

## **Backgrounder on the City of Vancouver Low-Income Housing Survey and Pivot Legal Society**

### **Pivot Legal Society and housing**

Pivot Legal Society has been investigating the housing situation in Vancouver's downtown eastside since February of this year. This investigation involved primary research, including gathering affidavits from homeless people and people with significant housing problems, and secondary research such as analyzing existing sources of information such as the City of Vancouver Survey and the Greater Vancouver Homeless Count, as well as unpublished government statistics. Through our primary research, we have found many significant barriers to people finding housing. One of the most significant barriers, however, was uncovered in our secondary research. This research found major flaws in the analysis behind the 2005 Survey of Low-Income Housing suggesting that Vancouver is losing low-income housing at an unsustainable rate. Those errors and their impacts are the subject of this backgrounder.

### **If low-income housing is up...**

In August of 2005, the City of Vancouver issued its seventh biennial report on low-income housing available in the downtown core, the *2005 Survey of Low-Income Housing in the Downtown Core* ("Survey"). The Survey painted a rosy picture, listing among its highlights that there are 14,122 units of low income housing available in Vancouver's downtown, and that the total low-income stock increased by 3% over the Survey period, which was from June 2003 to 2005. The Survey found that low-income singles were well serviced, as there were 99 more units available for low-income singles added to the available stock over the Survey period, if non-market housing was included.

### **...why is homelessness increasing?**

In September of 2005, the Greater Vancouver Regional District (GVRD) released its 2005 Greater Vancouver Homeless Count ("Homeless Count"). Their Homeless Count found that homelessness had more than doubled in Vancouver in the last three years. 1,291 people sleeping on the street in Vancouver in 2005, up from 628 in 2002, an increase of 663 people without homes.

### **Problems with the low-income housing survey**

Pivot has found two main problems with the city's Low-Income Housing Survey. Combined, these oversights – though apparently innocuous – obscure the fact that affordable housing is disappearing at an alarming rate from the downtown core of Vancouver.

1. First, the Survey counts buildings dedicated to students as housing available for "low-income singles." New student housing is used to offset losses of low-income housing, and housing that was previously low-income housing and is converted to student housing is not counted as lost housing.
2. Second, the Survey fails to account for a phenomenon it documents extensively – the effect of rising rents on availability of housing.

### ***Counting Student Housing as Low Income Housing***

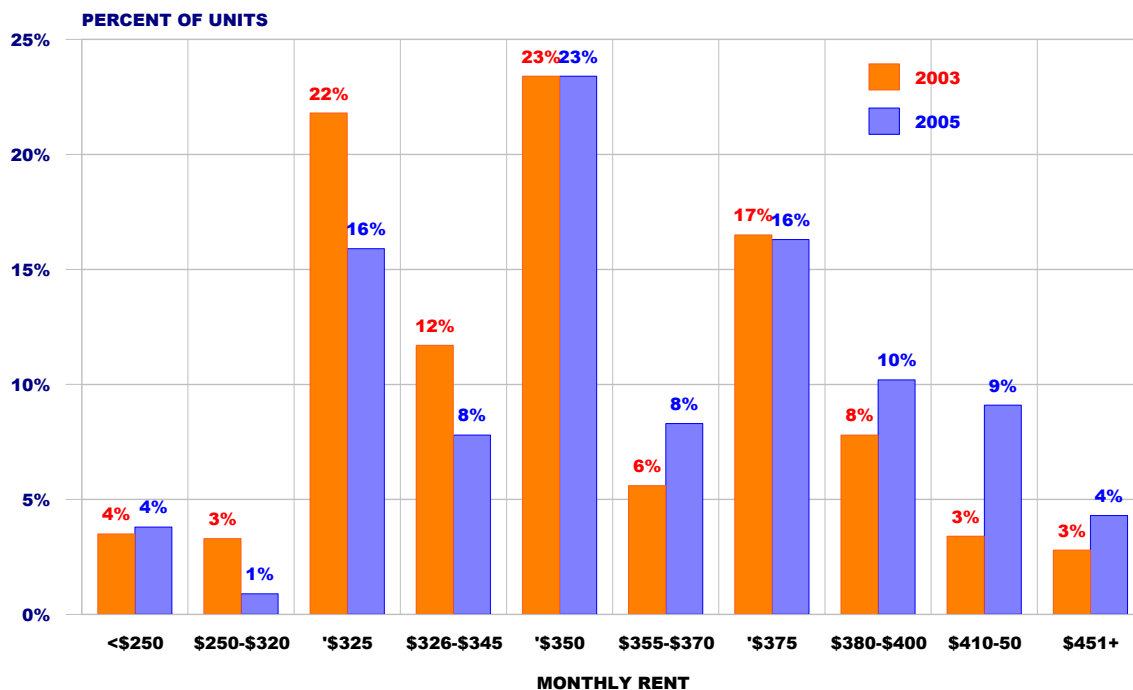
Three buildings in the downtown core are dedicated to student use, but are counted in the Survey as housing stock available to low-income singles. Two of these buildings were re-opened as student housing during the Survey period – the Belmont Residences (17 Units) at 241 E. Hastings Street and the Creekside Residence (22 Units) at 796 Main Street. – and were used in the Survey to offset losses due to closed rooms in other low-income housing buildings. The Dunsmuir International Village (167 Units) at 500 Dunsmuir was formerly low-income housing, but was converted during the Survey period to international student housing; the Survey makes no mention of this loss of housing. **As a result of this method of accounting, the Survey fails to note the permanent loss of 206 units of housing for low-income residents of downtown Vancouver since 2003.**

### ***Failure to consider impact of rent increases to stock of low-income housing***

The second major problem with the city’s Survey is that while it acknowledges that by definition “low income” residents can only afford certain priced housing, it fails to account for the loss of rooms available to low-income downtown residents due to rent increases. As demand for housing drives up rental rates in buildings in the downtown core, many buildings that have traditionally housed people with low income are now beyond the price-range of such persons. This rise in rental rates will only accelerate as temporary workers continue to arrive in Vancouver for the 2010 Olympics.

As the Survey notes in section 4.5, “Rental Rates,” the average rent in the downtown core’s residential hotels (“SROs” or Single Room Occupancy Units) increased from \$351 to \$361 per month in the survey period. On Pivot’s request, the City of Vancouver Housing Centre provided Pivot with supplementary housing data regarding the distribution of those rental increases. This data showed that rental increases have led to a dramatic drop in low-income housing.

**MONTHLY SRO RENT DISTRIBUTIONS, DOWNTOWN CORE 2003 - 2005**



Updated statistics provided by the City of Vancouver Housing Centre, October 23, 2005

Welfare gives individuals \$325 each month for rent, however, most pay more (there are only 1276 suites in the downtown core available at that price). Pivot has defined units priced at less than \$380 as “affordable” units, even though any monthly rent over \$325 means that a tenant must subsidize the shelter component of her welfare from money intended to cover food and necessities. A person on social assistance receives a \$325 per month shelter allowance and \$185 living allowance. In order to afford \$380 per month on rent, a person on welfare must subsist on less than \$4.50 per day – less than \$1.50 for each meal, with no allowance for clothing or personal hygiene items like soap, shampoo and toothpaste.

Year	SRO rooms costing less than \$380/mth	Total SRO Stock in Core	Total SRO Housing <sup>1</sup>
2003	87%	6314	5430
2005	76%	6079	4681
<b>Total lost rooms due to rent increases</b>			<b>514<sup>2</sup></b>

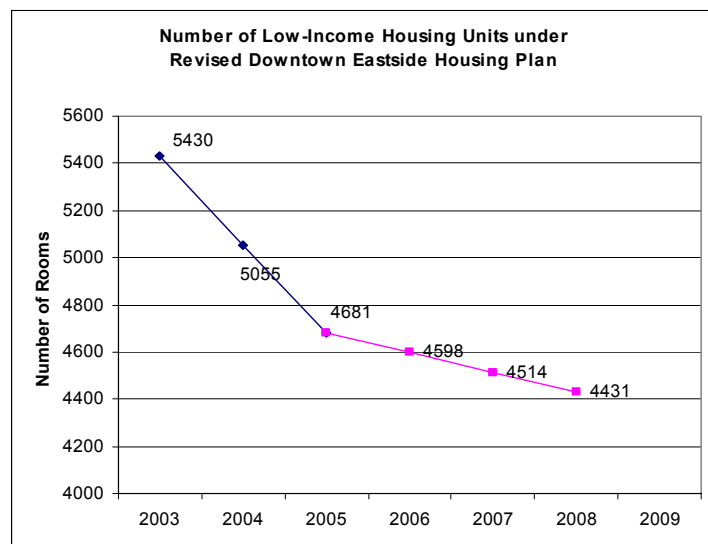
At page 12, the city’s survey notes an increase of 99 units from 2003 to 2005 for low-income singles. **This gain turns into a net loss of 415 units for low-income singles from 2003 to 2005 due to rent increases.** When this 24-month housing loss statistic is paired against the grim statistic of an additional 663 people sleeping on the street in downtown Vancouver over 36 months from 2002 to 2005 from the Homeless Count, a pattern begins to emerge.

A loss of more than one affordable housing unit every other day over the last two years must have an impact, and probably a serious one, on homelessness. Any plan to address housing needs to be based on accurate housing data, and the impacts of rental rate increases. If this is not done, visitors to the Olympics will see a City that, despite the best of intentions, planned itself into an epidemic of homelessness.

## The Revised Downtown Eastside Housing Plan

On September 22, 2005, incorrect data in the Downtown Eastside Housing Survey was relied upon by the City of Vancouver to pass the Revised Downtown Eastside Housing Plan. This plan sets the direction for development of social housing in Vancouver over the next two years.

The Revised Housing Plan is meant to set the course for dealing with lack of low-income housing for the Downtown Eastside. The Revised Housing Plan is supported by



<sup>1</sup> If low-income housing is defined as \$325 per month or less, there has been a similar decrease, from 29% to 21%, or 554 low-income housing units.

<sup>2</sup> In the 2005 Survey, the City of Vancouver uses new non-market housing projects built for low-income singles during the Survey period to offset losses in SRO (residential hotel) housing. To keep Pivot’s calculations conservative, Pivot has incorporated the City’s offsetting numbers into Pivot’s net loss figure of 514 rooms; however, since many of these new housing projects are “assisted living,” the actual loss of rooms to low-income singles who do not qualify for “assisted living” is significantly higher.

the Survey, which said that projects conducted by the City of Vancouver had led to the net creation of 99 new units of low-income housing<sup>3</sup>. From there, the Survey projects that the planned constructions of 6 new buildings (521 new units of low-income housing) by December 2008 would offset future loss of low-income housing. **The error in this analysis is to assume, as the Survey does, that low-income housing will be lost at the same rate as in 1991.**<sup>4</sup> In fact, rental rates are increasing much more quickly now, driven by increased demand and fuelled in part by the influx of construction workers (and speculation) around the 2010 Olympics.

In fact, if the City of Vancouver's plan is relied upon to address housing needs, we will face a continuing epidemic of homelessness. Based on rental rate increases over the last two years, reliance on planned construction to address the low-income housing crisis will see the loss of hundreds of units of low income housing by 2008. This failure to consider the impacts of the increasingly tight market for housing will ensure that rates of homelessness in Vancouver continue to increase.

## **Community Opposition to Downtown Eastside Housing Plan**

The Revised Downtown Eastside Housing Plan was developed by City of Vancouver staff, and presented to Council for approval on September 15, 2005. Its passage was delayed by numerous speakers to the proposal, most opposed.

In speaking to the resolution, the following organizations spoke in support: Carrall Street Stewardship Committee, Gastown Business Improvement Society.

The following organizations spoke in opposition to the plan: Aboriginal Homeless Committee Luma Native Housing Society, Carnegie Community Action Project, Carnegie Community Centre Association, Covenant House Vancouver, Downtown Eastside Residents Association, Neighbourhood Helpers & Save Low Income Housing Coalition, Neighbourhood Helpers. Pendera Tenants Association, Sisters of Atonement, VANDU.

Pivot Legal Society asked Council to defer consideration on the plan until questions about the accuracy of the Survey data were resolved.

City Council passed the plan unanimously on September 22, 2005.

## **The Impact of Homelessness**

Although there would seem to be a clear connection between lack of low-income housing and homelessness, the factors behind homelessness are complex. Injury, addiction, illness, disability, and poverty all contribute to the loss of housing. However, one thing is clear: lack of housing compounds all of those factors, making each more difficult to treat.

A downward cycle begins with homelessness that is difficult to avoid. Without a room, one cannot wash or change clothes regularly, and must carry all possessions. Homeless people also suffer lack of sleep, and lose sense of time and connection with the rest of society. This makes it very difficult to find or keep employment, which in turn makes housing more difficult to obtain. Risks of addiction, mental illness, and injury increase, along with a chronic marginalization.

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<sup>3</sup> Pg 4, housing Survey

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## **The Cost of Homelessness**

Homelessness costs taxpayers more than low-income housing and basic support. According to a 2001 study of the costs of homelessness in British Columbia conducted for the Ministry of Social Development and Economic Security,<sup>5</sup> it costs more to provide government services to the homeless than to those who are housed, *even when one includes the costs of providing social housing*. The study found that the service and shelter costs of homeless people ranged from \$30,000 to \$40,000 per year, on average, compared to \$22,000 to \$28,000 per year for housed individuals (formerly homeless persons housed in social housing).

Providing low-income individuals with housing makes economic sense. In the long run, allowing people to become unstable and unhealthy is far more costly than providing safe and stable affordable housing.

### **For more information:**

Low-Income Housing Survey 2003 – <http://www.pivotlegal.org/pdfs/SRO2003.pdf>

Low-Income Housing Survey 2005 – <http://www.city.vancouver.bc.ca/commsvcs/housing/pdf/SRO2005.pdf>

GVRD Homelessness Count 2005 – <http://www.gvrd.bc.ca/homelessness/pdfs/HomelessCount2005Final.pdf>

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<sup>5</sup> Eberle, Margaret et al. 2001. *Homelessness – Causes and Effects, Volume 3: The Costs of Homelessness in British Columbia*. Ministry of Social Development and Economic Security, p. 39.