



January 18, 2021

Honourable David Eby
Attorney General and Minister Responsible for Housing
Parliament Buildings
Victoria, British Columbia V8V 1X4

Dear Attorney General Eby:

On behalf of the Board of Directors of the Urban Development Institute – Pacific Region (UDI) and our over 950 members, I would like to congratulate you on your recent re-election and reappointment as Attorney General. Thank you for the opportunity to connect earlier this month, with Housing now added to your portfolio I look forward to working more closely in the future. We have many common goals, and UDI is eager to work with your Ministry to fulfill the Government's ten-year *Homes for B.C.* housing plan and find ways to incentive the creation of more new homes in municipalities across the province.

The *Homes for B.C.* plan includes providing 114,000 new rental/affordable homes to British Columbians – a laudable but challenging goal to achieve as the Government has only built 2,963 units in the previous term. I have attached a *Housing Policy Priorities* Paper UDI released in October, which outlines strategies and solutions that we ask your government to consider implementing in order to achieve this commendable housing target. The paper not only outlines the incentives needed to get housing built, but it also addresses the understanding that just focusing on housing taxation has not provided relief to tenants and homebuyers. In fact, because many of the housing taxes apply to new housing projects (including new Purpose-Built Rental buildings), they have added to the cost of providing new homes to British Columbians and ultimately impacted affordability across all housing types.

UDI believes that increasing housing options for British Columbians will be critical to the success in meeting the Government's housing objectives. This is why we are supportive of the partnerships being developed through the *Housing Hub*, and welcome the plan to use it to identify "... *pathways to home ownership through rent-to-own or other equity-building programs.*" Several of our members have introduced similar rent-to-own concepts in their projects and as such, would be interested in sharing their experiences with your Ministry.

As we discussed, it will also be important for this Government to take a stronger position in encouraging local governments to approve housing projects – especially those that include rental and affordable homes. For example, UDI has long advocated that the Province invest in transit – but also fully leverage those investments by using Transit Supportive Agreements to ensure municipalities provide appropriate land use policies around stations. While this is one example, UDI looks forward to sharing best practices, and tools that municipalities can employ to support the creation of more new homes for British Columbians.

While we strongly support your Government's commitment to provide tenants in need with an annual \$400 renters rebate cheque, UDI has concerns with the proposal to extend the rent freeze into next year without providing equitable relief to property owners and landlords that are experiencing mounting operating and maintenance costs and taxation. The rent increases

allowed under the *Residential Tenancy Act* were already reduced by 2% per year in 2018. At the same time, costs that rental providers are facing – property taxes, hydro bills and rapidly escalating insurance costs – are not frozen. We ask that the Government work with the rental housing sector to cap these costs and consider income testing for the rent freeze. For example, the same income threshold for the \$400 renter's rebate could be applied to the rent freeze policy. In addition, we understand there has been ongoing work to develop Above Guideline Increases (AGI) for rental building rates to accommodate for maintenance and upgrades. Clarity on when this framework will come into force is even more important now, given the prolonged rent freeze.

The AGI will also be critical if the Ministry proceeds with the development of an Alterations Code for Existing Buildings. UDI has been engaged with the Building and Safety Standards Branch on this initiative and have expressed significant concern regarding the ability to upgrade rental buildings to higher energy efficiency and seismic standards without assistance from governments and/or increasing rent rates. There is also the potential for similar issues with commercial and strata buildings. UDI is eager to continue discussing the development of this Code and how it can be cost-effectively implemented for building owners.

UDI concurs with the Government that climate change is a challenge that British Columbia and the world needs to tackle. We were one of the original organizations that developed the *BC Energy Step Code (ESC)*, and we continue to actively participate on the Energy Step Code Council. However, consultation is needed before the Government moves forward with empowering "... local governments to set their own carbon pollution performance standards for new buildings." UDI supports decarbonizing buildings, but we believe that this can be best implemented through the work of the Energy Step Code Council, which includes representatives from the Province, municipalities, the Federal Government, utilities, academic institutions, BC Housing, the building sector and other stakeholders. The Council helped manage the municipal implementation of the *ESC*, and we recommend that it be involved in this initiative as well.

Consultation with the housing sector is also needed with regard to any changes to accessibility requirements in the *BCBC*. UDI was involved in the development of the current adaptable housing standards in the *Building Code* for new apartment buildings. Apartment buildings are best suited for mandating accessibility features because there is usually one living level that can be accessed through common hallways and elevators. The Ministry needs to carefully consider how similar requirements would be applied to townhouses because it is far more difficult to make them accessible due to the narrowness of the units and a layout that often includes two or more levels.

Thank you again for reaching out after your reappointment and providing the opportunity to start the discussion on these critical issues. We look forward to providing your Ministry with more information on best practices to incentivize new homes as well as working with this Government to implement many of the priorities of its new mandate.

Yours sincerely,



Anne McMullin
President & CEO

C.C. Richard Fyfe, Deputy Attorney General