



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

#1100 – 1050 West Pender Street
Vancouver, British Columbia V6E 3S7 Canada
T. 604.669.9585 F. 604.689.8691
www.udi.bc.ca

January 18, 2019

Mayor Jonathan Coté and Council
City of New Westminster
511 Royal Avenue
New Westminster, B.C. V3L 1H9

Dear Mayor and Council:

Re: Multi-Family Residential Rental Tenure Zoning

The Urban Development Institute (UDI) is an association of the building industry and its related professions. We have over 850 members that build industrial, commercial, institutional and residential projects in New Westminster and other communities in British Columbia. We are a “*partner in community building*” and support wise and efficient urban growth, good planning and development practices, transit investment, affordable housing, and high quality commercial and industrial developments.

UDI is gravely concerned about the proposed *Zoning Amendment Bylaw No. 8078, 2019*, which will entail significant downzoning to several properties. This sets an alarming precedent and will immediately discourage the building of new rental housing in New Westminster. UDI recognizes Council’s objective to preserve and expand affordable rental housing in New Westminster. In fact, we have dedicated a significant amount of time and resources establishing a Rental Housing Committee to work with all levels of government to support the building of more rental housing in British Columbia.

Our members were supportive in principle of *Bill 23, the Local Government Statutes (Residential Rental Tenure Zoning) Amendment Act* when the Government introduced the legislation, as long as this new tool was used as an incentive to up-zone property to stimulate the building of more rental homes. However, UDI continues to raise concerns about this new power being utilized heavy-handedly by local governments to arbitrarily downzone properties without compensation and due consideration, which *Bylaw No. 8078, 2019* would do.

The process by which the *Bylaw* is being adopted is not fair or reasonable by any measure. Council gave the *Bylaw* First and Second Reading on January 14, 2019 without the landowners of the impacted properties even being notified, and a Public Hearing occurring only two weeks later on January 28, 2019. This is far from appropriate and adequate consultation. If the City has concerns with these properties, we would have recommended entering into discussions with the landowners in good faith first - before taking the drastic step of moving forward with downzoning.

Moving forward with *Bylaw No. 8078, 2019* would set an unfortunate precedent that extends well beyond the six properties impacted. Our members, investors and financial institutions will question whether the City in the future, without consultation, will quickly downzone other properties in terms of tenure, land use or density. New Westminster's reputation as a reliable municipality for future commercial, industrial, strata or rental housing projects is at risk.

Downzoning is a critical concern for our membership because they rely on a stable regulatory framework in which land is not devalued arbitrarily by governments with little or no notice. This is a key factor in their ability to obtain funding for their projects. Investors and financial institutions have to be assured that projects they are committing to can proceed.

Having a stable regulatory framework is even more important for a rental project because the investment time horizon to break even can take decades. UDI recently conducted a survey of thirty of the larger rental-housing builders in Metro Vancouver. Many are already considering limiting their investments in rental housing here, and some are already moving resources to other jurisdictions, and building rental projects in Alberta and the Western United States.

In addition to potentially discouraging new rental housing, the new *Bylaw* does not incent the maintenance of the rental buildings on the six properties, which are several decades old, including one that is almost 60 years old. Already, our industry is in a precarious position given the provincial government's roll back of the annual allowable rent increases which severely limits the ability to maintain and upgrade buildings. Improvements to buildings is key to preserving rental stock.

We urge Council not to move forward with *Bylaw No. 8078, 2019*. UDI does not believe that the *Bylaw* or this process is an appropriate way to utilize the new Multi-Family Residential Rental Tenure Zoning power. If there are issues that the City has with the six properties, we recommend the City commit to meaningful engagement with the landowners. We also strongly recommend that consultation take place with our industry and other property owners regarding the potential implications of this policy prior to any further action by the City.

Yours sincerely,



Anne McMullin
President & CEO