

An element of desperation

SIMON NATTRASS

Victoria is a great place. But who can afford to live here?

When Robin, 62, moved here in 1991, away from the noise and chaos of Vancouver, his rent was \$410 per month for a small bachelor suite. For a few years his rent was stable, but in 2004, things quickly began to change when a letter arrived announcing an 8 percent increase—the first in a series of yearly increases. Since then, Robin's rent has climbed 35 percent to rest at \$555 per month.

For Robin, the first round of rent increases meant coming out of retirement and finding a full-time job just to make ends meet. Since then, a heart attack has forced him to shorten his work week. As a result, the next significant increase will leave him with little option other than moving out of the city or onto the street.

While the Community Social Planning Council defines affordable housing as taking up less than a third of a renter's total income, well over half of Robin's resources go towards rent. "It's a struggle, I'm stressed out every month because I really don't know if I'm going to be meeting my rent, let alone paying the bills. That's half my battle right there. Just to get rid of the stress."

The place he lives only makes matters worse. His building is subject to regular police lock-downs and Robin can point from his balcony to the nearby unit where a meth lab recently exploded. But it's the best he can find, given his income.

It's estimated that of the nearly 25,000 renters within the City of Victoria, almost half deal with the same struggle and uncertainty that goes along with living in lower-cost rental housing. Like Robin, the renters who struggle with affordability in the capital are no longer restricted to the lowest income bracket. These people aren't struggling with issues of addiction or mental health, and yet—as people like Robin know all too well—the cost of our region's housing means that the working class is just one unfortunate event away from a crisis situation.



Simon Nattrass

As mentioned in the news recently, the city just lost—at least temporarily—64 units when tenants at Quadra Villa were evicted for renovations. The rents of around \$700 for a two-bedroom and \$1000 for a three-bedroom apartment will be almost impossible to duplicate elsewhere in the city, and certainly once the renos are completed the same units will be much more costly. As one of the developers explained to news media, the rents had been kept low by a lack of needed investment in the property.

According to the Community Social Planning Council, the minimum family household income required to accommodate the cost of living in the Capital Region—of which housing is a major part—is over \$65,000 (or \$18/hour for two full-time working parents), a far cry from Victoria's median single-parent family income, which the 2009 census pegged at \$41,140. Students and young workers long ago accepted the reality that living in the Capital Region means living with parents or sharing expenses with a group of friends.

Russ Godfrey of the Tenant Resource and Advisory Centre (TRAC) says the organization is getting more inquiries from police officers, constituency assistants, nurses, service workers, mechanics, former city councillors, students, government

employees and others necessary for a city to continue functioning. He also says "What we're getting more and more is an element of desperation in the enquiries."

Godfrey says the Victoria-based non-profit TRAC used to deal mostly with cases of misconduct by landlords and tenants and field basic questions like "What's the interest rate on my damage deposit?" These days, people simply want to know where to find housing they can afford and how to deal with mounting rent increases. "Whether it's a senior, a family, people with mental health issues—whatever place on the spectrum, they're up against the same thing: lack of affordable housing," says Godfrey.

In his many years working with tenants and landlords throughout BC, Godfrey has repeatedly come up against the same barriers to the creation of decent, affordable housing: Governments offering few incentives for developers to create rental housing, let alone affordable housing; a lack of enforcement for maintenance bylaws and loopholes in the legislation that allow landlords to abuse their privilege and drive up rents; the proliferation of strata councils which prohibit rental units in their buildings; the near-obscene cost of land in the Capital Region and beyond; and NIMBYism.

The folks at TRAC aren't the only ones who are aware that new housing isn't meeting demand. The City of Victoria's 2011 *Annual Housing Report* details a 50 percent decline in the creation of housing units since last year, including a meagre 28 new rental units and 32 secondary suites. The same report pegs Victoria's overall vacancy rate at 1.8 percent—which Godfrey says is responsible for many of the region's housing ills. Whether it's condos, rental units, market-based or subsidized, any housing is good housing because it means more choice for renters and more competition to drive down rents. With this in mind, Godfrey singles out the two most immediate barriers from his list.

NIMBYism is the first hurdle when it comes to creating a diversity of housing options throughout the region, and local councils have become all too familiar with the opponents of rental housing as they try to legalize secondary suites across the region. "We have to come up with a way to deal with the small but vocal minority that opposes any changes to the community when it comes to the inclusion of rental housing," says Godfrey.

For Godfrey and many other affordable housing advocates, the high cost of land in the Capital Region arguably plays the most important role as a determinant of housing affordability. "The single biggest line item for a housing provider is interest on mortgage payments," says Lee Herrin, adding that "property taxes is number two." Herrin is a renter himself, and executive director of the Fernwood Neighbourhood Resource Group (FNRG), an organization which owns and manages two affordable housing properties. Both buildings focus on three-bedroom units for families, with rents ranging between \$895 to \$1050 per month.

Herrin relates a story of one of the FNRG's newest tenants, a mother of three whose income meant she could only afford a one-bedroom suite at \$850/month while still feeding and

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clothing her sons. The FNRG was able to rent her a three-bedroom unit for \$895, only \$45 more than her overcrowded one-bedroom.

The only outside aid FNRG received for its apartments was the capital it raised—through donations and contributions from local government—to purchase and renovate its buildings. Herrin says this initial boost is the reason the organization can afford to offer its units below market value without the aid of an ongoing government subsidy. Unfortunately, the seed money which made these projects possible has all but disappeared. “We did our last housing project in ’08...Days after we opened that property, the global economy collapsed, and financing and government largesse and foundation money completely dried up.”

Pacifica Housing also offers subsidized family housing units in 30 buildings in Victoria and Nanaimo, as does the Greater Victoria Housing Society, which owns and operates 14 buildings in the Capital Region, providing about 700 units of affordable housing to seniors, families and young singles. Some are renovated older buildings; others, like the recently opened 52-unit Loreen Place on Gorge Road East, are newly constructed. Like the Fernwood NRG, the GVHS struggles with the high cost of land and scarcity of funding geared towards this still-developing model of affordable housing.

GVHS executive director Kaye Melliship argues that while some local governments are stepping up to the plate, all levels of government need to recognize the growing need for housing for singles and families living *above* the poverty line and direct funding to new models like those employed by the GVHS. Unfortunately, admit-

ting that there is an affordable housing crisis for middle-income British Columbians is not an easy task for politicians who prefer to focus on the more palatable issue of subsidized housing for the absolute lowest income bracket.

While they haven’t fully embraced the model offered by the FNRG and GVHS, local governments have begun to realize the extent of the affordable housing crisis. The City of Victoria and the CRD have contributed—through the Civic and Regional Housing Funds, tax exemptions, and grants to encourage the creation of secondary suites—to the region’s affordable housing stock, and the issue continues to occupy the top of our local councils’ lists of priorities. While these programs have made a small difference, all of the work to date is simply a drop in the bucket when tens of thousands of renters in the Capital Region continue to struggle with the scarcity of affordable housing.

As the gulf between the land-owning class and the service workers, ambulance drivers, cops, reporters, and students that make up the rest of the region’s residents grows, it threatens to swallow the region’s vitality, diversity, and economic stability—in short its ability to function properly. We may well wonder who will pump gas, serve food, build roads and houses, and provide all manner of essential services to the wealthy snowbirds and tourists who are fast becoming the only people who can afford to spend time in BC’s capital city.

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To sell or not to sell?

CRAIG SPENCE

An unsolicited offer to buy City-owned land has highlighted the absence of guiding policies for land disposal in Victoria.

Perhaps the most important piece of real estate for the City of Victoria to identify as it considers policy around the sale of City-owned lands is the office at Number One Centennial Square where the whole process of land disposition and acquisition is supposed to be managed.

There’s a lot of interest in locating that sanctum after it was announced April 30 that the City would consider an offer by the Ralmax Group to purchase four parcels on Harbour Road (see map on page 20), just north of the Johnson Street Bridge. The land in question is currently home to several Ralmax-owned companies, including Point Hope Maritime, United Engineering, Island Plate and Steel, and Harjim Industries, as well as several other non-Ralmax businesses.

Ralmax presently leases three of the four parcels from the City for \$250,000 per year, a rate that jumps to \$750,000 per year in 2016 in an agreement that runs until 2045. The company has been in negotiations with the City to lease the fourth parcel, 203 Harbour Road, which includes part of the approach for the new Johnson Street bridge.

News that the City was open to Ralmax’s offer triggered a controversy over when and how disposal of publicly-owned property should proceed, the second time this year that disposal of City-owned land has become a public issue. In January, an agreement to sell City-owned land adjacent to Reliance Properties’ proposed redevelopment of the Northern Junk property (1314 Wharf Street) on the east side of the Johnson Street Bridge was in the news. In that case, it was made public that the previous



The Point Hope lands on the west side of the Upper Harbour, Vic West in the background. 203 Harbour Road is on the far left.