

Homelessness and Affordable Low Income Housing Backgrounder

Community Arts Council of Vancouver - September 2007

Introduction

The purpose of this document is to provide a common knowledge base for the creation of a set of Downtown Eastside Community Land Use Development Principles. This document contains three background briefs:

1. A data fact sheet with basic statistics on the state of low income affordable housing and homelessness in Greater Vancouver and the City of Vancouver
2. A brief overview of key federal and provincial housing policies with an abstract of two key City of Vancouver documents: the Homeless Action Plan and the Downtown Eastside Housing Plan



Housing Scenes from the Downtown Eastside

3. A survey of comparative local government based homelessness plan and affordable housing tools from Portland, San Francisco, Los Angeles, New York City, Toronto and Calgary

Homelessness and Affordable Low Income Housing Statistics at a Glance	
2003 Homeless population in the City of Vancouver	628
2005 Homeless population in the City of Vancouver	1,291
2007 Estimated number of the homeless population in the City of Vancouver as estimated by the City's Housing Relocator	1,500 - 2,000
Cost Estimates of Providing Services and Shelter to a Homeless Person	\$30,000 - \$40,000
Costs of providing services and shelter to a formerly homeless person in social housing	\$22,000 - \$28,000
Estimated number of overall rental units needed to be built in the Greater Vancouver every year until 2021 by Metro Vancouver	3,525
Number of overall rental units built in Metro Vancouver in 2005	415
Average number of rental units built in Metro Vancouver over the last 15 years	1,540
Rent for average bachelor suite in the Downtown Eastside	\$570
Shelter allowance for single person receiving income assistance	\$375
Amount per month a single person on income assistance receives (including shelter allowance)	\$610
2006 Rental vacancy rate in the City of Vancouver	0.3 percent
Rental vacancy rate considered healthy	3-5 percent

The Cost of Homelessness

This section highlights some of the economic and social costs of homelessness and the considerable savings that building supportive housing can provide the taxpayer.

A 2001 study by the Province indicated that the public costs for providing services and shelter for one homeless person are up to \$40,000 annually compared with up to \$28,000 for someone who has housing.¹

The cost of an emergency room visit to Vancouver General Hospital or Saint Paul's Hospital ranges from \$1,000 to \$3,000 per visit

The cost of a bed at St. Paul's psychiatric ward is \$500 per day and a bed in a Provincial correctional institution costs \$155 - \$200 per day or \$52,000 to \$67,000 per year.²

The costs of supportive housing vary from \$20 - \$38 per day, depending on the level of support. Supportive housing is housing tied to services or programs that assist people in their daily living requirements.

Brief One - Statistics on Affordable Low Income Housing and Homelessness in Greater Vancouver, the City of Vancouver, and the Downtown Eastside

Over the last ten years, a considerable amount of research on homelessness and affordable housing has been conducted by various governmental, academic, and non-profit organizations in British Columbia. This paper summarizes the major homelessness and affordable housing statistics for the Greater Vancouver region, the City of Vancouver, and the Downtown Eastside.

Homeless Population

In 2001, there were 126,500 people living in 56,000 households in the Greater Vancouver who were at risk of homelessness (in 'core need' and spend more than 50% of their income on shelter).⁴

In 2005, the homeless population in Greater Vancouver was estimated at 2,174 which was almost double the 1,121 persons enumerated in the 2002.³

63 percent (1,291) of the homeless population were located in Vancouver, 18 percent (371) in Surrey, and 4 percent (92) in New Westminster.

73 percent (1,483) of the homeless were men while 26 percent were women. Adults aged 25 to 54 years comprised three quarters of the region's homeless (76%). 82 percent of the homeless population reported that they were alone while 10 percent reported that they were with a partner.

15 percent (296) of the homeless population in Greater Vancouver were under age 25 years. Of these, 76 people were under age 19.

The last permanent home for the majority (75%) of homeless individuals was somewhere in the Metro Vancouver whereas 15 percent reported elsewhere in Canada.

One-third (about 600 people) of the homeless population in Greater Vancouver have been homeless for over one year, and are considered the long-term homeless.

According to the City of Vancouver's Housing Relocator, a 2007 estimate is between 1,500 to 2,000 people sleeping on the streets each night in the City of Vancouver with about 700 more in shelters.

Sources of Financial Support for the Homeless

Less than half of the homeless population (45%) had a steady income source such as income assistance, pension or disability benefits.



In 2007, an estimated 1,500 to 2,000 people sleep on the streets of the City of Vancouver each night with about 700 more in shelters.

The majority of the homeless in Greater Vancouver have no secure income with 23 percent having no income.

The current shelter allowance for welfare rate is \$375 a month plus \$235 a month for living expenses. This living allowance breaks down to about \$8 a day for food, clothing, and sundries.

Rental Vacancy Rates

The overall 2006 vacancy for the Greater Vancouver region was 0.7 percent -- the lowest vacancy rate since 1989. For the City of Vancouver, vacancy rates were 0.3 percent.⁵

Average rent for bachelor apartment in the City of Vancouver was \$727 with a 0.3 vacancy rate for this type of suite. For this rent to be considered affordable, a household needs to earn \$26,172 a year or, based on a 40 hour work week, earn about \$14.50 an hour.

Affordable Low Income Housing Stock

At its peak in 1970, there were 13,668 low income housing units in the Downtown Core (an area which

includes the Downtown Eastside and is defined by Burrard Street to the West, Clark Drive to the East, the Waterfront to the North, and Terminal Avenue to the South). In 1970, the mix of low income housing consisted of Single Room Occupancy hotels (13,412 units) and non-market government sponsored units (256 units). By 2007, Downtown Core low income housing units totalled 11,371 units with 5,985 SRO units and 5,386 non-market units.⁶

Single Room Occupancy (SRO) hotels (also known as Single Room Accommodation (SRA) hotels) have historically formed a large proportion of the low income housing in the Downtown Core. They are privately owned buildings containing three or more rented single-room occupancy units. A typical SRO unit consists of one room about ten by ten feet, with no private bathroom. Residents share common bathrooms and sometimes cooking facilities. SRO units without cooking facilities are called sleeping units; those with cooking facilities (a fridge, stove/hot plate, and sink) but no three-piece bathroom are housekeeping units.

When adjusted for inflation, the number of rooms available for someone on income assistance in the Downtown Eastside has fallen from 72% in 1992 to 21% in 2005.

Over the last 30 years, there has been a steady decline in SRO hotels in Vancouver's Downtown Core from 13,412 in 1970 to 5,985 in 2007. However, this decline has been offset by increases in growth in the non-market and special needs residential facilities housing stock.

The Province of British Columbia purchased 10 Downtown Eastside SRO hotels (595 rooms) in April 2007, leaving 4,670 SRO's in private hands. While the purchase assures the continuance of these SROs as a form of low income housing, they were already occupied and does not increase the amount of low income housing in the City.

Between 2003 and 2005, despite the development of 99 new housing units, Vancouver incurred a net loss

of 415 housing units for low-income singles stock when SRO to student housing conversions and above welfare shelter rate SRO conversion are factored in.⁷

Estimates on the annual loss of welfare rate SRO hotel rooms range from between 55 to 207 rooms per year for 2003 to 2005. The lower number represents an absolute minimum which does not account for SRO conversions to student housing whereas the higher number includes rooms converted for student housing and rent inflation.⁸



Between June 2005 and June 2007, the total stock of low-income housing in the Downtown Core decreased by 40 units.

Since the enactment of the SRO conversion bylaw in 2003 and up to the end of 2006, Council has approved 14 conversion or demolition permits, with a total of 526 rooms.⁹

According to some neighborhood organizations, the biggest current threat to affordable low income housing in the Downtown Eastside is the conversion of income assistance rate SRO rooms into international student or tourist hostels. Under the current City SRO inventory system such a conversion would still be considered as part of the inventory.

When adjusted for inflation, the number of rooms available for someone on income assistance in the Downtown Eastside has fallen from 72% in 1992 to 21% in 2005.

As an indicator of market interest in buildings of the Downtown Eastside, building sales have nearly tripled in the span of five years from 54 buildings being sold in 2000 to 175 sold in 2005.

Brief Two – An Overview of Recent Federal, Provincial, and Local Affordable Housing and Homelessness Policy in the Downtown Eastside

This section summarizes some of the key federal, provincial, and local policies on affordable housing and homelessness in the Downtown Eastside. With few exceptions such as the Affordable Housing Initiative (2001) and on-reserve Aboriginal housing, the federal government has been largely absent in the field of affordable housing funding. The Homelessness Partnering Strategy (2007) is the most recent federal homelessness initiative which encourages an alignment of federal/provincial/territorial investments and helps homeless individuals and families to access the range of services and programs.

With the provincial government, the majority of recent affordable housing efforts have been focused on seniors with low to moderate incomes or people with disabilities. With Shelter Aid for Elder Renters (SAFER) as well as the Rental Assistance Program (RAP), current provincial policy has focused on rental subsidies as opposed to bricks and mortar construction to ensure that low to moderate income elders and families have a place to live. Currently, there are no comprehensive affordable housing development strategies for low income individuals on either the federal or provincial levels of government.

For the City of Vancouver, two key documents summarize City affordable housing and homelessness policy in the Downtown Eastside. However, one should note that various levels of government are currently pursuing a number of policies and plans to engage social, health, and economic challenges in the Downtown Eastside.

Beginning in 2000, the most significant governmental intervention has been the Vancouver Agreement, an urban initiative between the governments of Canada, British Columbia, and the City of Vancouver to work on the various social and economic issues in the Downtown Eastside. The federal and provincial governments respectively contributed \$10 million in 2003 with additional staff support and the City contributed heritage preservation incentives and increased program funding from their Downtown Eastside capital fund.



Single Residential Occupancy hotels are often the last line of housing before homelessness for many low income individuals in the City of Vancouver.



Additional housing scenes from the Downtown Eastside and examples of senior governmental funding for housing: Opened in 1994, the Chinese Benevolent Association Manor (above) provides much needed low rent housing for seniors and families in Vancouver's Chinatown. Opened in 1987, the Four Sisters Co-op on Powell Street has over 200 members including families, seniors, and singles.



Given the housing interests of this paper, key neighborhood initiatives such as the Four Pillars Drug Policy, Building Opportunities with Business Inner City Society, and the Vancouver Agreement Employment Strategy or City initiatives such as the Heritage Incentives Program will not be summarized. However, housing plans and policies for the Downtown Eastside are intended to work in coordination with these other economic and social development programs.

A. City of Vancouver *Homeless Action Plan*

Adopted in 2005, the City of Vancouver's Homeless Action Plan is based around three strategic priorities:

1. An Income Priority - Reduce Barriers to Accessing Welfare by the Homeless and Creating Jobs for the Homeless
2. A Housing Priority - Develop 3,200 Units of Supportive Housing
3. A Service Priority - Increase Addiction and Mental Health Services

From these priorities, an 87 action point plan was developed. Highlights in this plan for City action include:

- Providing sites, modest grants and density bonusing
- Cost-sharing initiatives for eviction prevention services and a housing registry
- Providing support for better SRO management and maintenance

A major challenge for Vancouver's Homeless Action Plan is that almost all of the major solutions to the homelessness problem are outside of the City's jurisdiction. 76 out of the 87 action points of the plan require some kind of cooperation or action with senior levels of government. Income assistance rates, tenancy protection, health care services, and major capital projects such as purchasing SROs or building supportive housing are provincially or federally funded and/or controlled. Without provincial or federal funding, the City has very few direct funding abilities and can only largely occupy an advocacy role to senior governments.

B. City of Vancouver *Downtown Eastside Housing Plan*¹⁰

The City of Vancouver has developed a housing plan for the Downtown Eastside which attempts to preserve the neighborhood's current stock of affordable housing and represents city policy for housing in the area.

Highlights from this plan include:

- Replace SROs with low-income social housing on a 1-for-1 basis and facilitate the integration of market housing (expected to be about 100-120 units/year).
- The purchase of at least one SRO per year, subject to funding, and in partnership with senior governments.
- Facilitate the provision of moderate-cost rental and owner-occupied accommodation in market development, both through purpose-built rental buildings and condominiums which are purchased as investments.
- Take action to encourage more affordable housing especially for singles in other parts of the city
- Monitor the rate of change in the housing mix. Develop tools to manage the rate of change and implement them, if necessary, should indicators suggest that they are necessary to meet the Housing Plan's goals.
- Continue the targeting and joint response to problem hotels by the City's Coordinated Enforcement Team.
- Increase the minimum number of square feet per bed in the Standards of Maintenance (SoM) By-law from 50 square feet to 80 square feet. This particular change in the SoM would discourage rapid conversion of SROs for student or backpacker housing.
- Encourage the improvement of the maintenance and management of SROs.
- Explore the feasibility of the City carrying out upgrades to private buildings found in violation of City by-laws and applying the costs of doing so to the building's tax assessment.
- Over the first five years, encourage the development of 5-10 social housing projects and 5 SRO purchases/renovations. City funds should assist financially to meet these targets through partnerships and considering using all possible funding sources including Capital

Plan, Development Cost Levies, Community Amenity Contributions, major project contributions and density bonusing. The City's share could be on the order of \$3 million per year.

To make the Housing plan a reality, the report suggested an engagement with existing community organizations and bodies to provide ongoing consultation on the implementation of the Housing Plan in the short term. In the medium term, the City would develop a terms of reference and establish a community-based advisory body on the implementation of Housing Plan policies. This body would review development proposals and policy initiatives with potential housing implications in the Downtown Eastside. In the longer term, staff would explore the integration of various advisory bodies in the Downtown Eastside with the intention of providing comprehensive and holistic community input on housing, economic revitalization, heritage, social service, public realm and health issues.

Brief Three - Comparative Local Government Based Homelessness Plans and Affordable Housing Tools Survey

Various cities in the United States and Canada have attempted to address the problem of homelessness and affordable housing through a number of policies and initiatives. This paper surveys the policy tools in the homelessness plan of Portland, San Francisco, Los Angeles, New York City, Toronto, and Calgary with selected review of affordable housing policies in some of these cities.

With any comparative urban policy analysis between Canada and the United States, a major caveat is to realize the significant differences in powers and funding streams that municipal governments face from country to country as Canadian cities arguably have the least in comparison to their American counterparts. Consequently, most of this survey will examine initiatives that can be enacted at the local level as opposed to solutions requiring funding or coordination with senior levels of government. Nevertheless, a conclusion that can be drawn from these six plans in this review is that long-term,



With 652 rooms, the Times Square Hotel in New York City is an example of the City's Single Residential Occupancy Hotel Rehabilitation Fund. (http://www.commonground.org/?page_id=4)

permanent solutions to homelessness ultimately require multi-level governmental participation, cooperation, and funding given cross-jurisdictional nature of the problem.

The American "Housing First" Policy

One shared theme within the American plans is a "housing first" policy towards homelessness. Marking a sea change in US homelessness policy, which previously focused on services and temporary shelter spaces, a "housing first" policy actively places chronically homeless individuals in permanent supportive housing. Chronically homeless are defined as those who are homeless for longer than a year. The goal is to end chronic homelessness – not to manage or to maintain. The underlying rationale for this strategy is that 10 to 30 percent of the homeless in US cities are chronically homeless, but take up 60 to 70 percent of resources. However, critics of this "housing first" policy have argued that this type of program fails to address homeless families or homeless prevention. The Federal Interagency Council on Homelessness has directed this new attitude towards American homeless

policy.¹¹ Working with 219 local governments, the council brings together 20 federal agencies such as the Department of Housing and Urban Development, Department of Defense and the Post Office to address chronic homelessness. The Council actively encourages and supports the development of 10 year plans and biannual homeless counts as a performance measure. Federal commitments for this program have increased from \$3 billion in 2005 to \$4 billion in 2006.

Initial results from this American policy have been positive. New York City saw a 13 percent decline in homelessness from 2005 to 2006, San Francisco saw a 28 percent decline in homelessness from 2002 to 2005, and Portland saw a 20 percent decrease in a similar time frame.¹²

Comparative Homelessness Plan and Affordable Housing Tools Survey

All of the cities in the comparative plan survey share similar commitments and principles towards ending homelessness. For the American, they have set numeric goals over specific time duration. This section surveys some of the unique homelessness solutions that each plan is pursuing. Given the jurisdictional interest and realities for Vancouver, city-led or city-funded initiatives have been selected.

*Portland*¹³

- Secure adequate or reconfigure funding for housing specialists dedicated to helping households find and retain housing.
- Stop discharging people (from mental institutions or prisons) into homelessness
- Determine which transitional housing facilities should be reconfigured to Permanent Supportive Housing.

*San Francisco*¹⁴

- Phase out traditional shelters within four to six years and replace the shelters with 24-hour crisis clinics, and sobering centers
- Centralize information systems about clients to services, agencies, and housing
- Create a hotel conversion ordinance that preserves and protects the SRO stock in the City¹⁵

*Los Angeles*¹⁶

- Create diversion programs, using mental health courts and community courts so that homeless people receive the help that they need, eliminating unnecessary criminal justice involvement
- Fund only homeless outreach programs that collaborate with, or are, connected to some form of housing
- Reduce the rate of repeated incarcerations for minor offences by homeless people
- Approve a one year (May 2006) SRO conversion moratorium¹⁷

*New York City*¹⁸

- Minimize duration of homelessness
- Develop an SRO Rehabilitation Fund for non-profit groups and enlightened SRO owners
- Measure progress, evaluate success, and invest in continuous improvement
- Create a City of New York and State of New York Pack to build 9,000 supportive housing unit through a \$1 billion, ten year capital fund

*Toronto*¹⁹

- Incorporate prevention measures such as housing placement, legal assistance, and rent banks
- Develop specific strategies for high risk sub-groups (families with children, youth, abused women, and Aborigines)
- Follow a comprehensive strategy for affordable housing within a neighborhood through a \$1 billion private/public initiative with the development of 2,083 affordable housing units at a cost of \$412 million through Toronto Community Housing Corporation²⁰

Calgary

- Create a community land trust which receives and manages donations of land, land and buildings, or money to acquire land that will be permanently used for affordable housing²¹
- Endow a Homeless Foundation with partners in the construction and real estate industries to acquire properties for housing projects²²
- Develop three year action plans towards addressing homelessness in Calgary through collaborative funding, property acquisitions, and multi-level governmental funding

Endnotes

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Credits

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About the Downtown Eastside Community Land Use Principles Project

The Downtown Eastside Community Land Use Principles Project (DECLUPP) is an initiative organized by the Community Arts Council of Vancouver and generously supported by the Real Estate Foundation of British Columbia and the Vancouver Foundation. Through convening members of the grassroots, non-profit, business, and governmental sectors, DECLUPP is intended to build on the strengths and accomplishments of current residents and stakeholders in the Downtown Eastside to help ensure the renewal and development of the community through land use and housing interventions and principles that benefit the present residents in the neighborhood.

About the Community Arts Council of Vancouver

The Community Arts Council of Vancouver (CACV) was established in 1946 and has had a long history of contributing to the dialogue and practice around land use and urban development in the City. Amongst its many accomplishments, the CACV has helped to initiate the construction of the Queen Elizabeth Theatre and Playhouse, the preservation of the Orpheum Theatre, and the development of the Vancouver Art Gallery and Law Courts at Robson Square. In 1991, the CACV's stated goal was 'to increase and broaden the opportunities for Vancouver citizens to enjoy, to appreciate, and to participate in cultural activities and to improve the quality of life in the City'.

For further information about the Downtown Eastside Community Land Use Project, please contact Michael Clague at 604-880-9464 or mclague@telus.net