

February 28, 2023

BACKGROUND

Investing in affordable and attainable housing

Coming out of the pandemic, new pressures in B.C.'s housing and rental markets have made it even more difficult for people and families to find homes in the communities they live, work, learn and play in. Budget 2023 makes targeted investments to get people into homes they can afford and lays the groundwork for a refreshed housing plan.

Where we were

In 2018, housing prices were being driven up by rampant speculation and years of under investment in creating new homes. Homes for B.C.: A 30-point Plan for Housing Affordability in British Columbia set out the first phase of the Province's actions to address housing affordability. With an initial investment of \$7 billion over 10 years to build new homes – the biggest housing investment in B.C. history to date – the plan also included measures to moderate an overheated housing market, crack down on tax fraud and close loopholes, prevent speculation and provide security for renters and homeowners.

Since the plan's launch, the Province has funded more than 40,000 affordable new homes, and B.C. has seen record housing starts and thousands of empty homes return to the rental market, thanks in part to the Speculation and Vacancy Tax.

A refreshed housing strategy

Building on the Homes for B.C. plan, B.C.'s refreshed housing plan will be released in spring 2023 to respond to new pressures in the housing market. The plan will outline the next steps to ensure B.C. has attainable housing and everyone has a place to call home.

Budget 2023 supports the refreshed housing plan with \$4.2 billion in operating and capital funding over the next three years to build thousands of new homes for renters, people with middle incomes, Indigenous people, and students, as well as funding for new transit-oriented development and more complex care and supportive housing.

Building and unlocking more homes

With a growing population, B.C. needs more homes to address the pressures of the housing and rental market today and have an affordable housing supply for the future. Budget 2023 makes significant investments to help put more shovels in the ground and get more affordable, attainable homes built throughout the province.

- Almost \$1.7 billion in operating and capital funding over the fiscal plan will create thousands of homes through the BC Builds and Building BC programs, which includes targeted investments in the Indigenous Housing Fund and the Community Housing Fund.
 - As part of B.C.'s work to create more affordable housing near major transit corridors, this funding includes \$394 million to help buy land for thousands of new homes near future transit development projects.
 - Under the Rapid Housing Initiative, a federal-provincial cost-shared program, \$66 million will help people in B.C. who have urgent housing needs.
- An additional \$575 million over three years will support the construction of thousands of new student housing spaces, including in high-demand areas in the Lower Mainland, southern Vancouver Island and Thompson Okanagan.

Unlocking homes and supporting people

Budget 2023 sets out new actions to create strong supports for people and address the issues that matter.

- A new income-tested renter's tax credit will put as much as \$400 annually back into the pockets of thousands of renters with moderate and low incomes, starting next year when people file their 2023 income taxes. It is expected to reach more than 80% of renter households.
- More than \$7 million over the fiscal plan will help support the BC Rent Bank to provide crucial financial support to prevent eviction and homelessness.
- More than \$15 million over three years will increase staffing and capacity at the Residential Tenancy Branch so disputes can be resolved more quickly.

Many homeowners recognize the challenges in B.C.'s housing market and want to be a part of the solution. As part of Budget 2023, new investments will support work to reduce rezoning restrictions, enable more multi-unit homes, and create pilot projects with financial incentives for homeowners to build secondary suites.

Through Budget 2023, the Province is also introducing a new property transfer tax incentive to encourage the construction of new purpose-built rentals.

Taking action to address homelessness and encampments

With the combined crises of housing affordability, drug toxicity and the COVID-19 pandemic worsening homelessness, Budget 2023 takes action to help people and communities with new and expanded responses to address homelessness and encampments. This includes strategies to prioritize cultural safety, Indigenous and community partnerships, and the inclusion of people with diverse identities and needs.

- As much as \$640 million in additional funding over three years for the Supportive Housing Fund will help build and operate more supportive housing for people experiencing or at risk of homelessness.
- A further \$169 million over the fiscal plan will create additional new complex-care housing units, as well as \$97 million in operating funding that will support complex-care services such as enhanced health, mental-health and substance-use services for people who need additional support beyond traditional supportive housing.
- More than \$228 million over three years will help create regional multidisciplinary teams to support rapid response for communities dealing with substantive encampments in their area.
- Approximately \$44 million over three years will help expand access to temporary modular supportive housing and provide more on-site support for people living in encampments, such as fire prevention, safety and sanitation while housing gets built.
- An additional \$109 million over the fiscal plan will help expand shelter and low-income assistance programs, including emergency shelters, the Rental Assistance Program (RAP) and the Shelter Aid for Elderly Renters (SAFER) program so that more people can access these essential supports.
- For people housed in temporary leased spaces as part of the Province's pandemic response, as much as \$182 million over the fiscal plan will help provide continuing support, including finding more permanent housing solutions.

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