

July 20, 2021

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

Dear Mayor and Council:

Re: Vancouver Plan Update and Quick Start Actions

The Urban Development Institute (UDI) is generally supportive of staff's recommendations in the *Vancouver Plan Update and Quick Start Actions Report*, and we are pleased to see that there is public support for the City's goals to develop a City-wide Plan and improve housing affordability. Our members have been concerned with some of the delays in the development of the *Vancouver Plan* and in particular some of the rental and affordable housing initiatives, but the staff *Report* demonstrates that progress is occurring and we are eager to see these processes continue. UDI has additional comments on staff's recommendations and updates below.

Vancouver Plan

UDI has long supported the need for a City-wide Plan for Vancouver as other municipalities have in British Columbia with their Official Community Plans. We were concerned that after what will be three and half years of work and extensive consultations, staff would only be bringing forward a Strategic Policy Framework and not a Land Use Plan next summer. This would delay the delivery of much needed housing and job spaces for the City. We are very pleased that the staff are proposing a land use component for the deliverables for the *Vancouver Plan* in 2022. We hope that this will allow a diversity of housing options to begin to be brought forward throughout the City, should Council endorse the Land Use Plan next year.

Streamlining Rental Initiative

UDI has written and spoken to Council regarding our strong support for amending the C-2 district schedules to allow six storey rental projects, as well as changing the rezoning policy/process for some of the low-density areas of the City. We urge Council to allow staff to move forward with these Quick Start Actions, which has already been delayed several times since Council endorsed the approach in November 2019 through the approval of the *Secured Rental Policy*. After several years of consultations, the public input remains ongoing and the proposed changes will likely not be going to Public Hearing until the end of 2021. We ask that Council not further delay this work.

It is especially critical that the changes to the C-2 District Schedules move forward as soon as possible because of the effective downzoning that occurred for rental properties in these zones earlier this year. Even with the potential option to build six-storey rental buildings as of right, this will not fully offset the loss in value for the rental properties as a result of the downzoning. The approval of the C-2 District Schedules is an opportunity for the City to send positive signals to investors and developers to build more Purpose Built Rental (PBR) projects. It will lead to a larger share of these projects being built, by ensuring that it is more competitive to build rental in C-2 zones.

UDI supports the changes to the Rezoning Policy for parts of the RS/RT zones to allow low density rental housing, and we hope that the City will continue in this direction by eventually incorporating the changes in District Schedules in the future - similar to what is being proposed for C-2 zones. This would make the approvals of these projects more efficient and increase interest from PBR investors to build new missing middle rental homes "... *within walking distance of public transportation, shopping and other daily needs.*"

Downtown Eastside Policy Updates to Increase Social Housing

Even though the focus of this recommendation is not for UDI members, we support making the process for non-profit developers more efficient and allowing the modest increases in heights and density to support the construction of social housing.

Moderate Income Rental Housing Pilot Program (MIRHPP) Update and Extension

UDI has been a supporter of the MIRHPP initiative as a pilot program to test approaches to building PBR projects with market rental and affordable rental units. We thank Council for supporting

the applications that have come forward under the *Program*, and ask that Council extend the timeframe of the program to the end of January 2022 as staff recommend, because the *Program* is currently well short of the target of twenty pilot projects. We note that despite the declining interest in MIRHPP, it has been a key source of approved PBR units (accounting for almost 50% of the total rental units approved last year in Vancouver).

Staff outline the key reason why interest has waned in MIRHPP in their *Report*. Because of changes made by the Province that limited annual allowable rent increases from CPI +2% to just CPI and the vacancy control requirements in the *Program*, many interested proponents could not obtain financing for their proposed projects. As a result, seventy queries became eleven MIRHPP approvals (plus one application in process). UDI supports staff's proposal to make minor changes to the rent structure for MIRHPP projects to make them more viable, so more projects can obtain financing, while allowing the flexibility for larger MIRHPP projects to provide deeper affordability for some units.

We thank staff for their proposals to improve the administration of the Program by linking starting rent levels to citywide CMHC market averages. Staff are also proposing improvements to the application process, allowing proposals to proceed on a first come first serve basis which will remove the delays by eliminating the previous pre-enquiry application review process.

Employment Lands and Economy Review (ELER) Update

UDI is pleased with the progress staff have made on the approved Quick Start Actions under the *ELER* to assist in economic recovery from the COVID-19 pandemic. UDI supports the land use flexibility offered in the first five completed initiatives for artist studios; neighbourhood grocery stores; ground floor uses in the Downtown Eastside; industrial/office uses in Mt. Pleasant; and with parking requirements. We look forward to working with City staff on the final five Quick Start Actions as well as the *Industrial Area Modernization and Intensification Framework* in the coming year.

We ask Council to support the recommendations in the *Vancouver Plan Update and Quick Start Actions Report*, and we thank staff for their ongoing efforts in developing the City-wide plan as well as the policies to improve housing affordability and the City's economy. UDI looks forward to continuing to work with the City on these important initiatives.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne McMullin', with a stylized flourish at the end.

Anne McMullin
President and CEO, Urban Development Institute