



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

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May 27, 2019

Mayor Kennedy Stewart and Council
City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Dear Mayor and Council:

Re: Motion on Notice B.2 - Protecting Rental Housing Stock Along Arterial Streets

On behalf of the 850 members of the Urban Development Institute – Pacific Region (UDI), we respectfully submit our comments on the Motion on Notice B.2, [Protecting Rental Housing Stock Along Arterial Streets](#). We ask that Council not pass this motion, and appropriately refer the motion to staff for proper due diligence prior to Council's consideration of this important matter.

When the Rate of Change Policy was implemented, C-2 zones were specifically exempted because they are areas where the City has focused development to revitalize commercial areas and increase access to transit, while minimizing neighbourhood impacts. We note in the original Report to Council on the Rate of Change Policy, staff anticipated increased growth in the C-2 zones, but stated, *"Development in the C-zones could generate substantial increase in supply at low risk to the rental housing stock."*

These zones also offer flexibility for the City in terms of delivering different types of projects such as commercial and mixed-use buildings. In addition, several City programs, such as Affordable Housing Choices Interim Rezoning Policy, Short Term Incentives for Rental Program, Rental 100 and the Moderate Income Rental Housing Pilot Program have been utilized in these zones.

UDI is concerned that if passed, this motion will abruptly downzone several sites – even in cases where there are very few rental units on a site. A move like this would be unprecedented. Our members have acquired sites and secured financing arrangements based on City policy and the expectation that the City of Vancouver would uphold a stable regulatory framework. Making adjustments to accommodate significant costly changes to policies without some form of reciprocal compensation (e.g. increasing the size of projects) is difficult if not impossible to make. Housing proposals may have to be cancelled, deferred, or have their prices increased - all of which will continue to restrict housing options for Vancouver residents and hinder affordability. The motion also does not contemplate the grandfathering of in-stream applications.

Furthermore, we understand that the City will be considering significant enhancements to the Tenant Relocation Policy in the next few weeks, so any tenants potentially impacted by future projects would be comprehensively accommodated.

Such substantial policy changes and downzonings without notice, grandfathering or compensation will also send signals to financial institutions, institutional partners, and builders that the City is a risky place to do business, which will further deter the construction of needed housing units. Having a stable regulatory framework is even more important for a rental project because the investment time horizon to break even can take decades. There would also be an additional disincentive for builders to provide new rental housing units, if there is the prospect that their sites could be frozen because of the Rate of Change Policy being applied to C zones.

We are further concerned that this motion is also being considered in an information vacuum. Staff are being asked to bring forward a by-law in just four weeks before any information, analysis or policy options are provided to Council – and without any consultation. This is not evidence based public policy making.

The motion states “*Staff is not currently considering expanding the Rental Housing Stock ODP in their work plan ...*”. If this issue is deemed important to Council, it can be included in the work plan for City staff. However, projects should not be frozen until staff have had the opportunity to review the issue and consult with builders and stakeholders.

UDI continues to be concerned that these types of motions are becoming a trend, as previous motions debated by Council have requested regulatory action without any supporting data or time for the City’s professional staff to provide appropriate advice. The City of Vancouver is blessed with professional staff and considerable information resources compared to many other municipalities. We strongly advise Council to use them to inform important public policy discussions before making decisions that could have substantial impacts on the City, and undermine projects that are supporting Council’s own goals.

Yours sincerely,



Anne McMullin
President & CEO