

MOTION

6. The Unintended Consequences of Recent Policy Changes to DCL Waivers on Affordable Housing (Member's Motion B.7)

At the Council meeting on March 1, 2022, Council referred the following motion to the Standing Committee on Policy and Strategic Priorities meeting on March 2, 2022, in order to hear from speakers.

MOVED by Councillor Hardwick

WHEREAS

1. The Development Cost Levy (DCL) Waiver was implemented in City of Vancouver policy to incentivize secured market rental projects that include levels of affordability below market. In July 2018 Council approved the Utilities Development Cost Levy (UDCL) Waiver that came into effect in September 2018. Eligible projects that obtained a building permit before September 30, 2021, were granted extensions;
2. The Housing Vancouver Strategy includes the target of 20,000 new secured rental units over ten years (by 2027);
3. The 'Below Market Rental Housing Policy for Rezoning' was approved by Council on November 26, 2019, and states:

“After three years of monitoring, the City is not achieving the annual targets set out in Housing Vancouver for new secured rental housing affordable to households earning \$80,000 per year and below. Concurrently, Vancouver’s purpose-built rental vacancy rate has been less than 1 percent since 2014 while the proportion of renter households in Vancouver continues to rise, resulting in more renters competing for a limited number of rental units.”
4. Recent changes to the DCL bylaw eliminated previous waivers. Projects with applications submitted before September 30, 2020, were to be provided in-stream rate protection and the UDCL waiver, but only if they were granted a Building Permit by September 30, 2021;
5. Many projects in compliance with the Rental 100 policy received regulatory approval from Council before September 2020. Pro formas were calculated, including DCL waivers applicable at the time of application. Housing Agreements between the applicant and the City of Vancouver were negotiated conditional to DCL waivers;
6. A total of thirteen projects were eligible for in-stream rate protection if eligible for a building permit by the deadline of September 30, 2021. Staff have confirmed of the thirteen, four projects, each approved by Council for thirty-fifty units of secured market rental, were close to eligibility but did not meet the deadline;

7. Levels of affordability were secured with Housing Agreements for the thirteen projects in exchange for a DCL or UDCL waiver. Non-market rental units previously approved in Housing Agreements will no longer apply without the DCL waiver. The result will be market rental for all units in each of these projects; and
8. Without the DCL/UDCL waiver, some projects may not be viable and may be abandoned by applicants, affecting the overall overcomes of delivering secured-rental in the Housing Vancouver Strategy.

THEREFORE BE IT RESOLVED

- A. THAT Council direct staff to explore and establish criteria and bring recommendations to Council with options to amend the DCL waiver to provide a mechanism to provide incentives, including but not limited to DCL waivers, that will protect the levels of affordability negotiated in the Rental 100 projects that Council approved, yet did not meet the deadlines for in-stream rate protection;

FURTHER THAT staff report back to Council with these recommendations before the end of April 2022.

- B. THAT Council direct staff to provide metrics on how the changes to the housing agreements in the absence of these waivers will affect the number and affordability of units projected in the Housing Vancouver Strategy.

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