



December 22, 2020

Honourable Josie Osborne
Minister of Municipal Affairs
Parliament Buildings
Victoria, British Columbia V8V 1X4

Dear Minister Osborne:

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 election and appointment as the Minister of Municipal Affairs. UDI looks forward to working with you and your Ministry to provide support to communities as they navigate COVID-19 pandemic response as well as guidance on achieving housing affordability through improved development approval processing.

The B.C. Property Building and Development sector can play a leading role in restoring jobs and local economies, as it did after the 2008 recession. As you know, it is critical to our economy – and local economies. In 2016, it annually contributed:

- Almost \$23 billion to the provincial GDP;
- Employed over 230,000 British Columbians; and
- Generated \$6.6 billion in revenues to governments at all levels.

Because of the cooperation between our industry and your Government to keep construction sites open, the economic impact of the pandemic was lessened in communities across the Province. Our members are eager to continue to lead in the economic recovery of our communities.

Our members are encouraged that the Government is making "... *streamlining and modernizing development permitting and approvals,*" a priority for your Ministry. This will not only assist in the economic recovery of local communities, it will also assist with another key objective of the Province – bringing down the costs of housing and providing 114,000 new rental/affordable homes to British Columbians. UDI has been involved throughout the Ministry's *Development Approvals Process Review (DAPR)* and looks forward to continuing to be engaged in this important initiative.

In terms of improving housing affordability for British Columbians, UDI has prepared a *Housing Policy Priorities Paper* we released in October, which outlines strategies that we ask your government to consider implementing in order to achieve its commendable housing goals.

One key concern that will undermine the building of rental housing is how the new Residential Rental Tenure Zoning (RRTZ) power is currently being implemented by some local governments. UDI initially supported the development of the RRTZ because we believed it would provide municipalities the ability to mandate rental housing when they provided incentives to builders, such as up-zoning additional floor space. This would be mutually

beneficial for the community, the local government and builders. Unfortunately, municipalities are considering and have used the RRTZ power to downzone properties, resulting in legal action in one case.

Properties are being arbitrarily devalued and as such, impacting how financial institutions consider their investments not only in one municipality, but across British Columbia. Builders are finding it increasingly challenging to obtain loans for new rental projects as municipal elected officials continue to implement this policy as a punitive measure insofar as using it to exclusively preserve existing rental stock. Your Ministry is has been developing guidance for local governments regarding how to appropriately use this new and unprecedented power. UDI welcomes this initiative and would like to participate in the development and communication of the document.

We also welcome the Government's important investments in community infrastructure – especially as it relates to the commitment in your mandate to lead the work on the *Integrated Transportation and Development Strategy*. UDI has long advocated that the Province invest in transit while also fully leveraging those investments by using *Transit Supportive Agreements* to ensure municipalities provide appropriate land use policies around stations. As such, we would be pleased to work with the Ministry on the development of the *Strategy*.

I appreciated the opportunity to connect with Deputy Minister Yuma Morisho and look forward to continuing the discussion on these critical issues. Again, congratulations on your election and appointment as the new Minister of Municipal Affairs. UDI looks forward to supporting your Ministry on economic and job growth and improving housing affordability for British Columbia's local communities.

Yours sincerely,



Anne McMullin
President & CEO

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Okenge Yuma Morisho, Deputy Minister, Municipal Affairs