



# Budget 2018 Submission

SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES  
LEGISLATIVE ASSEMBLY OF BRITISH COLUMBIA

Contact information:

Kishone Roy  
Chief Executive Officer  
BC Non-Profit Housing Association  
Phone: 604-291-2600  
Email: [kishone@bcnpha.ca](mailto:kishone@bcnpha.ca)

Thom Armstrong  
Executive Director  
Co-op Housing Federation of BC  
Phone: 604-879-5111  
Email: [tarmstrong@chf.bc.ca](mailto:tarmstrong@chf.bc.ca)

October 16, 2017

## TABLE OF CONTENTS

TABLE OF CONTENTS	II
INTRODUCTION	1
BC'S COMMUNITY HOUSING SECTOR	2
AN AFFORDABLE HOUSING PLAN FOR BC	2
Figure 1 – Average Annual Costs to Fund Housing Central's Affordable Housing Plan	3
FUTURE DEMAND FOR AFFORDABLE RENTAL HOUSING	3
Figure 2 – the affordable housing and homelessness problem in BC	3
HOUSING CENTRAL PROPOSALS TO ADDRESS THE CRISIS	4
1. Expand and adequately maintain our affordable housing stock to alleviate system-wide affordability pressures	4
Figure 3 – Average annual cost of An Affordable Housing Plan for BC, by partner	4
2. Reduce poverty and provide income supports to current renter households in core housing need and people experiencing homelessness.	4
Figure 4 – Average annual income support required to fix affordability gap (BC)	5
3. Create necessary supply, financial supports and coordinated support services for homelessness	6
Figure 5 – Average Annual Support for Homelessness	6
4. Innovation: Apply innovative solutions in partnership with the Community Housing Sector	7
5. Implement an annual provincial funding program to replace expiring federal operating agreements and associated subsidies that currently assist low-income co-op residents.	7
CONCLUSION	8
APPENDIX A – DETAILS ON REQUIREMENTS FOR CO-OP RENT ASSISTANCE	10
The End of Federal Agreements and Impact on Housing Affordability	11

## INTRODUCTION

Every resident of British Columbia deserves a safe, secure, and affordable home. In recent years, however, rising costs have created serious challenges for individuals and families, whether they rent or own their own homes. In turn, a lack of affordable housing options has begun to put pressure on the social and economic fabric of large and small communities across the province. Nowhere is this felt more acutely than in the rental housing system, where a lack of affordable options has led to rising numbers of individuals experiencing homelessness, an inability for young families to save for a down payment on a home, employers struggling with recruitment and retention of workers, and a declining population of middle-aged individuals and families in large urban centers. These are only some of the human and economic costs related to a lack of affordable housing options in communities across BC.

In response to this crisis, Housing Central undertook the development of *An Affordable Housing Plan for BC (2017)*, providing a ten-year roadmap to significantly reduce affordable housing challenges in communities across British Columbia. There is real opportunity to ensure that future infrastructure and supports will benefit individuals and families of all incomes and backgrounds, and will be responsive to local needs. Furthermore, ensuring strong investment partnerships for a thriving affordable housing sector is not only the right thing to do for British Columbians, it will also save costs and provide major economic stimulus to the provincial economy.

The figures laid out in the Affordable Housing Plan are conservative estimates of the investments required to begin to solve our affordable housing crisis in BC. They require a bold vision, but they are achievable. In fact, the overall funding required annually is not dissimilar from the investments made over the past two years provincially and federally.

In September of 2017, the Provincial Government committed nearly \$700 million to affordable housing and homelessness initiatives, effectively funding their component of the first year of the Plan. Turning these historic investments into annual investments would go a long way to ensuring that all British Columbians have a secure place to call home.

Building on the foundation developed in the September 2017 budget update, BC Non-Profit Housing Association (BCNPHA) and the Co-operative Housing Federation of BC (CHFBC) will be seeking a commitment to invest in a ten-year plan to solve the affordability crisis. Specifically:

1. Invest \$4.1 billion to expand and \$415 million to adequately maintain our affordable housing stock to alleviate system-wide affordability pressures.
2. Invest \$2 billion to reduce poverty and provide income supports to current renter households in core housing need and people experiencing homelessness.
3. Create a provincial plan to dramatically reduce homelessness through the investment of \$360 million, to be accessed by local communities who make a commitment to prioritize, coordinate and track housing placement for those most in need.
4. Apply innovative solutions in partnerships with the Community Housing Sector, such as pursuing sector partnerships and asset aggregation, expanding shared equity home ownership and integrating land use planning and transportation funding.

5. Invest \$117 million to implement an annual provincial funding program in replacement of expiring federal operating agreements and associated subsidies that currently assist low-income co-op residents.

Taken together, these proposals will ensure that British Columbians have increased access to affordable housing and that their housing is in a safe and livable condition.

## BC'S COMMUNITY HOUSING SECTOR

Housing Central's budget submission emphasizes the Community Housing Sector as a key partner in the development and implementation of solutions to BC's affordable housing and homelessness crisis. The Community Housing Sector refers to the wide range of local partners who have a stake in building and maintaining a long-term supply of permanent affordable housing. This includes non-profit and co-op sector organizations and housing providers, community land trusts, municipalities, charities and faith based groups, as well as cause-driven private sector organizations and financial institutions. As a result of strong public investments over the last several decades, including the Non-Profit Asset Transfer Program currently under review, the Community Housing Sector has substantial equity and expertise to create solutions, and proposes that the provincial government comes to the table as an equal partner to meet the affordable housing challenges ahead of us.

## AN AFFORDABLE HOUSING PLAN FOR BC

*An Affordable Housing Plan for BC* outlines a ten-year funding plan to significantly reduce affordable housing and homelessness issues across regional districts in BC. The Plan is based on a collaborative approach between the Federal and Provincial governments and the Community Housing Sector.

Figure 1 below shows the annual average costs required by each partner to fund the Plan. An average annual provincial investment of \$691 million is required over the next 10 years, resulting in a total investment of roughly \$7 billion over the time period. In order to have a measurable impact on housing affordability, Housing Central recommends that the provincial government develop stable, long-term funding across the initiatives discussed below to increase the Community Housing Sector's capacity to plan and implement affordable housing options. One-time injections of funding do not adequately address long-term problems. It should also be noted that this provincial figure must be accompanied by an equal contribution from the federal government, as well as significant resources from municipal, non-profit, and private partners in the Community Housing Sector.

Figure 1 – Average Annual Costs to Fund Housing Central's Affordable Housing Plan

THE INVESTMENT		AVERAGE ANNUAL COST (MILLIONS)			
	Supply	Non-Profit Repair	Income Support	Homelessness	TOTAL
Provincial	\$410.61	\$41.54	\$203.06	\$36.05	\$691.26
Federal	\$410.61	\$41.54	\$203.06	\$36.05	\$691.26
Community Housing Sector	\$410.61	\$41.54	N/A	\$9.50	\$461.65
<b>TOTAL</b>	<b>\$1.23 B</b>	<b>\$124.62</b>	<b>\$406.12</b>	<b>\$81.60</b>	<b>\$1.8B</b>

## FUTURE DEMAND FOR AFFORDABLE RENTAL HOUSING

Figure 2 below shows Housing Central's estimates for the size of BC's affordable housing and homelessness challenge. With a minimum of 7,000 homeless individuals in BC, a backlog of 80,000 rental units, demand for 3,500 affordable units per year for the next ten years, the Affordable Housing Plan estimates that 115,000 affordable rental units will be needed over the next ten years. In addition, 117,000 renters in core housing need require assistance affording the unit they currently live in.<sup>1</sup>

Figure 2 – the affordable housing and homelessness problem in BC



<sup>1</sup> An Affordable Housing Plan for BC. Found at: [https://housingcentral.ca/SITES/HousingCentral/Affordable\\_Rental\\_Housing\\_Plan/HousingCentral/Affordable\\_Rental\\_Housing\\_Plan.aspx?hkey=433f9af0-e946-4a37-b827-94f68667dc0b](https://housingcentral.ca/SITES/HousingCentral/Affordable_Rental_Housing_Plan/HousingCentral/Affordable_Rental_Housing_Plan.aspx?hkey=433f9af0-e946-4a37-b827-94f68667dc0b)

## HOUSING CENTRAL PROPOSALS TO ADDRESS THE CRISIS

### 1. Expand and adequately maintain our affordable housing stock to alleviate system-wide affordability pressures

#### The Current Situation

Housing Central estimates that the average annual investment required among all partners to significantly reduce existing and future supply challenges is \$1.23 billion in each year over the next ten years, of which the provincial government must invest \$410 million annually. In addition, significant investment is required to address the unfunded liabilities of the existing affordable housing stock. An annual average investment of \$125 million is required to solve these repair challenges, with the provincial government needing to commit \$41.5 million annually.

Figure 3 – Average annual cost of An Affordable Housing Plan for BC, by partner

AVERAGE ANNUAL COST (MILLIONS)					
	Supply	Non-Profit Repair	Income Support	Homelessness	TOTAL
Provincial	\$410.61	\$41.54	\$203.06	\$36.05	\$691.26
Federal	\$410.61	\$41.54	\$203.06	\$36.05	\$691.26
Community	\$410.61	\$41.54	N/A	\$9.50	\$461.65
<b>TOTAL</b>	<b>\$1.23B</b>	<b>\$124.62</b>	<b>\$406.12</b>	<b>\$81.60</b>	<b>\$1.84B</b>

#### Solutions

Meeting the demand and funding for retention and regeneration of rental stock will require both old and new solutions. *An Affordable Housing Plan for BC* presents the following recommendations to address supply issues:

1. Provide grant capital, forgivable loans, and land to meet the average annual supply investment
2. Support the development of a new, sector-led, co-investment fund that would meet the financing and equity needs of the Community Housing Sector
3. Support the regeneration of the private, purpose-built rental stock

The following recommendations are required to address the unfunded liabilities component:

1. Increase BC Housing's Modernization and Improvement (M&I) budget
2. Leverage capacity within the Community Housing Sector
3. Expand carbon offset and other energy efficiency programs

### 2. Reduce poverty and provide income supports to current renter households in core housing need and people experiencing homelessness.

#### The Current Situation

In addition to creating new supply and rehabilitating the existing stock, solving the rental affordability challenge will require the implementation of measures to increase incomes of

renters. Increases to household income will help stabilize households experiencing affordability problems in their existing homes and help tackle a wide variety of issues such as food security, poverty, and homelessness.

Housing Central recommends that the provincial government commit an average annual \$206 million to low-income renters in core housing need in each of the next ten years, to ensure that they can adequately afford their existing housing.

*Figure 4 – Average annual income support required to fix affordability gap (BC)*

Partner	Average Annual Income Support (millions)
Provincial Share	\$203.06
Federal Share	\$203.06
Community Housing Sector Share	N/A
<b>TOTAL</b>	<b>\$406.12</b>

## Solutions

Housing Central recommends a variety of approaches to support incomes of low-income renters:

1. Develop a provincial Renters Grant
2. Align housing with other policy areas, including health, justice and child welfare
3. Ensure that all housing policy considers the needs of Indigenous people

There are currently several rent assistance programs in BC but none is universally available or at a rate high enough to cover the affordability gap. The two main rent supplement programs in BC are the Shelter Aid for Elderly Renters (SAFER) program and the Rental Assistance Program (RAP) for low-income families with children. There is also provincial spending on the shelter rate for people on income assistance or disability, as well as the Homeless Prevention Program to assist people experiencing life transitions and the ILM rent supplement program for co-ops.

We recommend combining the SAFER and RAP programs into a single Renter's Grant and increasing its budget allocation so that it will be available to all low-income co-op and renter households. Doing so will replace a web of existing programs and allow government to deliver effective support to those most in need by stabilizing them in their current housing. This would replace a web of current programs and allow government to deliver effective support to those most in need by stabilizing them in their current housing, rather than building them new homes.

The new government's commitment to income support programs is encouraging, and recent steps taken to develop a poverty reduction strategy, increase to disability and welfare rates, create a minimum wage commission, and remove of fees on adult education are all important initiatives. Housing Central will work with government to implement these programs, where appropriate.

### 3. Create necessary supply, financial supports and coordinated support services for homelessness

#### The Current Situation

The affordable housing crisis has contributed to a homelessness crisis, in proportions not seen historically. Homeless camps are emerging and becoming entrenched in communities across the province, and the response from the Province has been quick but not methodical or effective over the long term.

A stable and robust affordable rental housing supply will go a long way toward ending homelessness, and following the funding commitments and policy recommendations above for supply and income support will help achieve this goal. At the same time, chronic and episodic homelessness requires adopting a unique set of responses. Housing Central recommends that the province provide an average annual commitment of \$36 million in each of the next ten years to address chronic and episodic homelessness.

*Figure 5 – Average Annual Support for Homelessness*

	Private Market with Supports* (millions)	Independent Social Housing** (millions)	Supportive Housing* (millions)	TOTAL (millions)
Provincial	\$4.5	\$13.2	\$18.3	\$36
Federal	\$4.5	\$13.2	\$18.3	\$36
Community Annual	N/A	\$9.5	N/A	\$9.5
Average Annual Cost by Type of Support	\$9.0	\$35.9	\$36.6	\$81.6

#### Solutions

Housing Central recommends the following solutions to address homelessness in BC:

1. Adopt a Housing First Approach to support the needs of chronic and episodically homeless people in BC
2. Expand and further develop existing approaches of vulnerability assessments and coordinated access into the entire housing system in communities throughout BC

Housing Central proposes the development and funding of a provincial strategy to reduce homelessness, which would be accessed by local communities who make a commitment to prioritize, coordinate and track housing placement for those most in need. Such an approach would ensure a prioritized, and coordinated access into housing for the most vulnerable and would ensure that metrics toward reducing homelessness are tracked and shared broadly. By understanding the unique needs and vulnerabilities of each homeless individual, we can begin to understand the flow into and out of homelessness and address it through coordinated access into the housing system. Such a reduction in just a handful of communities in BC would see dramatic cost savings over the five years of the program, given what is currently spent on homeless camp responses.

A coordinated systems approach is gaining traction in BC communities, but current efforts



will need to be scaled up over the coming years if we are to reduce homelessness. Implementing a systems approach will take concerted effort amongst all levels of government and departments as well as the non-profit and homeless-serving sector, with each needing to embrace the new model of coordinated response to homelessness.

#### 4. Innovation: Apply innovative solutions in partnership with the Community Housing Sector

##### The Current Situation

Housing Central sees the Community Housing Sector as a key player in future development and implementation of affordable housing policy in the province. The provincial and federal governments should work closely with the Community Housing Sector to ensure that affordable housing and homelessness services are responsive to the needs of local communities.

##### Solutions

Housing Central recommends the following solutions to increase partnership opportunities in and between the Community Housing Sector:

1. Pursue sector partnerships and asset aggregation
2. Expand shared equity home ownership
3. Integrate land use planning and transportation funding

Many assets in the Community Housing Sector are dispersed over a thousand non-profit and co-op housing providers. By incentivizing partnerships between organizations, non-profits with more assets and capacity can help those who need it. This may take the form of collaborating to serve a larger array of population types, aiding in merging organizations, or using tools such as community land trusts to build new housing and protect the affordability of our current stock over the long-term. In addition, partnerships and asset aggregation can open up the door for new affordable homeownership models, as has been developed in Vermont with the Champlain Housing Trust.

In addition, the provincial government should take steps to integrate land use planning with transit infrastructure. This should include grant funding to facilitate multi-stakeholder planning processes and research that would lead to defined plans for preservation and promotion of affordable housing stock near transit areas, that is both sensitive to local conditions as well as the needs of low-income residents in the community.

#### 5. Implement an annual provincial funding program to replace expiring federal operating agreements and associated subsidies that currently assist low-income co-op residents.

##### The Current Situation

Housing co-ops occupy the space between traditional renting and owning. The people who live in co-ops are members. Co-op members do not own their home – they own the co-op together with other member shareholders. The shares in most co-ops, though, are not equity or investment shares because most housing co-ops in Canada are not for profit. People do

not move into a housing co-op as an equity investment; they choose a co-op to have a secure, affordable home.

Currently, federal subsidies from legacy social housing programs are set to expire on co-op housing units across the province, leaving many low-income residents without the capacity to pay their housing charges. If nothing is done to replace expiring federal subsidies, over the next decade almost 3,800 low-income households will have lost the assistance they need to remain in their affordable co-op homes.

### Solution

In order to address this issue, we are asking the province to begin this funding at a modest \$1.95 million in 2018, and allow it to rise to \$18.5 million by 2025 (see Appendix for detailed breakout).

When the Section 95 agreements have fully expired in 2022, the Province will be assisting almost 3,000 low-income households at an estimated cost of \$377 per unit per month. Based on the same average expenditure, support for low-income households in co-ops funded under earlier programs will require less than \$450,000/year by 2025. From 2022 onwards these figures include the cost of renewing the ILM program rent supplements the province already provides.

To improve both targeting and affordability outcomes, we recommend that the subsidy approach adopted to replace expiring federal program agreements be based on the ILM rent supplement model. As noted, the Section 95 formula is based on the mortgage rate and has no necessary connection to the needs of low-income residents. This not only creates uncertainty in budgeting, it also leads to some housing co-ops having more subsidy than they need while others struggle to help everyone in need.

The result of inaction would surely be increased homelessness and increased pressure on BC Housing's already over-burdened affordable stock. These are consequences we should work together to avoid.

## CONCLUSION

The five proposals outlined by Housing Central would allow the Province to both maintain our existing infrastructure by capitalizing on generations of public investments, as well on develop and sustain new affordable housing units for the growing number of British Columbians whose needs are not met by the market.

The result of inaction would surely be increased homelessness and increased pressure on BC Housing's already over-burdened affordable stock. These are consequences we should work together to avoid.

Pursuing the targets set out in the Affordable Housing Plan will have a significant positive impact on communities across the province by easing cost pressures throughout the housing system. The figures laid out in the Affordable Housing Plan are conservative estimates of the required investments to begin to solve our affordable housing crisis in BC. They require a bold vision, but they are achievable. In fact, the \$1.8 billion required annually is not dissimilar from the investments made over the past two years provincially and federally. Turning these

historic investments into annual investments would go a long way to ensuring that all British Columbians have a secure place to call home. Demonstrating commitments to a plan that sees a home for everyone will help us avoid the mistakes of the past 25 years that de-valued the role we all play in the provision of affordable housing.

## APPENDIX A – DETAILS ON REQUIREMENTS FOR CO-OP RENT ASSISTANCE

The Federal government, through their Section 61 program (referring to the National Housing Act), offered co-ops very long-term, usually 50-year, fixed rate mortgages and incoming members may earn no more than the second-quintile of households as established by Statistics Canada. The long-term mortgages coupled with an initial capital grant enable a level of affordability. There are 14 Section 61 co-ops with a total of 9255 households in BC.

Section 95 co-ops (again referring to Section 95 of the National Housing Act), form the largest group of federally-sponsored co-ops. In return for receiving long-term, CHMC-insured mortgages at preferential rates for 100% of their development costs, the co-ops agreed to house a minimum of 15% (sometimes 25%) of members who could not afford the break-even rent. To achieve this, Section 95 co-ops receive a subsidy calculated on a formula related to the co-op's mortgage interest rate.

Typically, Section 95 co-ops provide rent assistance to approximately one-third of their members. These agreements and their attached subsidies are set to expire with the mortgage, usually after 35 years. The Section 95 program began in 1979 and ended in 1985.

The Federal/Provincial Co-op Housing Program began in 1986 and was terminated in 1992. It is usually known as the ILM program as co-op mortgages are provided by private lenders at a fixed interest-rate spread above inflation, an Index-Linked Mortgage.

A federal mortgage subsidy plus a provincially-funded rent supplement, administered by BC Housing, provides affordability to 30%-50% of the households in these co-ops. In this program, the amount of the rent supplement is calculated according to a member's income. The operating agreement providing the rent supplement lasts for 35 years and these agreements will expire from 2022 to 2028.

*Table 1: Numbers and Distribution of Housing Co-ops by Region and Program*

		Number of Co-ops and Co-op Units			
		Lower Mainland	Victoria (CRD)	Interior	Total in BC
Program					
Section 61	co-ops	6	3	1	11
	units	537	146	35	755
Section 95	co-ops	117	20	7	144
	units	7,137	609	354	8,100

## The End of Federal Agreements and Impact on Housing Affordability

Given the time-limited nature of the operating agreements, we can project when the various subsidies for low-income members will expire. We also know, thanks to data from The Agency for Co-operative Housing, that on average 32% of households in federally-funded housing co-ops receive some degree of rent-geared-to-income subsidies expire on the following schedule.

*Table 2: Expiry of Federal Operating Agreements and Loss of Affordable Units*

	To 2016	2017	2018	2019	2020
# of units exiting federal agreements	-	2,383	1,448	1,011	1,352
Cumulative units from all federal programs	2,412	4,795	6,243	7,254	8,606
Estimated S95 RGI units	709	1,445	1,905	2,214	2,647

	2021	2022	2023	2024	2025
# of units exiting federal agreements	960	940	481	883	290
Cumulative units from all federal programs	9,566	10,506	10,987	11,870	12,160
Estimated S95 RGI units	2,954	3,243	3,387	3,652	3,739

In the next decade, almost 3,800 low-income co-op households will have lost the support they need to remain in their homes. We can quantify on the same schedule the amount of subsidy being lost.

*Table 3: Cost of Replacing Lost Section 95 Subsidy and ILM Rent Supplements (and referencing Section 61/27 supports)*

	To 2016	2017	2018	2019	2020
Subsidy S95	2,954,172	6,175,260	8,242,728	9,586,356	11,545,248
Subsidy ILM					
Subsidy S61/27	253,344	361,920	375,492	429,780	429,780
<b>Total</b>	<b>3,207,516</b>	<b>6,537,180</b>	<b>8,618,220</b>	<b>10,016,136</b>	<b>11,975,028</b>

	2021	2022	2023	2024	2025
Subsidy S95	12,934,116	13,395,564	13,395,564	13,395,564	13,395,564
Subsidy ILM		1,249,908	2,212,404	3,963,664	4,565,172
Subsidy S61/27	429,780	429,780	429,780	429,780	429,780

<b>Total</b>	<b>13,363,896</b>	<b>15,075,252</b>	<b>16,037,748</b>	<b>17,809,008</b>	<b>18,390,516</b>
--------------	-------------------	-------------------	-------------------	-------------------	-------------------

The numbers paint a stark picture and they can be summarized quite simply: if nothing is done to replace expiring federal subsidies, over the next decade almost 3,800 low-income households will have lost the assistance they need to remain in their affordable co-op homes.

#### Solution

The stream of rent assistance described in Table 3 is the expenditure we are asking the province to take up. You will see that it starts at a modest \$1.95 million, rising to less than \$18.5 million by 2025.

When the Section 95 agreements have fully expired in 2022, the Province would be assisting almost 3,000 low-income households at an estimated cost of \$377 per unit per month. Based on the same average expenditure, support for low-income households in co-ops funded under earlier programs will require less than \$450,000/year by 2025. From 2022 onwards these figures include the cost of renewing the ILM program rent supplements the province already provides.

Who will benefit from this expenditure? Through its property management arm, COHO Management Services Society, CHF BC has (anonymously) examined the income and subsidy use of 580 assisted households living in Section 95 co-ops. Household incomes in those co-ops average \$1,708 per month, or approximately \$20,500 per year. A provincial subsidy replacement program based on the ILM rent supplement model would overwhelmingly benefit very low-income households.

Historically, housing co-ops serve populations that have the most difficulty finding affordable housing in their communities. In the typical housing co-op:

- 58% of the members are women
- 50% of the households are led by single parents
- 20% of the members are new Canadians, and
- 12% of the members are people with permanent disabilities

Provincial funds dedicated to a co-op rent supplement program would therefore be targeted to low-income, vulnerable populations.

To improve both targeting and affordability outcomes, we recommend that the subsidy approach adopted to replace expiring federal program agreements be based on the ILM rent supplement model. As noted, the Section 95 formula is based on the mortgage rate and has no necessary connection to the needs of low-income residents. This not only creates uncertainty in budgeting, it also leads to some housing co-ops having more subsidy than they need while others struggle to help everyone in need.

The ILM rent supplement program, on the other hand, ensures that the amount of assistance is precisely equal to the need of the individual receiving it. Furthermore, the ILM rent supplement framework is already in place and has been administered successfully and efficiently by BC Housing for almost three decades.

What if the province were to do nothing, simply allowing the federal program operating agreements and their related subsidies to expire without a response?

We have seen that the average subsidized household in the federal co-op portfolio has an income of around \$1,700 per month. At 30% of gross household income, this allows for an affordable rent of \$510 per month. This is barely, if at all, sufficient to cover operating costs and reserve contributions and leaves no room for debt-service costs as co-ops re-finance to re-invest in their buildings. Without an expanded rent supplement program, low-income members will not be able to afford to remain in their co-op homes.

There is little or no private rental housing to be had for \$510 a month and vacancy rates in most rental housing markets are low. The private rental stock cannot accommodate these low-income members if they are forced from their homes, nor can the BC Housing wait list, which is already too long.

Building new homes for 3,900 low-income households is a much more expensive option. CHF BC's Land Trust is currently developing 358 affordable rental homes in partnership with the City of Vancouver, BC Housing and the non-profit and private sector. The units are in a mix of concrete and wood frame buildings and range from 1 to 4-bedroom units. The average cost of a unit, including land, is approximately \$350,000. Building a similar mix for the same 3,900 low-income members would cost roughly \$1.4 billion.

The result of inaction would surely be increased homelessness and increased pressure on BC Housing's already over-burdened affordable stock. These are consequences we should work together to avoid.