emergency training.



Example of an active in-suite cooling unit used in major capital projects where energy modelling has identified potential for overheating. Such units are used along with other active and passive approaches to address overheating.



New Electric Air Source Heat Pump (ASHP) installed at Meridian Village Apartment in 2021. Metro Vancouver Housing is replacing existing air handling units with electric ASHPs to provide fresh air and ventilation to the common area hallways in apartment buildings. Most existing systems blow air at ambient temperature, whereas the new electric versions have the ability to heat and cool the outside air, providing a much higher level of comfort in all seasons.

¹² Community Housing for Resilient Communities Report, BC Housing Research Centre, 2019

Cost Escalation, Risk, and Uncertainty

The past two years have seen unprecedented escalation in construction costs, as well as increased fuel prices, interest rates, and geopolitical challenges. These can impact new housing development as well as the operation of existing housing. Moving forward, MVH will continue to monitor global and local markets and assess potential implications for project budgets as well as long-term budgeting and strategic planning. Some of the key challenges include:

- **Rising escalation rates.** Over the past decade (before 2020), BC has seen a steady increase of around 2.4 to 2.8 per cent in construction escalation, with a high demand for housing construction driven by population growth and immigration. Since January 2020, escalation rates across Vancouver and BC have averaged approximately 15 per cent per year.¹³
- **Rising interest rates.** Starting in spring 2022, interest rates have begun to rise significantly, with increases expected to continue. This will impact development projects that do not yet have financing in place by reducing the amount that can be borrowed and increasing the need for equity from MVH or other funding sources.
- **Fuel prices.** Fuel prices have increased dramatically, rising by 25 to 30 per cent in the Lower Mainland over the past two years and hitting all-time highs. This impacts existing building operations that rely on natural gas, as well as new construction that relies on fuel for transporting materials and manufacturing building materials such as steel, cement, bricks, and glass.
- **Geopolitical challenges.** Major geopolitical issues can impact development projects, from increased costs and uncertainty during planning stages, to a lack of materials and supply chain issues during construction. Major events such as the Russian invasion of Ukraine and China's Zero-COVID Strategy have had significant impacts on global markets and supply chains and will continue to have impacts moving forward. Additionally, major initiatives, such as the United States' plans to invest \$1.2 trillion in building and upgrading national infrastructure over the next five years, could have significant impacts on the Canadian construction markets in terms of access to materials and labour.
- **Competition with for-profit developers.** As a non-profit, MVH faces the additional challenge of having to compete with for-profit developers who are better able to absorb cost increases. With private market housing, construction cost increases are generally passed on to the end consumer. However, for non-market housing, rental revenues are limited, so it becomes much harder for projects to withstand cost increases.

¹³ Hanscombe Quantity Surveyors Report March 29, 2022; and Residential Construction Price Index

Funding

The *Metro Vancouver Housing 10-Year Plan* committed \$190 million from Metro Vancouver Housing (MVH) over the next decade to support the renewal of existing housing (\$90 million), and redevelopment/development of new housing (\$100 million).

To deliver more housing and support deeper affordability for tenants, MVH is seeking to leverage its own investment with provincial and federal funding support. Additional funding and low-cost financing is critical to support the creation of non-market housing with more deeply subsidized rents.

The Province of BC and the federal government have made significant investments in affordable housing and set goals to deliver more affordable rental housing. However, funding programs are highly competitive and there can be challenges in accessing funding.

To be eligible for various funding programs, projects must meet high performance standards and design requirements. Generally, these standards exceed building code and municipal requirements and result in higher project costs. While funding can help support these additional costs and deliver affordable housing that is also high-performing, it is not guaranteed. This requires non-profit housing providers to take a risk in designing more expensive projects, without knowing if

they will receive funding support. If additional funding is not available, this may result in costly re-designs or make projects unviable.

As a mixed-income housing provider, MVH is primarily self-funded when it comes to operations. This means the organization does not rely on property taxes to support operations. Instead, MVH uses a mixed-income approach to provide a range of subsidies across its portfolio. All MVH housing is rented at below-market rents, with about one-third of tenants receiving deeper subsidies based on their income, and the remainder receiving minor subsidies (10-20% below market rental rates).

However, when it comes to building new housing, it is very challenging to support deeper subsidies without additional funding support.

Regulations and Approvals

In addition to meeting funding agency requirements, development projects must also meet municipal and provincial regulations and policies, and move through development approval processes, which can take anywhere from one to two years or more.

Many municipalities strongly support affordable housing and can demonstrate this through their actions, such as pre-zoning land for affordable housing, waiving development cost charges or permit fees, reducing parking requirements, providing additional density, or supporting expedited approval processes. Municipal approval processes, such as rezoning land, help ensure that new developments align with community goals and bylaws, and engage the public on what's happening in their community. However, these processes can be time-consuming and add significant cost to affordable housing projects, particularly where there are delays. In late 2021, CMHC announced a new Housing Accelerator Fund program to help remove barriers and support municipalities to deliver more affordable housing. This program is currently under development but could help to support municipalities and non-profits to streamline affordable housing projects and get homes on the ground more quickly.

Given the rising costs of construction, time is money. As a non-profit housing provider, delays can have a serious impact on project costs, especially given the high costs of construction escalation. For example, for an average MVH development of about 115 units, escalation could cost the project as much as \$200,000 per month. Municipal programs, such as expedited approvals for affordable housing providers, can help save significant time and cost. Supporting the delivery of affordable housing allows non-profit housing providers to better spend their limited resources on providing more homes for people in need.

In addition to meeting current requirements, many regulations are evolving and it is important to understand changes that have occurred or are anticipated in the near future. Some key regulations that will affect the development of new affordable housing include:

- In 2021, the provincial Environmental Management Act (EMA) and Contaminated Sites Regulation was updated to further control the management of contaminated sites. Sites can become contaminated in any number of ways, from historic uses that were never addressed, to the use/storage of certain chemicals or substances like road salt for general maintenance or snow/ice control. The new act requires additional review and approval, which can range from –six to 12 months, depending on the presence of contamination.
- In 2021, the province passed the Accessible British Columbia Act, with the goal of making BC the most progressive province in Canada for people with disabilities by 2024. A process is currently underway to begin developing new accessibility standards.
- The BC Building Code is anticipated to be updated in late 2022. One of the biggest changes will be higher energy efficiency requirements as the BC Energy Step Code is implemented over time.

- Some municipalities are also increasing requirements for new buildings, particularly with regards to energy efficiency and low carbon systems. While MVH currently strives for full electrification for new developments (i.e., not relying on any use of gas or natural gas for mechanical systems), this can add both capital and operating costs to housing projects.
- Both the City of Vancouver and Metro Vancouver are working on establishing GHG regulatory requirements for existing large commercial and residential buildings. This would include energy consumption benchmarking, reporting and performance requirements in coordination with provincial requirements. Metro Vancouver Housing will need to reduce emissions in existing buildings by any combination of operational changes, building retrofits to reduce energy use, or purchasing renewable energy and/or renewable district energy.

As industry standards continue to evolve, they will help support local and national goals for climate change, environmental safety, and livability for all. However, as key elements in the design and approvals process, they can impact the cost of delivering housing quite significantly. Moving forward, it will be important to continue to monitor upcoming and anticipated regulation changes to ensure that MVH stays ahead of the curve in delivering quality housing in a cost-effective manner.



Metro Vancouver is a federation of 21 municipalities, one Electoral Area and one Treaty First Nation that collaboratively plans for and delivers regional-scale services in the greater Vancouver region of British Columbia. Its core services are drinking water, wastewater treatment and solid waste management. Metro Vancouver also provides affordable housing, regulates air quality, plans for urban growth and manages a regional parks system.

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