



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

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May 27, 2019

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

Re: Residential Rental Tenure Zoning – Zoning Bylaw Amendment No. 8123

Dear Mayor and Council:

The Urban Development Institute (UDI) is deeply disappointed by Council's decision to use Rental Tenure Zoning to downzone six strata buildings to rental only and we urge Council to scrap the entire misguided policy.

The new *Zoning Bylaw Amendment No. 8123* is a further poor attempt to rectify a single element of a severely compromised process, and fails completely to address the fundamental issue of New Westminster's arbitrary and inappropriate application of rental tenure zoning on existing strata buildings. In fact, New Westminster's entire approach to rental-only zoning has been disingenuous and seriously jeopardizes the development of any new rental supply in the municipality.

Records show New Westminster began developing this policy as far back as September 7, 2018, prior to the municipal elections, and the individual property owners were identified early on in this process. However, despite at least four months of due diligence developing the rental tenure zoning proposal and with direct knowledge of who the impacted landowners were, the City chose not to commence the notification process for landowners until the day **after** Zoning Bylaw Amendment No. 8078, 2019 received first and second reading on January 14, 2019. Despite widespread concern, Council proceeded with the Public Hearing and implemented the downzoning on January 28, 2019, less than two weeks after the notification process began. This entire questionable "process" is far from being transparent, fair or reasonable by any measure.

The City has now conceded the use of inaccurate and false information at the January 28, 2019 Public Hearing, but simply re-issue notifications and re-stage a public hearing with "proper-wording" does not negate the erroneous sentiment and narrative that the original public hearing notices falsely created. Moreover, this zoning bylaw redo does not address the fundamental issue that the Rental Residential Tenure Zoning power is not being implemented as intended by the provincial legislation.

We note from the attached provincial briefing note signed by the Minister of Housing and Municipal Affairs on September 28, 2018, that the city's use of Residential Rental Tenure Zoning power is in conflict with the intent of the new provincial legislation. The briefing note states: "***A guiding principle in drafting the amendments was to ensure that there was as little intrusion as possible into the property***

rights of individuals. To achieve this objective, the amendments set out that a rental zoning bylaw would not apply to an existing building that was stratified...

This briefing note is consistent with the Minister's remarks on May 14, 2018 during the debate of the legislation, when she is quoted, **"It just reflects the guiding principle that a zoning bylaw that would require housing to be rental housing does not intrude on the property rights of individuals who own property or who own and occupy housing in existing buildings."**

Downzoning is a critical concern for our membership because our sector relies 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 other Canadian provinces and the Western United States.

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 previous deserved reputation as a reliable municipality for future commercial, industrial, strata or rental housing projects is at great risk.

Not only has the City not engaged in good-faith consultation with the industry, and as such, has greatly eroded trust. But also, if the policy remains as currently implemented, a dangerous precedent could be established for all other strata buildings. Owners who rent out their strata units may find that this council, or future councils, could utilize the Rental Residential Tenure Zoning power to downzone their individual strata units to rental-only. If local governments are able to dictate a private property owner's ability to sell their own home by deeming other strata buildings and entire neighborhoods as rental-only, it will significantly devalue all effected properties.

UDI strongly recommends that council take this opportunity to reverse these policies and engage in truly meaningful discussion with the impacted property owners and broader public. UDI and its members are committed to providing diverse housing options for all British Columbians. It is UDI's hope that city staff and council will recognize this issue and seek solutions to rebuild trust with the development community.

Sincerely,



Anne McMullin
President & CEO