



VANCOUVER  
**HOUSING**  
INITIATIVE

A CITY  
EVERYONE  
CAN CALL  
HOME

# Family Room: Housing Mix Policy for Rezoning Projects

Presentation for Council  
July 12, 2016

Allison Dunnet, Housing Planner



# Presentation Outline



1. **Family Housing Challenge**
2. **Policy Analysis**
3. **Economic Testing**
4. **Recommendations**

# A growing city facing housing challenges and constraints

- Escalating cost of housing
- Limited land base to build on; new housing predominantly apartments
- 60% of all housing units are apartments (30% of all families in apartments)
- Over 50% of households rent; vacancy rate of 0.6%



# How does this impact families?



- **Traditional family homes are out of reach**  
Ground-oriented family housing prices are uncoupled from local wages
- **Families squeezed for space**  
8000 families were living in studio and 1bd homes in 2011
- **Families face tough choices**  
58% of Vancouver families surveyed likely to leave Vancouver in the next three years
- **Still a place for families?**  
Families made up only 1% of Vancouver's net household growth from 2006-2011



Sources:  
Statistics Canada, Census data.  
City of Vancouver, Survey data, 2015.

# Families Vital to Vancouver's Future



# Family Room in New Developments



*How each municipality renews and expands its housing stock will play a very significant role in determining the future size and composition of each area's younger population.*



***Urban Futures***

**Demographic Forecasting, 2010**

# Council Direction



June 2015: Council received the “update on demand and supply of new family-oriented housing”, including key policy priorities to improve housing options for families:

1. increase the supply and affordability of family-units – two and three bedroom in rental & ownership
2. support delivery of affordable and non-market family housing
3. increase ground-oriented housing supply

May 2015: Council approved amendments to the Vancouver and Area Specific DCL By-Laws to encourage the supply of three-bedroom units in rental projects

# Improve Supply and Affordability of Family Units



## Phase 1: Increase the supply of family-sized units in new strata and rental projects.

- requiring a higher minimum of 35% family units in all strata rezoning projects
  - minimum of 10% with 3+ bedrooms
  - minimum of 25% with 2+ bedrooms
- targeting a higher minimum of 35% family units in all secured market rental rezoning projects

## Phase 2. Improve the affordability and livability of family units via revised design guidelines

- Engagement and consultation – 2016/2017



# Policy Analysis

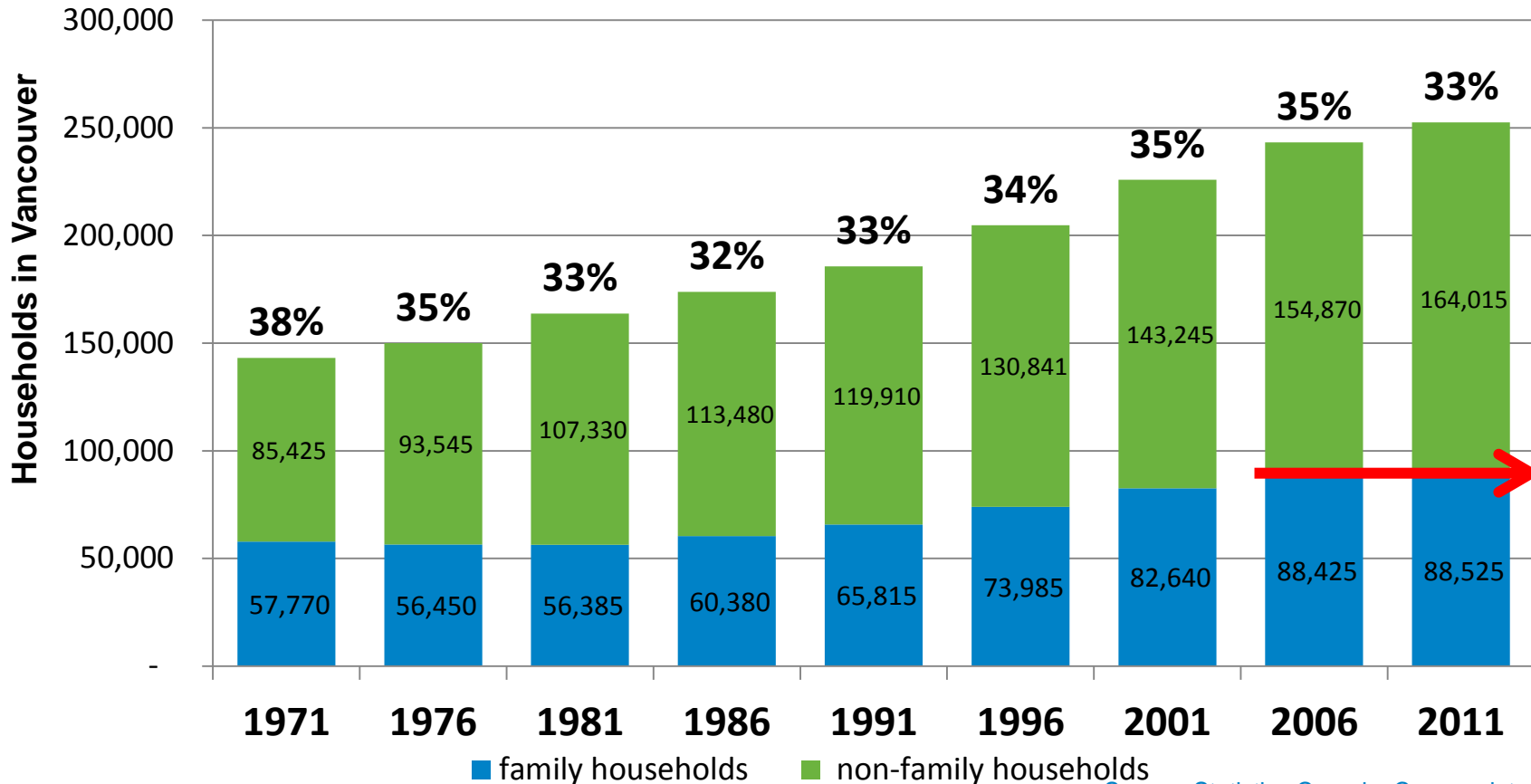


# Vancouver - A City for Families



Vancouver supported steady growth in families over past 40 years – but recent trend has gone flat.

# and % of Vancouver Households with a Family with Children



Source: Statistics Canada, Census data.

# Existing Family Housing Policies



## **Family Unit Requirements for New Development under Community Plans (e.g. False Creek South, Cambie Corridor Phase 2)**

- Typically minimum of 25% family units in new market residential
- Family units defined as having 2 or more bedrooms – no specific 3 bedroom requirement

## ***High-Density Housing for Families with Children Guidelines (1992)***

- Design guidelines to ensure livability for families with children

## ***Secured Market Rental Housing Policy (2012)***

- Targets a minimum of 25 % family units (with two or more bedrooms) for all secured market rental developments

# What We Heard: Families Feeling the Squeeze



*“We love the Vancouver lifestyle...but the lack of affordable housing with enough space means we may need to leave.”*

*“Finding housing with enough space for our family is extremely challenging.”*

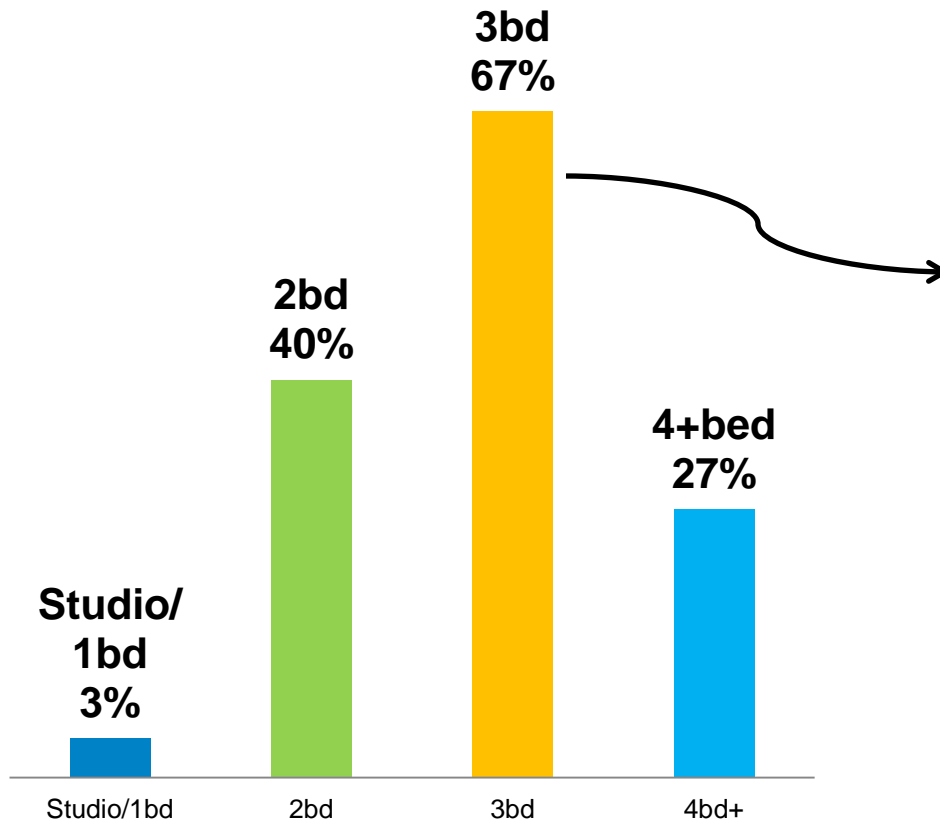
*“Any available 2 or 3 bedroom apartments are usually luxury types that cost well beyond a reasonable budget.”*

# What We Heard: Families Want 3bd Units, but Supply is Limited



## Talk Housing Survey: Family Housing in Apartments

### Families: What Size Home Are You Looking for?



### The Challenge: Low Availability of 3bds for Families

- 92% of those surveyed reported there is **little or no 3bd apartment housing available** in Vancouver
- Even more challenging to find **affordable, family-appropriate 3bd apartment housing**

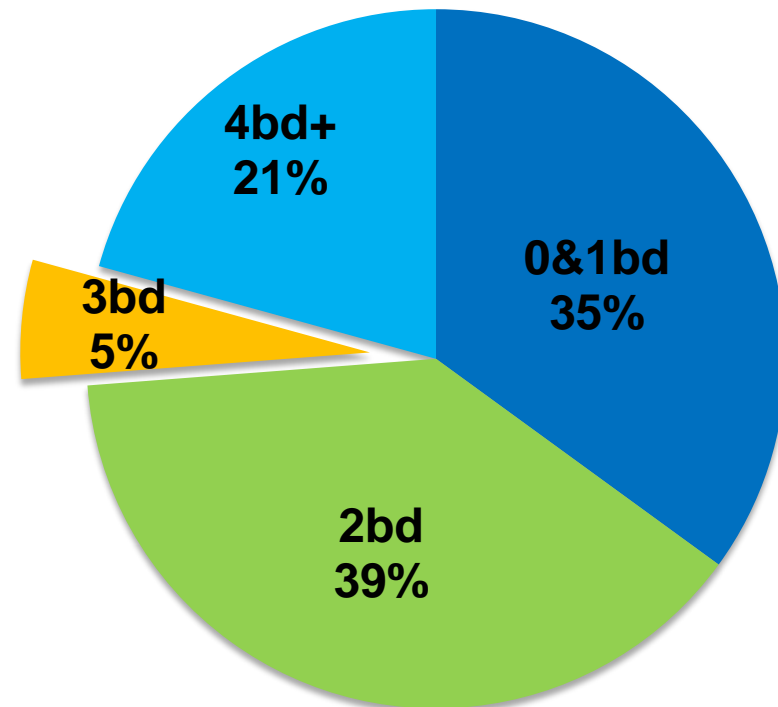
\*2313 respondents, including 739 current families with children

# Few 3 Bedroom Homes Being Added to the Stock



Since 1991, only 5% of the net additional housing units had 3bds

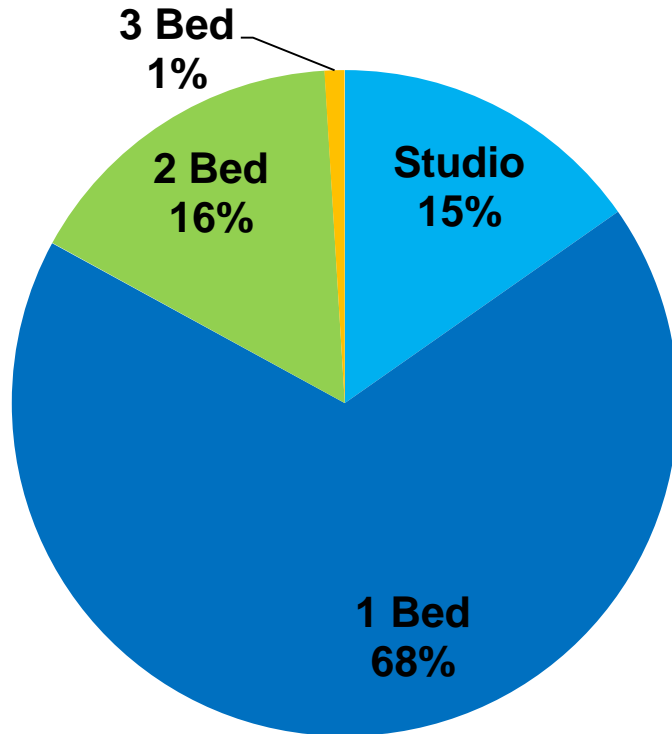
Net Housing Growth since 1991  
Breakdown by Unit Type



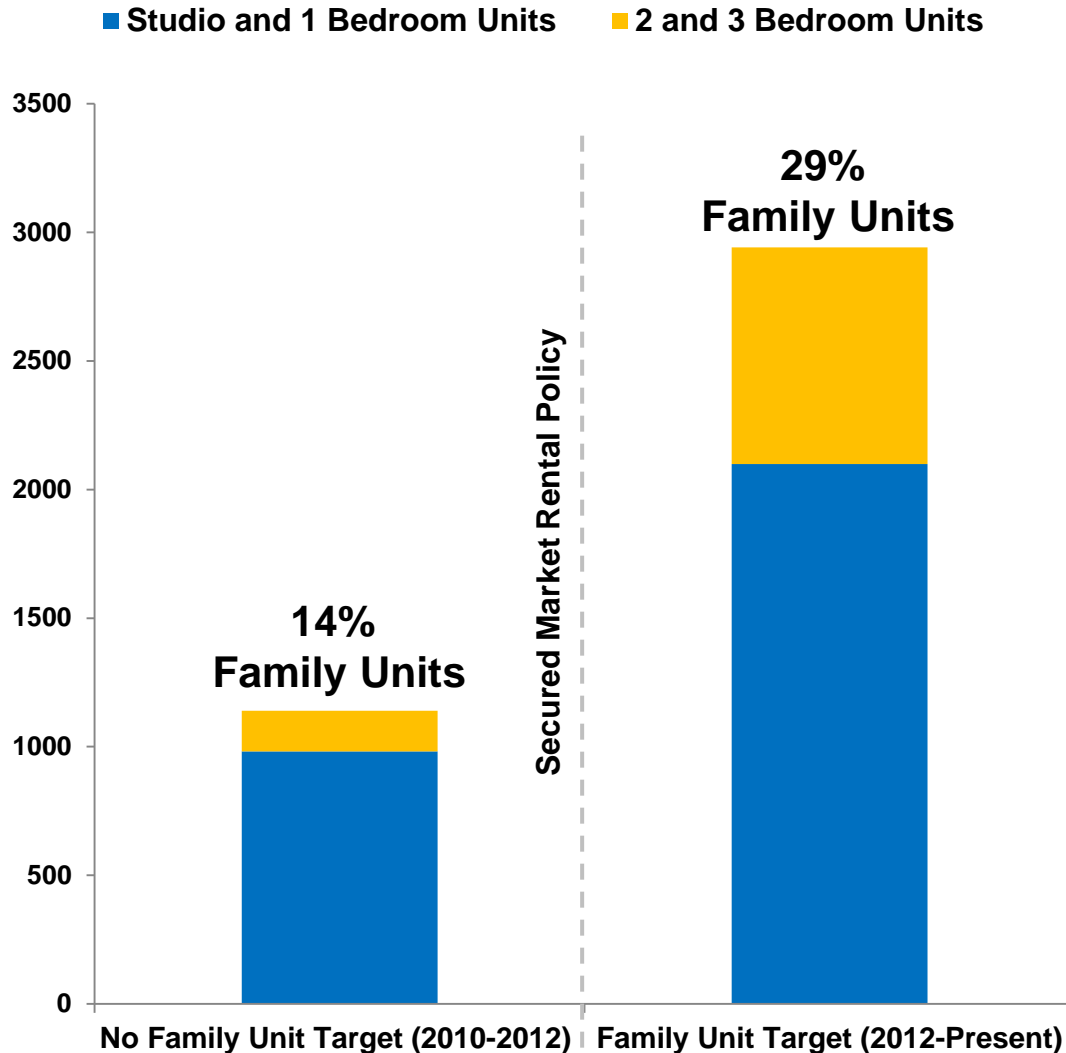
# Limited Stock of 3 Bedroom Units in Rental Housing



3bd units make up **less than 1%** of the City's purpose-built rental housing



# Family Unit Targets are Effective



**New family unit target (2012) increased family unit supply in new secured market rental.**

**No Family Unit Target (STIR):**

- 14% 2-bed
- >1% 3-bed

**25% Family Unit Target (Secured Market Rental Housing Policy):**

- 26% 2-bed
- >3% 3-bed



# Proposal: More Family Units in New Strata and Rental



## Increase family unit requirement to 35% of units in all projects

- At least 10% must be 3+ bedrooms
- At least 25% must be 2+ bedrooms

## Questions for Economic Testing

- Will the increased family unit requirement impact project feasibility?
- Does impact on feasibility vary between strata and rental projects?



# Economic Testing



# Coriolis Consulting: Scope of Work



**Objective:** Test the impact of the proposed family unit requirement on project feasibility for strata and rental rezonings

## **Approach:**

- 1) Understand market trends: How many family units is the market currently delivering?
- 2) Identify major impacts of proposed 3bd requirement, including financial impact on rezonings



# Market Findings: Some Family Units Being Delivered, but More Needed



- **Current projects are delivering family units, more needed**
  - 12 of the 25 strata projects completed in first half of 2015 met or exceeded proposed policy
  - Avg. housing mix across all projects of 37% 2bd and 8% 3bd
  - Current 3bd units in strata target high end of market; move-up/first-time buyer not well-served
  - Avg. housing mix across recent secured market rental projects (since 2012) of 26% 2 bd and >3% 3bd



# Economic Findings: Impacts of 35% Family Unit Requirement



## Strata projects: Limited impact on financial feasibility

- Small reduction in profit margins (<1% reduction)
- Small reduction in negotiated CAC (\$1-\$2 psf buildable)
- Possible increased carrying costs due to longer sales (maximum 2% increase)

## Rental projects: Impact on feasibility varies by location

- Minimal impact on profit margins for Downtown or West Side projects due to higher rents
- Small negative impact (~1%) on profit margins for East Side projects due to lower achievable rents



# Considerations



## Potential Areas of Concern

- New requirement may lead to higher costs in mid-block lowrise or midrise projects
- East Side Rental projects could be negatively affected

## Consider ...

- phased introduction of new requirement: start with rezoning projects and monitor for impacts
- relaxations for mid-block sites and rental

# Report Recommendations



# Recommendation A. Housing Mix Policy for Rezoning Projects



**POLICY 1:** Rezoning applications that include any residential strata housing are required to include a minimum of 35 percent family units, including a minimum of 10 percent of units with three or more bedrooms and a minimum of 25 percent of units with at least two bedrooms.

**POLICY 2:** The City's secured market rental policies and programs encourage the inclusion of family housing in rental projects. The target for family housing units is set at 35 percent of units for all rezoning applications for secured market rental developments.



# Recommendation A: Relaxations



**The Director of Planning may relax the requirements of this policy where literal enforcement of the policy would result in unnecessary hardship or deter:**

- a) Restoration/renovation/conservation of a building or site on the Vancouver Heritage Register or designated by Council;
- b) Affordable housing projects (e.g. social and non-market, rental housing)
- c) Projects from achieving sustainable development goals, e.g. passive house;
- d) Low-rise and midrise buildings on mid-block or unique sites with significant design challenges in meeting three-bedroom unit requirement;
- e) Development of projects in areas identified in approved Council policy as appropriate for single and couple households.

# Recommendation A. Application



**Supersedes existing family-unit requirements for rezonings in approved plans and policies**

**Does not apply to OR supersede family unit requirements in:**

- Council–approved Official Development Plans (ODPs)
- Development projects under existing zoning
- Social/non-market housing unit requirements
- Council-approved plan includes an intentional, alternate housing mix (DTES Community Plan)



# Recommendation B & C. Implementation & Monitoring



## Implementation

- Provided applicants with notice of this impending policy change for the last year
- Recommend applying the policy to all new rezoning applications received after the date of Council adoption
- Going forward incorporate 35 percent family unit benchmark into other policies and plans

## Monitoring

- Monitor annually and recommend adjustments over time

# Recommendation D. Revise the HDHFFC Guidelines

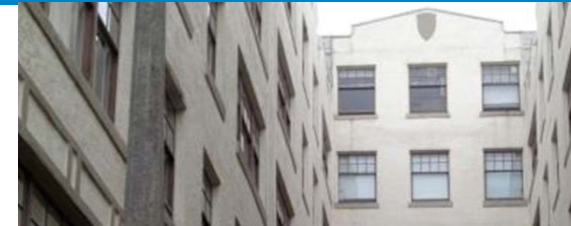


Originally adopted March 24, 1992.

Guidelines provide direction on:

- Location and site selection
- Building amenities (indoor and outdoor play spaces and common areas)
- Safety and supervision
- Housing and unit mix
- Unit Design

**Objective:** Update and improve the guidelines to address today's affordability challenges and improve the livability of family units



# Recommendation D. Consultation & Engagement



## Explore livability and affordability with ...

- Urban Families – kids, parents, grandparents
- Development community – developers, architects, non-profits
- Family serving organizations, community partners, the public and other stakeholders

## Engagement Approaches

- Post-occupancy reviews
- Intergenerational co-design
- Connect to Housing Refresh



## Report Back – Spring 2017



Thank you!