

Neighbourhoods for a Sustainable Vancouver

June 26, 2012

Mayor Robertson and Councillors
City of Vancouver
453 West 12 Avenue
Vancouver, B.C. V5Y 1V4

Dear Mayor Robertson and Councillors,

Re: Mayor's Task Force on Housing Affordability - Interim Report (Regular Council June 27)

The public has had just over twenty-four hours to review the Interim Report of the Mayor's Task Force on Housing Affordability. In this short time, Neighbourhoods for a Sustainable Vancouver (NSV) has done a quick review of the document. We strongly urge City Council on June 27 to receive the report for information only and not for approval of any of the recommendations until a public consultation process has been completed and changes made to the report to reflect the results of the consultation, with demonstrated public support.

While the intention of making housing more affordable in Vancouver is laudable, and some of the Task Force recommendations worthy of consideration, NSV is concerned about many aspects of the interim report and the current process. The implications of this report are enormous for the City's future.

The following are our preliminary comments and concerns.

Report Recommendation 1: Increase supply and diversity of affordable housing.

We note that the main focus of the report is on supply. However, there are many influences on affordability and simply increasing supply may not solve the problem.

In order to realistically assess the issue of housing supply, the City should immediately publish the existing zoned capacity of the potential city-wide units and population that is currently built and is yet to be developed in each type of zoning, with a city-wide total and by neighbourhood. Staff was directed by Council to provide this information months ago, yet it still is not available.

According to *The Province* ([Vancouver sprouting cranes](#), June 22, 2012), there are 16 condo towers under construction and 67 proposed high-rises under consideration (including mixed-use commercial) in the City of Vancouver. With this and all the condos built over the last decade, one has to wonder why that huge increased capacity is not being reflected in reduced prices. Efforts should be made to analyze this and the 22,000 vacant and foreign held units identified in the 2011 census.

In fact increasing development is inflating development pressures and speculative inflation, such as we are seeing in the Cambie Corridor since that planning process was initiated.

There are currently completed CityPlan Community Visions in each of the single-family neighbourhoods that identify potentials for more housing choice. CityPlan also has it in the Terms of Reference to implement those housing types through a community-based process. However, the Neighbourhood Centre's Program undermines that process as demonstrated by the unsupported policy plan for Norquay. The failed Neighbourhood Centres Program should not be used as an example or model for implementing housing variety. Instead, work with each neighbourhood to implement their Community Vision through a CityPlan model.

Increasing supply over time should be in the scale and character of each individual neighbourhood. New development should not increase demolition of the older more affordable buildings that can be adaptively reused to increase secondary suite rentals and fixer-uppers.

Report Recommendation 2: Enhance the City's and the community's capacity to deliver affordable rental and social housing.

Quote from report: "*Create a new City-owned entity to deliver affordable rental and social housing by using City lands. Mobilize the community to support affordable housing through community land trusts and alternative financing models.*"

This has been tried before and failed. VLC Properties Ltd. produced very few rentals and eventually became a condo development company called Concert Properties. The City already has a land trust called the Property Endowment Fund and a staffed department to administer it.

Creating another level of bureaucracy that is managed by an unelected appointed board that has effective control of city owned land, city funding and project approval authority, could be extremely problematic.

It is unclear how this would work if the City retains ownership of the land and a development partner had to finance the project without being able to use the title to the land for financing.

Careful consideration should be given before using the City's assets in this way. Possibly it should go to referendum.

Report Recommendation 3: Protect existing social and affordable rental housing and explore opportunities to renew and expand the stock.

The goal to protect and improve existing rentals is an important goal.

However, there are problems with the Rate of Change bylaw that needs to be resolved since it does not actually protect existing rentals. The requirement to replace rentals with 1:1 presently does not require the units to be the same size or have any restrictions on rental rates. If existing rentals are too severely redeveloped, they will result in displacement and be just as unaffordable as new development. This could very easily turn into City-sanctioned renoeviction.

Under current Rate of Change, existing larger rental units could be reduced to as small as 320 sq. ft. Often smaller size is how "affordability" is defined by the City. It also could involve significant density bonuses that would make the resulting building out of scale with the surrounding neighbourhood.

The key to making this work would be making the incentives to upgrade the building modest, such as allowing the expansion of the penthouse level to be larger with roof decks. Many older rental buildings only have a small penthouse because of regulations in the 1950's and 1960's. The incentives should be specific options not based on proforma which gets distorted.

Also, there would need to be revisions to the Rate of Change bylaws so that existing rental units could not be substantially reduced in size. Existing tenants should be able to reoccupy their suite after renovation for similar rents with a modest increase in rent to reflect costs over time.

Report Recommendation 4: Streamline and create more certainty and clarity in the regulatory process and improve public engagement processes.

These are again worthy goals. Bringing certainty to the CAC process is a good thing as long as development contributes to amenities that are needed to service the increased population. As it is now, funds from development fees to the City only covers a small portion of the capital and operating costs to service the development. The rest is subsidized through property taxes.

The report recommendation of inclusionary zoning is essentially what was specified under further work as part of Secured Market Rental Housing Policy, or Son of STIR, which stated rentals could “be implemented through changes to the Zoning and Development By-law (e.g. adding a provision for density bonusing for market rental housing in district schedules or relaxations of regulations to allow additional height and/or density for market rental housing.)

Again “the devil is in the details,” and this recommendation could be problematic. This recommendation could result in large rental projects all over the city without requiring a rezoning – creating the potential for major conflicts between developers, neighbourhoods and City Hall, as we have witness in an example like the current application at 1401 Comox for a 22-storey tower with the developer seeking dramatic increases in height and density.

Or, as proposed under the successor to the STIR program, developers may seek to redevelop RT zones on arterials as apartment buildings based on RM4-N without rezoning as long as they are market rentals. A negative outcome could be the loss of heritage/character buildings and multiple dwellings of existing rental units.

These problems are just a few examples, and they could be avoided if the incentives were modest and reasonably placed. For instance, if C2 zones allowed new development to add one storey of rentals to the 3 storeys of residential strata currently allowed above one storey of commercial for 5 storeys total, that may be acceptable in some locations.

But again if they do not have it prescriptive and instead use proformas to assess the incentive, the scale will be too big because negotiated bonuses tend to be too rich in favour of the developer. Any prescriptive increases should be modest, site appropriate and community supported.

Regarding the composition of the Task Force, we are concerned also about the participants of the Mayor's task Force being heavily weighted towards the development industry whose interest is generally about profit not affordability, sustainability, or the public good. More inclusive participation would result in more balanced results. Checks and balances are essential.

In conclusion, we are very concerned about the recommendations in the report. “The devil is in the details.” The Task Force recommendations need much more consideration.

Many worthy options to make Vancouver housing more affordable have not been considered and we have not had time to outline them here. Please instruct the Task Force to take the time to listen carefully to community input, and to include it in whatever final recommendations are brought to Council. If so, we look forward to that opportunity for further consultation before a final report is delivered to Council.

Sincerely,

On behalf of the Steering Committee
Neighbourhoods for a Sustainable Vancouver

Group contact email: nsvancouver@hotmail.com

Website: <http://www.nsvancouver.ca/>