CITY OF VANCOUVER

PLANNING, URBAN DESIGN & SUSTAINABILITY
General Manager's Office

MEMORANDUM November 25, 2019

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Lynda Graves, Administration Services Manager, City Manager's Office
Rena Kendall-Craden, Communications Director
Katrina Leckovic, City Clerk
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Anita Zaenker, Chief of Staff, Mayor's Office
Sandra Singh, General Manager, Arts Culture and Community Services
Andrea Law, Director of Development Building and Licenses
Dan Garrison, Assistant Director, Housing Policy and Regulation
Susan Haid, Deputy Director - Long Range and Strategic Planning
Theresa O'Donnell, Deputy Director of Current Planning
Abigail Bond, Managing Director of Homelessness Services & Affordable Housing Programs

FROM: Gil Kelley
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Rental Incentive Review Phase II Report Back – Response to Questions from Mayor and Council

This memo provides responses to questions submitted by email to Staff by Mayor and Council as on noon on Monday, November 25 with regard to the Rental Incentive Review Phase II Report. The report recommendations will be considered by Council on November 26, 2019.

Questions and Answers

1. **With rezoning removed, how can we track the number of rental housing units underway / in progress? Will there be reports to Council on how many units are approved through the DP process?**

Reporting on all approved rental units, both through Development Permit and rezonings, will continue to be included in the Housing Vancouver Annual Progress Report. Recently, staff have begun reporting on key Housing Vancouver metrics on a quarterly basis, with most of the data from rezonings. Through implementation, we will determine if this same frequency of tracking is possible for development permits on a quarterly basis. Reporting out on development permit applications is more resource intensive, as the same systems for tracking tenure through rezonings are not yet in place. Staff will analyze the work required to track applications under development permit applications on a more frequent (e.g. quarterly) basis and report back.

2. **How many overall rental units are these changes expected to produce over what time period? How many of these rental units will be for those households making between 30 and 50k, and between 50 to 80k? To what degree will these help meet our housing goals?**

The numbers below should be treated as illustrative and are based on what is currently in application and past trends. Many factors, such as future market conditions and site assembly decisions have not been factored in. Staff have calculated a range of anticipated units based on how many units shift to Rental in C-2 Districts, plus expected below-market rental rezonings based on a list of 7 project with added densities where we may see uptake in community plans. The low end of the range refers to the scenario where the pace of change in C-2 districts remains the same at 2 rental projects and 7 strata projects a year. The high end of the range refers to the scenario where supply has shifted to 45% rental/55% strata where we expect 4 rental and 5 strata projects a year. The income breakdown is based on the split of below-market and full-market units delivered as singles (studio+ 1-bed) and family (2+3 bed) units.

Projected Rental Housing Delivery in from 2020-2027 by Proposed Rental Incentive Policies

Programs	\$30-80K	\$80-150K	Total
Secured Rental Policy (aside from C2 and low density areas)	1,700	900	2,600
C-2 District Schedule Changes	700-1,300	400-700	1,100-2,000
MIRHPP program	2,300	900	3,200
Below-Market For Rezonings	750	200	950
Total	**5,450-6050**	**2,400-2,700**	**7,850-8,750**

Note: these numbers also do not include the low density area changes.

Staff anticipate that the proposed rental incentive policies will help meet our targets with the potential of an additional 7,800 – 8,800 new rental units. The rest of the target for purpose-built rental will be delivered through other planning initiatives underway that are also prioritizing the delivery of rental housing, including recently approved community plans, the Broadway Plan, the Vancouver Plan, and the upcoming station area planning program.

3. **Could the staff recommendations be severed and voted on separately? Ie, are any recommendations dependent on other sections? If the DCL ones fail (H & I) how would that impact the rest of the package? And would the existing DCL regs remain in place?**

The recommendations can be severed and voted on separately – the implications involved are listed below:

i. Recommendation A contains the amended Secured Rental Policy (the formerly Secured Market Rental Housing Policy and rental opportunities contained in the Affordable Housing Choices Interim Rezoning Policy)

ii. Recommendation B is the administrative bulletin that provides more detailed information to applicants about the requirements of the Secured Rental Policy in Recommendation A. If changes to recommendations A, C and D are made, the administrative bulletin would require updates. However, administrative bulletins are not policy and intended to guide implementation. As such, updates can be made without Council approval

iii. Recommendation C directs staff to implement the C2 options within the new Secured Rental Policy (Recommendation A) to amend district schedules in the various C2 zones (prezoning to 6 storeys for mixed-use rental using the new rental zoning tool). This recommendation directs staff to bring back the amended zoning districts to Council for consideration at public hearing in Q2 of next year. The intent of this recommendation is to expedite and clarify the processing of rental applications through prezoning.

   a. If recommendation C is not approved (but the Secured Rental Policy in recommendation A is approved), rental applications in C2 zoned areas would continue to be processed through the current rezoning process (privately initiated rezoning to a unique CD-1 zone).

iv. Recommendation D directs staff to implement the low density options contained in policy 2.4.1 in the new Secured Rental Policy (Recommendation A) to create new "off the shelf" rental zones in low density transition areas (zoning districts for townhouse, and four to six storey apartment forms). This recommendation directs staff to bring back the amended zoning districts to Council for consideration at public hearing in Q2 of next year. If recommendation D is not approved (but the Secured Rental Policy in recommendation A is approved), consequential amendments to the proposed Secured Rental Policy and Rental Incentive Programs Administration Bulletin would be required to **remove 2.4.1 in the policy**, which contain the majority of opportunities for new rental in the low density transition areas. There would still be the ability to submit a rezoning application to a unique CD-1 for irregular sites, but this would be in very limited circumstances.

v. Recommendation E is to extend the date of the Moderate Income Rental Housing pilot to ensure there are 20 projects as originally envisioned – this is a stand alone policy recommendation

vi. Recommendation F is for the new Below Market Rental Policy for Rezonings in areas already identified for growth in existing community plans - this is a stand-alone policy recommendation

vii. Recommendation G contains an approval of a grant for the new Energy Retrofit PLUS Reinvestment Pilot to encourage upgrades the existing rental stock without displacement – this is a stand alone recommendation that requires **8 votes** from Council to pass

viii. Recommendation H is related to proposed changes to the City-wide and Area Specific DCL By-laws

ix. If Recommendation H fails, the existing DCL waiver for rental remains in place; it means Council is voting down the proposed administrative changes to include simpler eligbility requirements for MIRHPP, include townhouse eligibility sizes, etc.

x. If Council would like to remove the City-wide and Area Specific DCL waiver for rental housing:
   a. There would need to be direction to staff to amend the City-wide DCL By-law to remove the waiver for market rental housing - this could be done through an amendment on the floor of Council
   b. From a policy perspective, the rest of the rental recommendations are not contingent on the City-wide DCL waiver being in place; however, from an economic viability perspective, removing the waiver would create a significant negative impact on market and below market rental housing development and lead to much lower program uptake, as the DCL waiver applies to rental in all policies/plans across the city (the ones contained in this report, plus also in community plans, ODP areas).

xi. Recommendation I is related to the proposed changes to the Utilities DCL Bylaw to remove the waiver for market rental housing – if Recommendation I fails, the existing utilities DCL waiver for rental would be preserved

xii. Recommendation J is related to expediting VBBL changes to enable mass timber – this is a stand alone policy recommendation

Given the interconnectedness of some of these recommendations, it may make sense to consider recommendation A to D together.

4. **Is this report focused primarily on incentivizing the <u>private market</u> to build rental homes? Will these same incentives also apply to non-market developers (i.e., non-profit, faith groups, co-ops) or are there different/additional incentives if we are expecting much more affordability from them?**

This report is primarily focused on incentivizing the private market to build rental homes, in that the assumptions that underpin the incentives are based on allowing rental development to compete with strata development in a market context.

However, the incentives that would be enabled through this report for private developers would also be available for non-profit developers. In addition to the incentives related to height, density and development approvals, non-profit developers would be eligible for the following incentives that are not available to private developers:

- DCL Exemption – this is different from a waiver in that any non-profit project that meets the definition of "Social Housing" is exempt from DCLs by Provincial Statute.
- Further Parking Relaxations – non-profit developers are able to access deeper parking relaxations than those available to for-profit rental developers.
- Community Housing Incentive Program (CHIP) grants – non-profit developers are also able to access City of Vancouver capital grants to enhance affordability levels in their projects. Council recently increased the funding envelope for this program to $25 million through the allocation of EHT revenue.

Non-profit developers are also able to access significant funding from senior levels of government.

Council has received a letter from Housing Central, the consolidated representative body of the Co-operative and Non-Profit Housing sectors (the Community-based Housing Sector) expressing their strong support for the policy recommendations in this report. The letter notes that the policy proposals could benefit their members, as well as acknowledging the general need to take action to address the housing crisis in the City.

Following the completion of the Rental Incentive Review, staff in PDS and ACCS are scheduled to initiate a policy program to enhance incentives available to community-based organizations to advance the delivery of community-based housing and community serving spaces, with a report back to Council anticipated in late 2020.

5. **Is it true that the arterials are further apart on the West Side than on the East Side? And is that going to create fewer options for new rental on the West Side?**

Staff are taking this question to relate to the policy proposals to enable new rental housing forms in "low density transition areas." The proposed approach would create more opportunities to deliver rental housing on the East Side compared to the West Side. There are two key reasons for this. First, as noted in the question, there are fewer main arterial streets on the West Side of the city, meaning in some cases they are further apart that on the East Side. Second, there are fewer commercial areas on the West Side of the city. The proposed policy focuses not only on arterial streets, but also on proximity to local serving commercial opportunities, schools and parks to align with the Climate Emergency Response Big Move #1 goals to create a walkable city. Since these community hubs are further spaced on the West Side, the policy proposals create somewhat fewer opportunities on the West Side compared to the East Side.

The policy proposals included in this report relate to the existing City structure and existing policy context, but do account for future changes. For example, in places where new commercial shopping space is introduced in locations near parks and school, new blocks currently zoned RS and RT would become eligible. Through upcoming work through and under the umbrella of the Vancouver Plan, we will be exploring new ideas and support for deeper changes to structure and policy with Vancouver residents.

6. **In the Recommendation on "Improve Clarity and Opportunities for New Rental in Low Density Transition Areas", why did we decide only 150m (1 block)? And if Council were interested in amending that to 300m (2 blocks), how (where in the recommendations) would you recommend making that change?**

   The policy proposals to improve clarity and opportunities in low density transition areas are a result of a review of the Affordable Housing Choices Interim Rezoning Policy (AHC), which has been in place since 2012. In advance of the Vancouver Plan process, staff have limited recommendations to general geographic areas that are already enabled through current land use policies.

   The AHC policy enabled consideration of rezoning applications within 1.5 blocks or 100 meters from an arterial street. As part of this review, staff conducted detailed analysis of block/lot structure and depth, and concluded that the original 100 meter distance did not accurate align with 1.5 blocks. Given the challenges created by allowing change to multi-family forms on lots immediately next to houses or duplexes with no current opportunity for change, the proposed approach in low density transition zones emphasizes opportunities where change would be enabled on a block-by-block basis, rather than the previous approach that in some circumstances enabled change on one half of a block and not the other. Staff are recommending eligibility criteria that enable consideration of block faces that are entirely within 150 meters of an arterial because it better achieves opportunities for change approximately 1 block off arterials.

   Should Council want to create further opportunities for rental projects in these transition areas by extending the policy to include blocks that are entirely within 300 meters off arterial streets, they could move and pass a motion to this effect (the eligibility requirements are established in the proposed Secured Rental Policy, and amendments to recommendations A and D could provide alternate direction around the distance from arterials). As mentioned above, significant analysis of block and lot structure went into the development of the proposed 150 meter buffer. For this reason, staff would recommend that Council pass this motion in principle, and refer it back to staff for further analysis. This work could be done through the development of the "off-the-shelf" rental tenure zoning districts and reported back to Council in Spring 2020 along with the referral of these zoning districts to Public Hearing.

7. **150 yards seems quite far in from arterials, is this the average length of a residential city block in these areas?**

   The length, pattern and orientation of blocks varies across the City, and through detailed analysis of block/lot structure and depth, staff concluded that a 150 meter buffer from an arterial generally captures 1 block off of arterials in locations city-wide. The proposed requirement is that to be eligible, sites must be located on a block face that is entirely within 150 meters of an arterial (and within 400 meters of a park or school and shopping) in order to ensure opportunities for change are enabled on a block-by-block basis.

8. **Only 2/8 of the current MIRHPP projects being proposed are on the West Side. Do staff have ideas for how to encourage more of these projects spread out around the city, to meet goals around geographic equity?**

The MIRHPP is a learning pilot, and a key objective of the pilot program is to create opportunities to test this type of rental housing at a variety of locations, zoning districts and scales of development. In the initial intake process for the pilot program, staff selected project proposals from across the city, emphasizing geographic diversity (including east side or west side locations, and whether the site was located on or off of an arterial road). Ten projects have currently proceeded to the rezoning stage, with rezoning applications formally submitted. Several of these projects will be referred to Public Hearing in the next few months. As Council notes, the majority of these projects are located on the East Side of the City. While staff cannot discuss specific details of project proposals publicly until formal applications have been submitted, we do note that the majority of enquiries under the MIRHPP that have not yet submitted formal applications are located on the West Side.

The staff report recommends several minor adjustments to the MIRHPP that staff feel would benefit all proposed projects, including those on the West Side. A key recommendation of this report is to enable increases in height beyond the current 14 storey limit that applies to most sites for large sites (over 1.98 acres). This policy adjustment would provide the ability to distribute density on these large sites to better respond to neighbourhood context.

Finally, staff are taking the early learnings from the MIRHPP and applying them to the housing policy options under development in the Broadway Plan. Participants in the public engagement process to date have identified the delivery of affordable rental housing as a high priority for the planning process. Over the coming months, staff will be deeply exploring opportunities to deliver affordable rental housing through the Broadway Plan.

9. **How is the affordability of below-market rents maintained - e.g., tied to units? covenant on title? Is the requirement that, upon unit turnover, rent increases are regulated by the Provincial Residential Tenancy Act, for the life of the building? Does this mean that ongoing rents are tied to units, not to people?**

Affordability of below-market units will be maintained through a Housing Agreement and/or other covenants on title and monitored over the life of the building by the City. The Housing Agreements will include terms and requirements related to the affordability secured, eligibility requirements for tenants and the ongoing administrative and reporting requirements.

The current MIRHPP Administration Bulletin states:

Rent escalation in the moderate income units will be capped at the BC Residential Tenancy Act annual allowable increase, regardless of turnover.

This effectively means that rents are permanently tied to the units and not the individual tenancies.

Through work on the implementation of the MIRHPP and over the course of the review, staff have heard from developers and lenders that this approach to ensuring the ongoing affordability of the rents is creating challenges with securing financing, as over the longer term cost escalation could exceed rent revenue. It has also been noted that this approach does not account for future changes in renter household incomes, which may also change at a rate that does not match the RTA annual allowable increases which are tied to the rate of inflation. Staff will be reviewing program parameters over the coming months and reporting back to Council in Spring 2020.

10. **What are the risks associated with allowing starting rents to increase between project approval and occupancy?**

    The primary risk associated with allowing starting rents to increase between project approval and occupancy has traditionally been that the rent on the door upon occupancy has escalated beyond the projected rent that Council considered in approving the project at Public Hearing. In staff's view, recent Provincial changes to the RTA to limit annual allowing rent increases to the rate of inflation have largely mitigated this risk.

    For moderate income rental units, rents are not permitted to increase ahead of occupancy, as the intent of the pilot program is to explore opportunities to secure new rental units that meet the affordability needs of moderate income households earning $30,000 to $80,000 annually. Allowing these rents to increase ahead of occupancy would compromise the opportunity to ensure that the affordability of those units is matched to the target income range established in the pilot.

11. **What are the benefits to the developers and the city of extending the MIRHPP?**

    At this time, staff are recommending extending the timeframe for the MIRHPP while maintaining the existing cap on the number of rezoning applications that will be considered through the program. We currently have 10 rezoning applications actively in process and a number of additional rezoning enquiries that we expect to submit applications soon, however it's uncertain that all 20 spaces for rezoning applications will be filled by proposals that were invited forward ahead of the previous July 1, 2019 deadline.

    The main benefits of this approach are to better enable the pilot program to deliver its full anticipated compliment of 20 projects, to continue to learn as we work through implementation and Council has the opportunity to consider proposals at public hearing, and to deliver a significant number of new rental units with a portion permanently secured at rental rates that are affordable to moderate income households.

12. **Re: "residential rental tenure" rental-only zoning: what is the rationale for only above 4 stories? Are there no incentives for rental in these new C-zones except that they do not go through rezoning? Will there be fast-tracking of the permitting?**

Staff are recommending the introduction of residential rental tenure zoning in the C2 zoning districts for projects that are above 4 storeys in height. The rationale is that this approach maintains the ability to build a 4-storey strata building in the zone, and uses the rental zoning authority granted by the Province of BC as a density bonus to encourage rental housing development.

The primary approach to fast-tracking the approvals of these projects is to remove the need to rezone and to create simpler building types with less discretionary design negotiation on the form of development. This approach will also support the introduction of enhanced green building requirements, which are much easier to achieve in simpler building forms. Since rezoning typically takes approximately 12 months, there is expected to be significant time savings from this approach.

Both the development industry and community-based housing sector have voiced strong support for this approach to fast-tracking rental development in these zoning districts.

13. **Small businesses and art groups are saying that they are being priced out of the city. Will promoting these upzonings contribute to that? Has staff looked at the recommendation from the UDI (I know you'll find it hard to believe I'm suggesting this. Ha ha) that (p 70 of app M) developers offer a right of first refusal at the same rents to business tenants. They say it would lower the price of land which I like cause that's what driving high housing costs.**

Coriolis Consulting's findings do not anticipate land value increases due to the proposed changes in C-2 areas. Even with the proposed changes, Coriolis expects the existing use or strata development to be the most valuable land use option.

While some requirements for commercial spaces for rental housing are being proposed through this report, the rental incentives review did not include comprehensive work around commercial spaces (such as right of first refusal for existing commercial tenants), as this analysis is being performed through other City work. Future City work around ensuring viability of small businesses, including affordability of commercial spaces, will be informed by the City's Employment Lands and Economy Review, property assessment and taxation work through the Intergovernmental Working Group, and the Retail and Commercial District Small Business Study.

14. **What policies are in place to ensure the secured rental policy does not cause unreasonable amounts of displacement in the C zones?**

As Coriolis' economic testing has found, the highest rate of return in C-2 areas will continue to be strata development. Since 2009, 22 purpose-built rental projects have been approved in C-2 areas under similar incentives. Based on economic testing and historical trends, Staff do not anticipate significant increase in pace of development in C-2 areas.

Additionally, a relatively small share (approximately 4%) of the City's rental housing stock is located in C-2 areas. Any impacts on existing tenants due to redevelopment would be provided support as per the City's Tenant Relocation and Protection Policy.

15. **What exactly is meant by simple form? I imagine a more dense version of the 'Vancouver Special'**

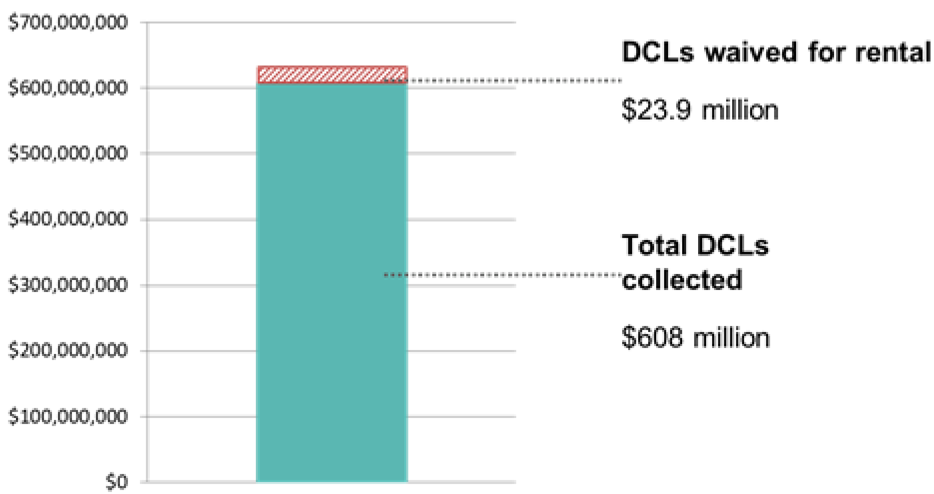
Under the current rezoning process for rental housing in C-2 areas, multiple building stepbacks have been common in projects approved. Forms of development with multiple building setbacks create challenges for rental project viability, meeting green building standards, and designing livable dwelling units.

The simpler form of development means requiring fewer building setbacks and reducing complexity around form of development. Simplifying form of development requirements will increase project flexibility for the applicant to improve rental viability, ability to achieve green building requirements, and livability of unit design.

16. **How does the amount of DCLs waived for purpose-built rental compare to DCLs collected over the past 10 years?**

Since 2010, the DCl waivers totaled $24 million, which is approximately 4% of the overall 608 million in DCL revenue collected over the same period. This has enabled approximately 2,700 new rental units.

DCLs waived for rental and total DCL collections, 2010-2018



*DCL values exclude approved rental projects in stream with DCL waiver to be confirmed at time of building permit issuance.

17. **How many fewer rental units would be built if we eliminated the City-Wide rental DCL waiver?**

The waiver of City-wide DCLs is a critical incentive for many rental projects, primarily because it helps to close the viability gap between rental and strata condominium development. Eliminating the waiver would be likely to have two key impacts.

First, staff estimate that eliminating the waiver would result in a reduction of rental supply in the range of 30% to 50% over the previous 10 year period. DCL waivers were issued for over 50% of all projects that proceeded through the previous Secured Market Rental Housing Policy, and approximately 30% of all rental housing built in the City over that period of time. Without the waiver, many of these projects would not have proceeded as our financial analysis shows that it was a key incentive in these projects.

Second, eliminating the waiver would have significant geographic impacts on the delivery of rental housing. The vast majority of projects that sought the DCL waiver over the past 10 years were located on the East Side of the City. For a range of reasons related to the development economics of these projects, the DCL waiver is a more important incentive on the East Side, where rents are generally somewhat lower than the West Side. Staff are concerned that eliminating the DCL waiver as an incentive would significantly reduce the number of rental projects on the East Side of the City. This would create geographic inequities in a City-wide program, and would result in a reduction in supply in the very areas where affordability of the rental housing over the long-term is likely to be the strongest.

18. **Do we know average rents being charged in new PBR buildings that haven't taken DCL waivers? (i.e do we have any way of measuring how much less the rent is where the DCL waiver restricts it to CMHC averages, than where that restriction isn't in place?)**

    Staff do not have information on average rents in new PBR buildings at this time since housing agreements where rent rolls are listed do not exist for these buildings. Staff have compared the DCL maximum rents with the overall city-wide average rent of new buildings constructed in the last 2 years. In the Westside, only a small share of projects (6 out of 30) have taken the DCL waiver, demonstrating that the DCL rent maximums in these areas are below the market rents.

    In the Eastside, DCL maximum rents are more or less reflective of market rates. However, the market rents tend to vary greatly depending on location, building type, etc. There will likely be instances where rents are both higher and lower than the DCL rent maximums. For instance, projects on Boundary Road may have lower rents than east side DCL average rates, while projects in more central locations (e.g. Main Street) may command higher rents.

19. **Considering that the median income of Vancouver renter households is around $50K/year and our Housing Vancouver Strategy aims for more than half of the housing for households of $30-$50K/year to be market rental, which DCL waiver option: Average Maximum Rents Across All Residential Units or 20% of Residential Floor Area at Below Market Rents, is more likely to achieve the rents affordable for $30K-$50K/year households – i.e., rents of $750 to $1,250/month?**

    The **<u>20% of Residential Floor Area at Below Market Rents</u>** option is more likely to achieve rents affordable to incomes between $30K-$50K/year households.

20. **Have you scoped estimates under DCL waiver option ii (20% of residential floor area below market) of what <u>percent of total units</u> (higher or lower than 20%?) could likely end up being below-market, and specifically below-market studios, 1-bedrooms and 2-bedrooms?**

    We anticipate that approximately 20% of the total units would end up being below market under Option ii. This option is primarily aimed at improving the administrative process for projects coming in under the Moderate Income Rental Housing Pilot Program. Of the 20% of total units that would be available at below market rents, we anticipate roughly 25% of the units to be studios and 40% to be 1 bedroom units.

21. **Are the rents specified in DCL waiver option i (average maximum rents across all residential units) 2019 CMHC market rents. Will they change yearly to match changes in market rents?**

The DCL waiver option i uses CMHC market rents as one of the eligibility criteria. The average rents are by unit type and change yearly to match the changes in the rents as reported by CMHC in the Rental Market Report. The next report is anticipated to be released in January of 2020.

22. **Could a developer choose DCL waiver option i and do all market rents?**

A market rent is the rent that can be charged or agreed to in the market between a renter and landlord at any given time and can vary greatly depending on location, building type, amenities, etc. The eligibility criteria in option i uses the average rents reported in the CMHC Rental Market Report for newer rental buildings built after 2005 as a general proxy for market rents. As these are average rents, in some cases, most notably in the eastside, the actual market rent can be lower depending on the location (e.g. near Boundary Road) than the rates in the DCL waiver option i. In the westside, the actual rents tend to be higher.

23. **Is it possible to waive DCLS only for the below-market rental units?**

Yes, it is technically possible. This would require amending the DCL Bylaws to change the definition of "for-profit affordable rental housing" to remove the current definition and replace it with a definition that reflects the intent of this question (i.e. that only rental units meeting a definition of "below market" would be eligible for a DCL waiver).

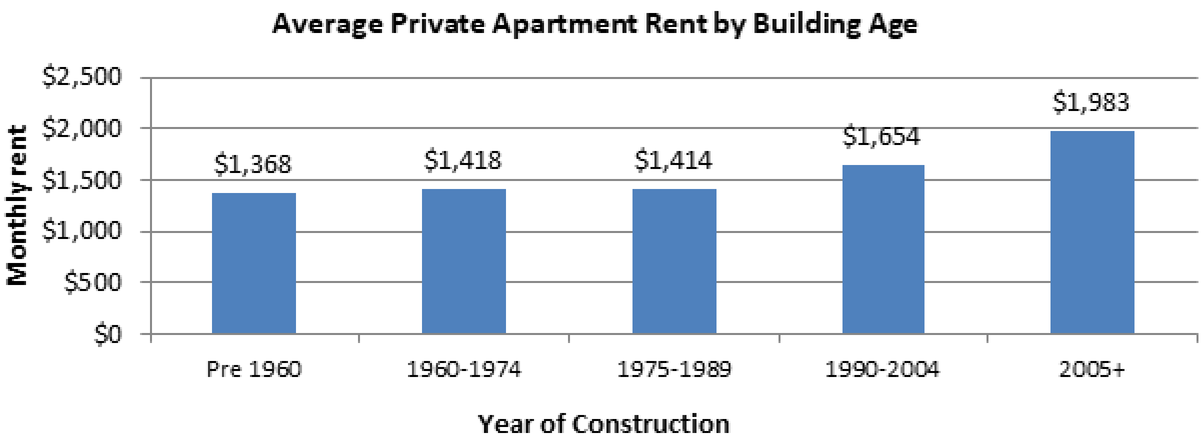
However, while technically possible, this change would likely have a significant impact on the delivery of new rental housing supply, particularly on the East Side of the city. This would impact both market rental projects that would no longer be eligible for a waiver, and those delivering below-market units (e.g. MIRHPP projects) in locations city-wide, as the waiving DCLs on 20% of the floor area would substantially reduce the value of the incentive and would considerably impact the financial viability of new projects.

See previous response to questions regarding impact of removing DCL waivers.

24. **There's a view that by waiving DCLs for market rental, the City effectively is passing on a subsidy to higher-income renters and developers while doing nothing to achieve affordability. What do we know about how these DCL waivers will enable rental affordability over the life of the building?**

The purpose of the DCL waivers, and the rental incentive programs more generally, is to create an opportunity for rental projects to be financially viable in a housing/land market dominated by higher cost condominiums and single detached homes. While the waivers can be viewed as a subsidy, when combined with other incentives such as bonus density and parking relaxations, they only bring a rental development to marginal viability compared with strata condominium development in most zoning districts.

In terms of long-term affordability, rental supply today is critical to housing affordability over the coming decades. Historically, the majority of the rental supply in the City was built in the 1960's and 1970's. At that time, it was built by private developers on a for-profit basis, and was criticized as a driver of gentrification. Today, the approximately 57,000 purpose built rental units that still remain are considered an invaluable stock of affordable housing, under protection by the Rental Housing Stock ODP. The older rental stock, on average, rents at a 30-50% discount to market rents in newer rental supply. The rental housing we are incentivizing today will similarly see increases in affordability relative to the market as the stock ages. In addition, the affordability of the older rental stock is further protected by the supply of new rental housing, that takes upward pressure off of rents in the older stock.



- Average rents for older purpose-built rental building constructed before the 1980s are substantially more affordable than newer rental buildings
- For example, in Vancouver, the rent for a 1 bedroom unit built between 1960-1979 was $1,386/month, which is 37% lower than the rent for a 1 bedroom unit built since 2013 at $1,891/month.
- The rent for older purpose built rental buildings are also comparable to HILs rents, where the rent in a 1 bedroom unit built between 1960-1979 is approximately 8% higher than a 1 bedroom social housing unit renting at $1,288/month.

25. **There's a view that by waiving DCLs for market rental, the City gives up on funds that can and should be used for community benefit. How can the City ensure that DCLs collected from other projects benefit the communities that take on greater rental supply?**

As outlined in the report, DCL waivers for rental housing accounted for less than 4% of all DCL revenue over the past 10 years. This comprised $24 million in waivers for rental while the City collected $608 million for use on DCL eligible projects. These include replacement housing, parks (excluding community centres), transportation infrastructure and child care projects. It is important to note that DCLs represent only one tool available to fund growth related costs – example of other tools include property taxes, user fees, community amenity contributions, and partner contributions.

The revenue from DCLs is collected centrally, and allocated through the Capital Plan process, which is informed by City-wide planning, community planning and associated Public Benefits Strategies. The most effective way for Council to ensure DCL revenue is allocated to its priorities is through the Capital Plan process.

26. **Does the amount of DCLs waived through these incentives impact our plans to deliver on below-market housing?**

The City has three primary approaches to the delivery of social housing. Contributing City-owned land at below market rates, securing social housing through inclusionary housing policies and providing grants to community-based housing partnerships. DCLs revenue is primarily used to support land acquisition so that City land can continue to be contributed to partnerships to develop social housing.

Over the past 10 years, the City has waived a total of $24 million in City-wide DCLs, while collecting $608 million. For housing, this meant waiving $7.5 million while allocating $173.6 million from total DCLs collected. The waiver of $24 million resulted in 2,702 secured rental units for an average waiver of $8,800 per unit. Had that $24 million been collected, approximately $7.5 million would have been allocated to "replacement housing". At a conservative per unit land cost estimate of $100,000 per unit, the collection of this revenue would have enabled approximately 75 social housing units.

While the DCL waivers have some impact on the City's ability to deliver on its social housing objectives, that impact is relatively minor compared with the ability to enable a significant supply of rental housing. Through this review staff have concluded that the structure and take up of the DCL waiver for rental housing supports Council's priority to increase rental supply with limited impact on our ability to fund social housing and other public benefits.

27. **Utilities DCL - why was the waiver extended to for-profit rental housing 2 years ago on a temporary basis and what has the evaluation of its impact been?**

The revenue forecast underpinning the Utilities DCL program (2019-2026) anticipated that the DCL waiver for secured market rental would be removed by 2020. This means that the UDCL program is already relying on DCL revenue from rental projects to fund the $550M in growth related sewer/drainage, water and GI projects. That is why in the establishment of the UDCL there was a recommendation that Staff report back on the removal of the utilities DCL rental waiver. Financial testing was undertaken on the impact of the Utilities DCL waiver on the viability of rental projects. The UDCL accounts for 1 to 2 percentage points on the estimated profit margin of a rental project. It is anticipated that taking away the UDCL will make it harder for some rental projects to be viable.

28. **When can we expect action on housing from the Vancouver Affordable Housing Endowment Fund? Who is on the VAHEF advisory panel?**

Following Council's approval of a provisional mandate for VAHEF in late 2018, staff have completed or are in the process of completing the following:

- Identified existing NMH assets that will form the fund and development pipeline

- Collected current state information of the fund (e.g. number of properties, leases, affordability, unit type, etc.)
- Defined key measures of success to track progress towards VAHEF's provisional mandate
- Identified key opportunity areas for VAHEF to best deliver on its mandate and forming key strategies for the fund
- Initiated a governance and operating model review with support from an external consultant
- Formed an external stakeholder advisory panel to provide input on the above with the first session held in Sept 2019 and scheduled to continue to March 2020
- Initiated a recruitment of a VAHA CEO to manage the fund's portfolio planning function and provide leadership in the execution of VAHEF's key strategies

Staff anticipate a report back to Council in early 2020 with recommended strategies, governance and operating model for VAHEF from Council approval.

Here is the list of the list of individuals who have agreed to participate in the VAHEF Advisory Panel Members:

1. Stefan Baune (New Chelsea Society)
2. Thom Armstrong (Co-op Housing Federation)
3. Jason Hingley (Metro Vancouver)
4. Craig Watters (Concert Properties)
5. Elizabeth Tang (CMHC)
6. Joe Chipman (New Commons)
7. Jon Stovell (Reliance Properties)
8. William Azaroff (Brightside)
9. Tiffany Duzita (Vancouver CLT)
10. David Eddy (Vancouver Native Housing)
11. Mike Mackay (Strand Development)
12. Kira Gerwing (Vancity)
13. Vickie Turnbull (RBC)
14. Shayne Williams (Lookout Society)
15. Janice Abbott (Atira)
16. Robert Brown (Catalyst)
17. Michael Flanigan (BC Housing)
18. Jill Atkey (BCNPHA)
19. Kevin Hamaoka (TD)
20. Garth Davis (New Market Funds)

29. **In the Energy Retrofit PLUS Reinvestment Pilot Project with LandlordBC, how will the buildings be chosen?**

The buildings will be chosen through a competitive selection process, run by Landlord BC and involving City and Provincial staff. Through engagement with Landlord BC and building owners and managers, staff have heard concerns from landlords about the value of undertaking low-carbon retrofits, particularly in ways that don't result in displacement of existing tenancies. The relationships that Landlord BC has throughout the sector will be critical to encouraging participation in the program. The main objective of the program is to address these concerns by demonstrating that it is possible and even beneficial to undertake these retrofits while keeping existing renters in place and minimizing impacts on their quality of life.

30. **Also in the Energy Retrofit PLUS Reinvestment Pilot, why is the target "low emission" and not "zero emission"? Related, can we require fuel-switch from gas to electric in each of the projects included in the pilot?**

The focus of the pilot with respect to fuel switching is supporting market rental buildings adopt heat pump technologies that have the potential to see broad adoption among rental buildings, but thus far almost no uptake, in particular air-to-water heat pumps for domestic hot water and heat pump make-up-air systems for corridor ventilation and heating. It is expected that the majority of building projects will be mechanical fuel-switching measures (from natural gas to electric). However, a small subset (1-3) of building projects will include envelope retrofits.

The Pilot is targeting "low emission" as opposed to "zero emissions" because most older purpose-built rental buildings have multiple, costly barriers for undertaking a space-heating fuel-switch, such as envelope improvements, electrical upgrades and heat distribution systems. Because landlords and property managers are not familiar with the technology the intent is to fuel-switch individual systems in buildings that are a good fit, taking advantage of equipment that needs to be replaced because it has reached the end of its useful lifetime or is not performing well. Through the energy assessments that are performed and the coaching services provided, building owners and managers will be presented with a full suite of retrofit measures that would result in a zero emission building. If an owner is interesting in pursuing all off the measures required to achieve zero emissions, the Pilot will support them in achieving this target.

31. **What will the City's involvement be in the Energy Retrofit PLUS Reinvestment Pilot (aside from helping fund it)?**

The City's role in the Pilot will include:

a) Funder
b) Participating in a Steering Committee that will provide oversight and direction,
c) Reviewing and approving the contract for the Pilot implementation contractor,
d) Advising on participant selection,
e) Preparing a best practice guide on tenant engagement and communication for Pilot participants
f) Reviewing and approving participant applications for capital funding to support retrofit projects,
g) Preparing and disseminating case studies on implemented retrofits

32. **Also in the Energy Retrofit PLUS Reinvestment Pilot, are there ways we can more closely monitor existing tenancies in the few years after work is complete, to ensure the improvements don't result in increased tenant turn over in the short and medium term? Given renter anxieties about renoviction, how can we reassure them that this work won't have that impact?**

A priority of the pilot is learning how to undertake important capital and energy retrofits while maintaining tenancies and affordability for existing tenants. Agreements with pilot participants will include conditions requiring that participants not use the improvements and/or upgrades incentivized under this Program as a basis for future rent increase or tenant evictions. This approach is consistent with agreements from similar programs offering assistance to rental owners, such as the FORTIS Rental Apartment Efficiency Program. Compliance with these conditions will be monitored and tracked during and following the pilot, and key learnings will be included in ongoing reporting.

33. **The Energy Retrofit plus Reinvestment Pilot city cost of $1.5 million will be funded from the approved multi-year capital budget for the Non-City Building Emission Retrofit Program. How much is in that program in total? Is there an estimate on the number of older rental building retrofits that this pilot will cover?**

The total program budget is $3.0 million, with $1.5 contributed from the City of Vancouver and $1.5 million from the Province of BC through Clean BC.
The number of pilot participants receiving support with retrofits will be determined over the two phases of the pilot outlined in Appendix G:

Phase 1 will Provide up to $10,000 to owners of market rental MURBs in Vancouver to conduct a targeted energy study of their building. It is estimated that targeted energy studies will be conducted for up to 20 different buildings

Phase 2 will provide capital funding for a subset of the buildings that participated in the first phase of work. The specific number of building projects receiving capital funding from the Project will depend on the types of measured chosen and the size of participating building (larger buildings are expected to incur higher per measure costs). The capital funding will cover a portion of the cost to install one or more of the low-carbon retrofit measures identified in the building's energy study. It is expected that the majority of building projects will be mechanical fuel-switching measures (from natural gas to electric). However, a small subset (1-3) of building projects will include envelope retrofits.

34. **Is it possible to consider zero or near-zero parking as an incentive?**

Zero or near-zero parking could serve as an incentive to developing rental housing and is an opportunity Staff will continue to explore. Due to recent amendments to the Parking Bylaw to reduce requirements for rental housing and achieve significant parking reductions through TDM plan measures, Staff do not recommend further changes to parking regulations at this time until more analysis has been undertaken to understand how these recent changes are working. However, Staff will consider opportunities for zero or near-zero parking as an incentive for rental housing through future work.

Both through the Climate Emergency Response, and planning initiatives such as the Broadway Plan, Staff are looking carefully at further reductions in parking requirements, including zero or near-zero options.

35. **Regarding parking requirements, how many rental projects are utilizing the Transportation Demand Management option and building 60% less parking?**

Due to the recency of changes to the Parking By-law to enable parking requirement reductions through a TDM plan, Staff do not currently have statistics on uptake for rental projects. Up until this point, few rental projects pursuing a TDM plan have reached development permit issuance, which is when TDM plans and agreements are finalized. Tracking of TDM plans and agreements are done at time of development permit issuance, as TDM plans can significantly change throughout the application process.

Anecdotally, most interest in TDM plans for rental developments has been where there are site constraints (i.e. small/irregular lot, site excavation issues, etc.). While many rental applicants have expressed interest in pursuing parking reductions through a TDM plan, relatively few have sought the maximum parking reductions.

Staff will continue to explore opportunities for deeper parking requirement reductions for rental housing through the Broadway Plan, particularly in proximity to transit.

36. **Is it possible to consider 3 story walk-ups, which was raised during the consultations?**

Staff considered a range of different forms in the low density transition areas. Project viability is challenging for rental projects, and the density achieved through a 3 storey form would not be sufficient to make new rental projects viable when compared to the existing use as a duplex or single family house/laneway. For this reason, the proposed approach is to enable new rental apartments or townhouses up to 4 storeys, however this would not preclude a new 3 storey walkup apartment building from potentially being proposed.

37. **How soon could the City adopt proposed 2020 National Building Code changes that permit encapsulated mass timber up to 12 storeys (which the Province says they will facilitate)?**

Staff are proposing to report back to Council with amendments to the Building Bylaw and land use policies to permit mass timber development in Q1 of 2020, in response to the Climate Emergency. Further opportunities to expand the use of mass timber development will be explored and reported back to Council in Q4 2020.

38. **Can you explain what Appendix I means?**

Appendix I outlines the amendments to the Utilities DCL Bylaw that the Director of Legal Services would implement if Council approves Recommendation I. The effect would be to remove the sections of the UDCL Bylaw that enable the UDCL to be waived for rental housing projects.

39. **Regarding Appendix E (page 5), what does “inboard bedroom” mean?**

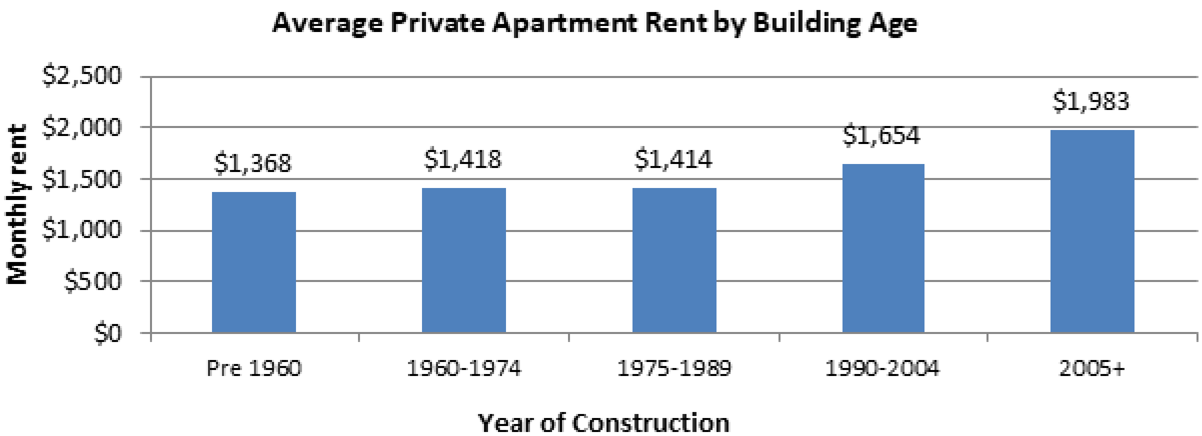
An inboard bedroom is a room within an apartment, primarily intended for sleeping, that does not have a wall/window directly to the outdoors. These are sometimes referred to as

borrowed light bedrooms, as natural light may be accessed from a skylight, light well or transom window into another room, such as a living room.
City of Vancouver Bylaws generally require bedrooms to have a window that opens directly to the outdoors. This can be challenging to achieve for larger units (e.g. 3-bedrooms) in some building types, particularly apartment buildings in mid-block locations.

In order to achieve larger units, and to test the design of units with inboard bedrooms for livability and other design considerations, the MIRHPP including a provision for consideration of inboard third bedrooms, subject to an evaluation of design performance and livability considerations.

40. **How likely is it we will see the cost of rents come down by increasing supply with this policy and if it is likely how long would it take?**

CMHC data on average rent levels in purpose-built rental housing indicate that rents decrease significantly over time. In 2018, rent levels in buildings constructed prior to 2004 are lower than average rents in newer rental buildings. The rents in buildings constructed prior to 1990 are significantly lower than the average rents in newer buildings.



Additionally, while rent levels are generally higher in new developments, building new rental housing can have more immediate impacts on rents for the existing rental housing stock. Adding new housing supply reduces pressure on existing rental housing, softening competition for existing units.

41. **What we are missing is housing for families, will this policy ensure we will continue to have a minimum of three bedroom units built?**

Currently, the City's Family Room: Housing Mix Policy for Rezoning Projects requires that 35% of all units in rental buildings are family units (2 bedrooms or more). This policy will continue to apply to rezoning projects under the Secured Rental Policy. Additionally, Staff are recommending to include a 35% family housing requirement in the amended C-2 district schedules. This would ensure that rental projects which no longer require a rezoning process are still providing family units.

42. **In the "off the shelf" designs for these projects is there anything about universal design? Flat entry? Improved accessibility? I know we layer a lot of things into each policy, but it'd be great to see more accessible units being created across the city.**

Vancouver's building by-law (VBBL) accessibility requirements for apartment buildings exceed those of National and Provincial Building Codes. Vancouver's "enhanced accessibility" provisions require that access be provided from the street and designated accessible parking areas, to all apartment units and common amenity areas of a building where an elevator and a public corridor are provided. In addition, the VBBL includes a number of features that allow new residential dwelling units to be adapted over time as well as allow for visits from persons with disabilities. As a result, introducing apartment building forms to low-density transition areas will enhance building accessibility compared to current uses in the same areas, as single-family homes and individual townhouses are not required to meet the same accessibility standards.

Particular challenges related to further accessibility requirements, or for accessible dwelling units, relate to the impact of lost floor area and the overall impact on rental project viability. Staff will need to explore improved accessibility as part of the development of the district schedules.

43. **Appendix A, p 4: will these changes and the prospect of increased density in more places increase speculation. Do we need a Development Cost Expectation policy in these areas?**

Staff do not anticipate increase in speculative land purchases due to the proposed policy changes. Coriolis Consulting economic testing shows that the existing use (i.e. single-family homes, commercial spaces) or any strata development potential outcompetes rental use, even with rental incentives being proposed. The most significant anti-speculation tool being applied here will be the use of rental only zoning. These buildings would be restricted to rental tenure. As a result, Staff are not recommending a development cost expectation policy at this time.

44. **It looks like most of these projects will have DCLs and CACs waived. In there any prospect of getting CAC's from them ?**

As outlined in Coriolis Consulting's economic analysis (Appendix L), the proposed policy changes are not expected to result in any increase in land values. As a result, Staff do not expect CACs to be collected for the majority of rental projects in C-2 and low-density transition areas.

Under the current Community Amenity Contributions Through Rezonings Policy, the City exempts CAC negotiations for many low-complexity rental development projects with no anticipated land lift in order to increase clarity and simplicity of the development process. Current exemptions for rental housing are outlined in the table below:

Table 1: Exemptions for Routine, Lower Density Secured Market Rental Rezoning Applications

Areas	Zoning District (Base Zoning)	Rezoning to Specific Height	Requirement for CAC
Mixed-Use Commercial/ Residential Areas	C-1	<= 4 storeys	X
	C-2 zones	<= 6 storeys	X
	C-3A	Refer to local height maximums in C-3A guidelines	X
	MC-1	<= 6 storeys	X
Residential Areas	RS zones (applicable to Affordable Housing Choices Interim Rezoning Policy applications)	<= 4 storeys	X
	RT zones	<= 4 storeys	X
	RS/RT zones (in community plan areas) (applicable to Community plans: Cambie Corridor, Marpole, Grandview-Woodland, Joyce Station Precinct)	<= 6 storeys	X
	RM zones (applicable to infill projects where existing rental units are not demolished)	<= 6 storeys	X

Notes:
(1) This table provides guidelines around the requirement for CAC review. For direction on land use, refer to *Secured Market Housing Policy (May 2012) and Rental Incentive Guidelines (2017) and other Council approved policies and guidelines.*
(2) Excludes the Oakridge Municipal Town Centre area in the Cambie Corridor

Staff are proposing to maintain the CAC exemptions for rental housing, but increase the building height eligible for CAC exemption for RS and RT zones from <=4-storeys to <=5-storeys. This proposal is based on financial testing, which expects no anticipated land lift for 5-storey rental projects in these areas at the densities being considered.

CAC negotiations will continue to be required for 6-storey rental development in low-density transition areas (RS/RT). In most cases, projects will not result in a cash CAC, but CAC negotiations will enable Staff to assess the affordability of below-market units being proposed by the applicant.

45. **If we are using all this land for mostly expensive rental ($1869 for 1 bed) or for 80% expensive rental (with MIRHPP rents), where do we put the co-ops and social housing that lots of people want and need?**

In addition to actions to enable the delivery of market rental housing, Housing Vancouver provides directions for actions to achieve an additional 12,000 units of social, supportive and co-op housing over 10 years. Work towards delivering these units is taking place across a number of ongoing and new initiatives, including:

- Implementation of inclusionary housing policies enabled under community plans (e.g. Cambie Corridor Plan, Grandview Woodland Plan, DTES Plan etc.)
- Social housing requirements under the Sustainable Large Sites Policy (e.g. Heather Lands, Oakridge Transit Centre etc.)
- Provision of city land and partnerships with the non-profit sector and senior governments to enable new social, supportive and co-op housing projects (e.g. Partnership with the Vancouver Community Land Trust enabled approval of over 300 units of social housing in 2019 on city-owned land)

- Launch of a newly approved Community Housing Incentive Program (CHIP) to provide capital grants to non-profit housing providers developing their land with a focus on deepening affordability in social housing projects
- Ongoing Broadway Planning process which includes exploring opportunities to enable more non-market housing close to transit and amenities
- New Station Area Planning for the Expo Line Station areas from Nanaimo to Boundary Road being explored as an early planning initiative under the Vancouver Plan process to enable delivery of additional housing choice including non-market housing
- Development of an Affordable Housing and Community Spaces Incentive Program to create opportunities for additional non-market housing on non-profit owned land
- Development of the Vancouver Affordable Housing Endowment Fund (VAHEF) to manage and grow the City's non-market housing assets as a portfolio and leverage city land and funding contributions to partner with senior governments and take advantage of new funding programs

46. **Have staff considered using the DTES Oppenheimer (DEOD) zoning which requires 60% social housing and 40% rental for anything over 1 FSR in other parts of the city to help cool land prices and make social housing more affordable??**

Housing Vancouver includes strategies to deliver on targets across the housing continuum with a focus on shifting supply toward rental housing affordable to local incomes, including non-market social and supportive housing. The scope of the Rental Incentive Review was focused on enabling additional market and below-market rental housing through incentives to the private development industry, although the incentives are also available to non-profit organizations interested in creating new rental housing. As such, staff did not consider actions to enable additional social housing under this initiative which requires significant capital investment and often ongoing subsidies, which are primarily secured through senior government funding programs. Other actions currently being undertaken that focus on the delivery of social and supportive housing are outlined in #45.

47. **Appendix A page 5: For RM and CD-1 areas there is a stipulation of no rezoning unless tenants are not displaced. But this is missing from the other areas on the chart. Why?**

As a large concentration of the City's purpose-built rental housing is located in RM and CD-1 zoned areas, Staff have crafted policy that attempts to focus growth of new rental housing with minimal impact on the existing rental stock. These areas correspond to the zoning districts that are covered by the Rental Housing Stock ODP, which has requirements for rental replacements. The intent of the stipulation in the proposed Secured Rental Policy is to ensure that the high concentration of existing rental housing in RM and CD-1 areas is not impacted by redevelopment under the policy; however, these areas are included in the policy with those conditions, as there may be limited potential rental development opportunities which will not impact existing rental housing (e.g. infill opportunities).

The proposed policy focuses development for new rental in areas which are not covered by the Rental Housing Stock ODP. To ensure there are sufficient opportunities to increase the City's rental housing stock, the Secured Rental Policy does not include the same site restrictions for these areas, which tend to have significantly lower concentration of existing rental stock.

Any existing tenants impacted due to redevelopment would be provided support as per the City's Tenant Relocation and Protection Policy.

48. **Recommendations - What was the specific feedback from the development industry on the positive/negative impact of the proposed changes included in this report?**

Overall, the industry emphasized the urgent need for streamlined planning and development processes to expedite new rentals, and are supportive of the prezoning approach. The industry also expressed the need for improved clarity around development allowances and guidelines in order to introduce more certainty into the development approvals process. Maintaining the existing incentives and market rental policies was also a major theme we heard through consultation – especially the City-wide DCL waiver. In addition, development industry emphasized a need for sufficient incentives (e.g. additional density) and flexibility in building design to ensure financial viability of rental projects.

49. **Citywide consultation - how were the consultation sessions advertised to the public? (Eg Talk Vancouver survey, open houses). I don't recall seeing any social media or newspapers ads for these consultation opportunities.**

The consultations were advertised through a number of means, including an advertisement in the Vancouver Courier, posters that were circulated to all the community centres and libraries, email notification to Housing Vancouver and Talk Vancouver distribution lists, and through a social media campaign (e.g. facebook, twitter, Instagram, and YouTube), and information on the City's website. Information about the Open Houses and Survey were also provided to the media.

50. **What is the methodology behind the Housing Vancouver 10-year housing targets?**

The Housing Vancouver 10-year strategy, adopted by Council in November 2017, includes targets for new housing to be approved over 10 years (2018-2027). Overall, the strategy aims to enable 72,000 new homes, which are intended to shift supply of housing in the City towards the right supply of housing to meet the needs of residents.

The targets were heavily informed by the values we heard from 10,000 Vancouver residents during consultation for Housing Vancouver:

- Affordability: All residents should have access to housing options within their means that meet their needs
- Security: Housing is about 'homes first' and security of tenure, and is an important foundation a sense of belonging in the city
- Connection: All residents should have access to housing options within their means that meet their needs
- Diversity: Housing should respond to the diversity of people and households who call Vancouver home.

- Equity: Housing should promote equitable access to jobs, education, and other opportunities for economic prosperity for people of all ages, incomes, and backgrounds.

The housing targets are not based solely on growth projections. Instead, they are targets intended to create enough housing to meet the needs of current and future residents, noting that over 50% of residents in Vancouver are renters. In developing the targets, staff considered the following factors:

- Growth projections from the Regional Growth Strategy and the City's Regional Context Statement
- Existing housing needs based on income and other factors, the most extreme examples of which are homelessness and households living in privately owned SRO hotels
- The number of housing units already approved and in the pipeline, and the over-representation of condominium units that make up the current pipeline
- The capacity of the housing sector (private, public and community-based), to deliver on the targets over the timeframe of the Strategy

The targets are intended to deliver on the following goals:

- Shift the current supply of housing, which is primarily ownership, to secure forms of rental housing to better reflect existing and future need
- Ensure new housing reflects the diversity of incomes and household needs among current Vancouver residents and helps maintain the diversity of incomes in the city as we grow
- Create targets that are both aspiration and feasible to deliver with our partners acting together across sectors

Table 1 includes additional detail on the methodology for each category of housing targets:

Table 1. Housing Vancouver Targets by Housing Type

Target	Housing Type	Assumptions and Calculations
12,000	Social and Supportive	>Total target (12,000) calculated from homelessness growth and SRO Replacement target (Vulnerable Populations) of 5,200 households plus + number units (6,800) required to maintain share of social housing at 9-10% of total stock (maintain diversity). >Distribution across income buckets is a result need to address homelessness and SRO replacement, family housing requirements (3,400 units targeted for families) and requirements for financial feasibility (e.g. 1/3 required to rent at low-end of market to offset operating costs)
20,000	Purpose-Built Rental	>The target aims to shift the city's housing stock toward rental in order to preserve the share of renters in the city and move towards a healthier vacancy rate of 3%. >20% of units targeted for privately owned below market rentals

		(2500 singles units + 1500 family units)
30,000	Condos	>Significant proportion of these units already approved or in the development pipeline. Target also reflects base level of condominium development in City over previous decade. >Target also assumes approximately 1/3 of condominium units will be rented, per CMHC data.
4,000	Laneways	>Based on 8 year trend of ~400 per year (as of 2017)
1,000	Coach Houses	>Reflects supply gap in medium density ground oriented housing types that are more affordable than single detached homes >New form with no previous numbers to base our calculations; staff will work to track progress towards this new target
5,000	Townhouses	>Reflects supply gap in medium density ground oriented housing types that are more affordable than single detached homes. The townhouse stock currently makes up a 3% share of total dwellings >New target will double the town/row house stock in 10 years
72,000	Total Target	

If you have any questions or require further information, please contact me or Dan Garrison, Assistant Director of Housing Policy, at 604-673-8435 or dan.garrison@vancouver.ca.

Gil Kelley, FAICP
General Manager, Planning, Urban Design & Sustainability

(T) 604.873.7456
(E) *gil.kelley@vancouver.ca*