

PDS POLICY GOALS & OBJECTIVES

**Prioritization Framework for Planning Policy and
Processing Applications**

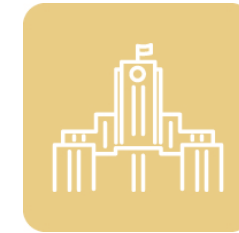
Planning, Urban Design and Sustainability

May 9, 2023

Outline

1. Alignment of Governmental Policies and Commitments
2. Current Economic Climate & Housing Trends
3. Rezoning Volumes and Trends
4. Application and Policy Prioritization Frameworks
5. Summary of Strategies

Federal, Provincial and Municipal alignment to tackle the Housing Crisis



- Federal government
 - Target of 500,000 immigrants annually to Canada by the year 2025
 - Lower Mainland's share: 62,500 people
 - \$4 Billion Housing Accelerator Fund
- Province of BC
 - Housing Supply Act and other housing policies aimed at enabling housing
 - \$4.2 Billion Homes for People Plan

Current economic climate impacting housing supply and demand



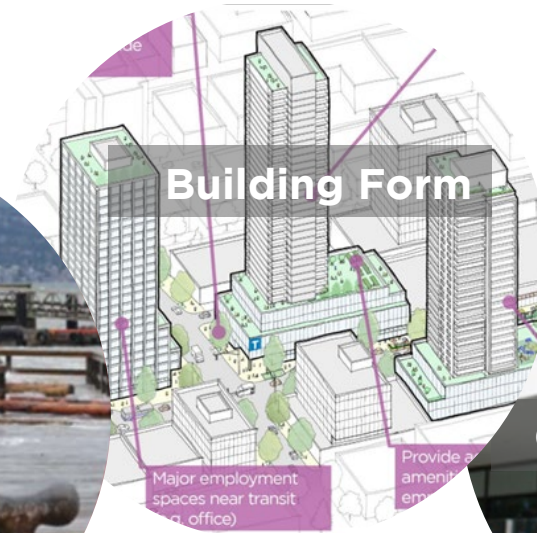
- Housing and job growth demands generated by Immigration targets and inter provincial migration
- Increasing misalignment of incomes to housing market prices in rental and strata
- High inflation, high interest rates, labor and supply chain shortages
- Uncertainty and increased risk in development and construction industry

What can the City do to facilitate delivery of much needed housing?

CONTEXT

Identify and align city building goals, objectives and policies:

- Meet the challenges of today
- Capture and maximize investment from Senior Governments
- Infrastructure investment and capital planning



EXISTING POLICIES ARE KEY TO ACHIEVE OUTCOMES

Employment lands and the office market are currently in a healthy position

- Current vacancy rate a healthy 8.4% in Q1 2023 (Vancouver downtown)
- Between Q1 2020 and Q1 2023, 2,446,975 ft² office supply was added
- Approx. 3 million ft² of office space under construction in Downtown Vancouver

Figure 1: Downtown Vancouver Office Vacancy Rate (Q1 2012 – Q1 2023)

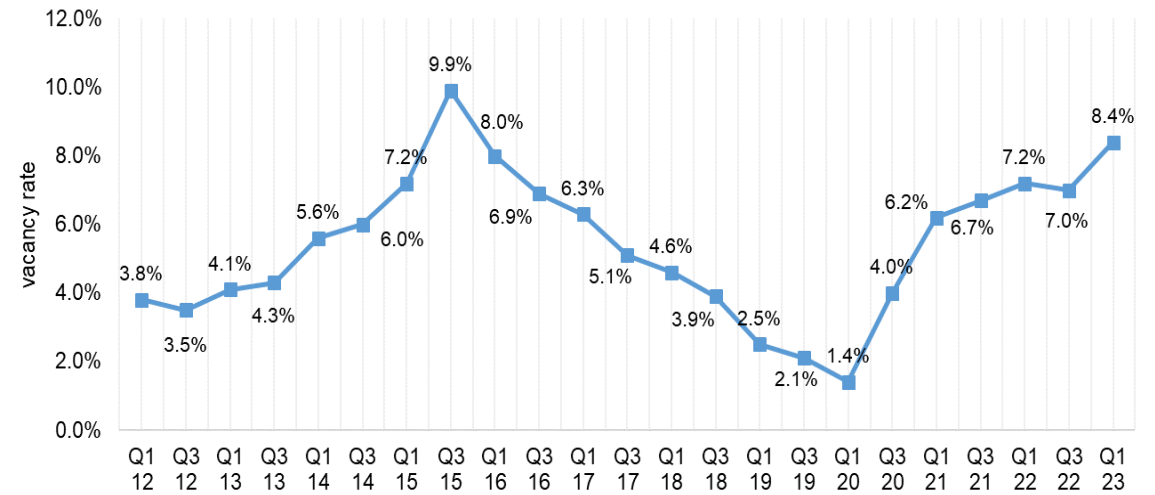
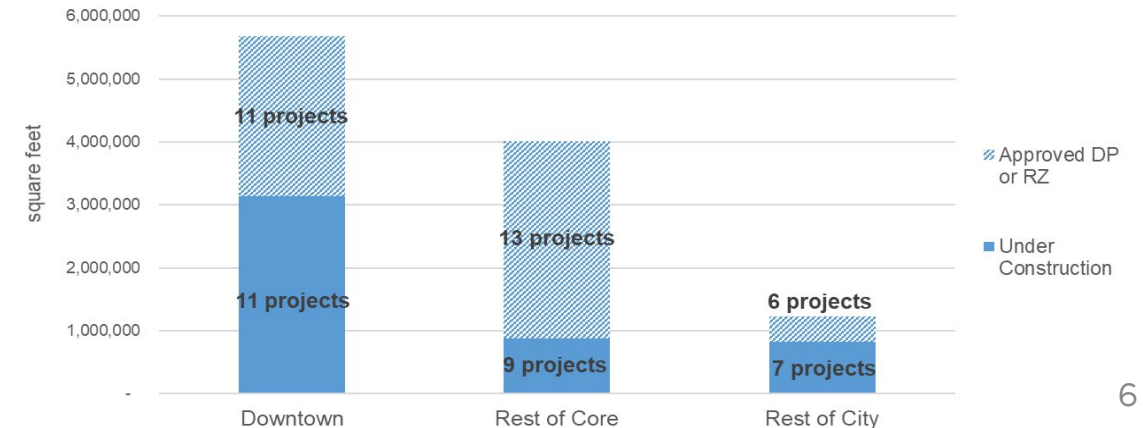


Figure 2: Major Office Developments Under Construction, or with Approved Development Permit or Rezoning Applications



EXISTING POLICIES ARE KEY TO ACHIEVE OUTCOMES

Demand for industrial space is extremely high

- Greater Vancouver continues to have one of the lowest industrial vacancy rates in Canada (less than 1%)
- Rents are increasing
- Developers in City of Vancouver are responding with stacked industrial forms:
 - 1 million ft² under construction
 - 600,000 ft² recently approved but not yet started

Figure 1: GVA Industrial Vacancy and Average Net Rent Prices, Colliers International

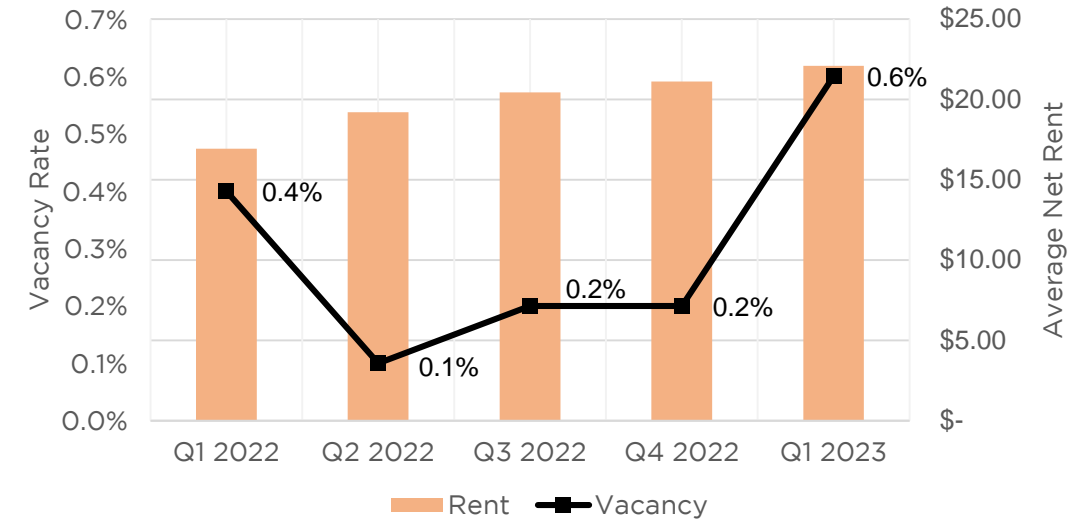


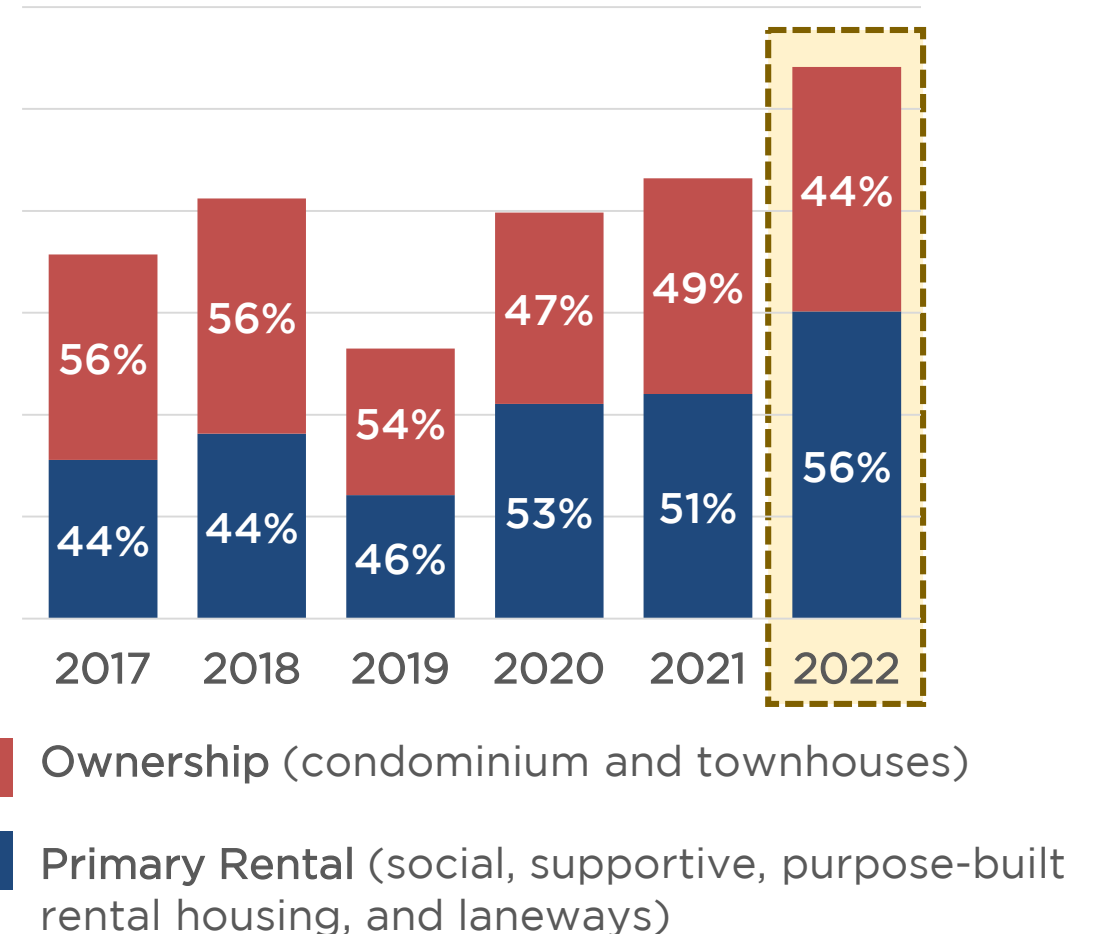
Figure 2: Example of stacked industrial under construction at 8188 Manitoba Street in the I-2 district with over 23,000 ft² of industrial space



Housing Vancouver Strategies have successfully shifted the housing supply

- In the last 6 years, the City has approved 32% more units than the previous years
- 2022 had the highest share of rental housing in the last decade
- Construction starts and completions lag approvals

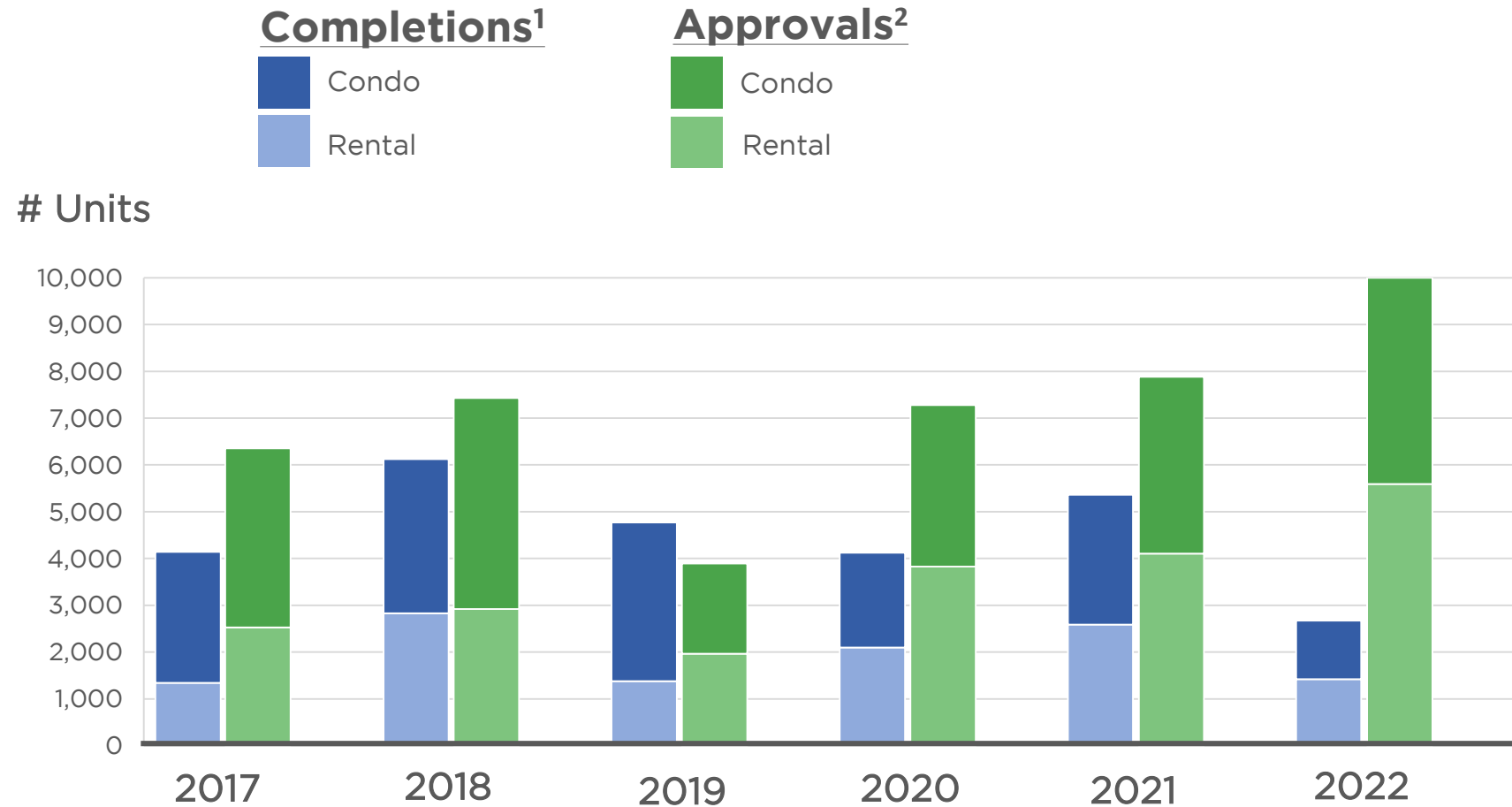
In 2022, 56% of new approvals were secured rental



ENSURING HOMES GET BUILT

Apartment Completions and Approvals in the last 6 Years

Over the last 6 years the City has approved just under **43,000** housing units compared to just under **28,000** housing units completed



1. Completions sourced from CMHC Starts and Completions Survey

2. Approvals sourced from City of Vancouver Public Hearings and Development Permits

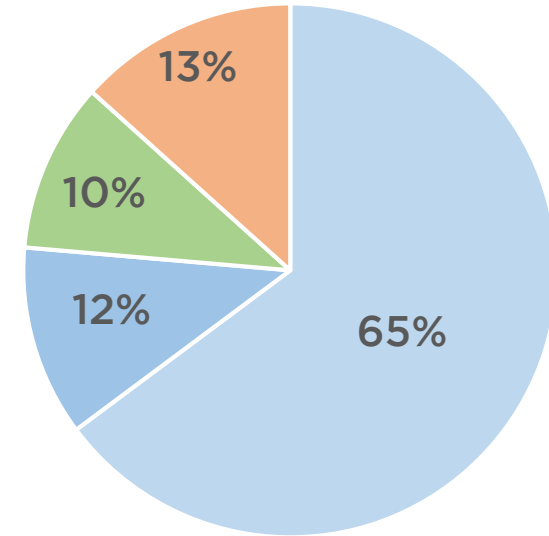
CURRENT REZONING VOLUME

Rezoning Stream

- Policies are working to encourage growth and development
- 3-4 year supply of units based on past trends
- Range of housing tenure and mix

Active* rezoning projects delivering

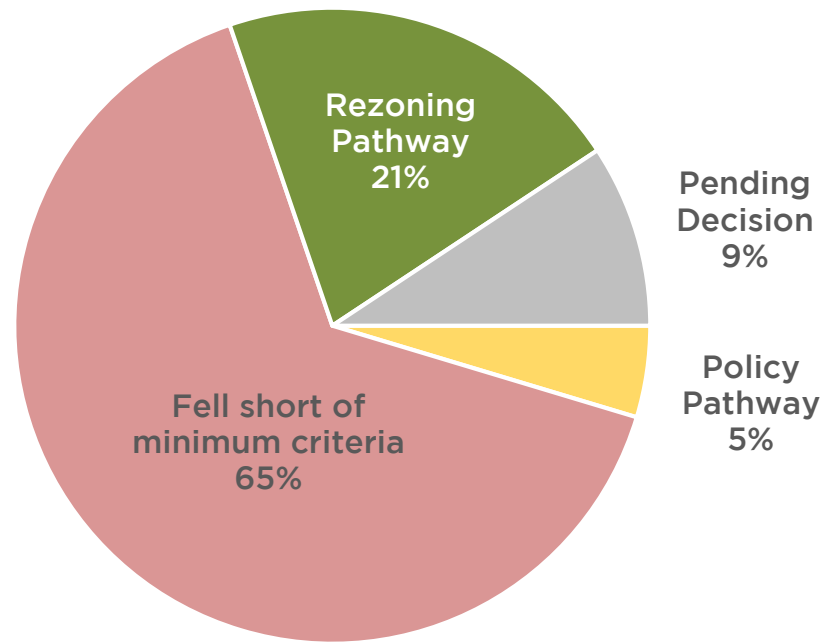
- Housing units: 35,687
- Job space: 8,798,276 sq. ft.
- In-kind and cash CACs



Tenure Type	Unit Count*
Secured Market Rental	23,130
Below Market Rental	4,125
Social Housing	3,671
Strata	4,761
Total	35,687

* Includes rezoning enquiries, with 64% of enquiries turning into rezoning applications to-date.

POLICY ENQUIRY PROCESS



Results since launch (Oct , 2021):

- Rezoning Pathway: 9
- Policy Pathway: 2
- Fell short of min. criteria: 28

Projects Recommended for Rezoning Pathway

- Job space: 123,748 sq. ft.

Tenure Type	Unit Count	%
Secured Market Rental	1,424	36%
Below Market Rental	158	4%
Social Housing*	1,409	35%
Strata	1,008	25%
Total	3,999	100%

* Includes Seniors Supportive and Assisted Housing

OPPORTUNITY: PEP + ENHANCED REZONING

Enhanced Rezonings - Underway

- Downtown Eastside Policy Amendments
 - Unlock affordable housing potential in DTES
- 3200 E Broadway
 - Reconciliation, maximize employment space potential
- Louis Brier/Shawn Oaks
 - Long term care, housing, childcare

Enhanced Rezonings - Pending

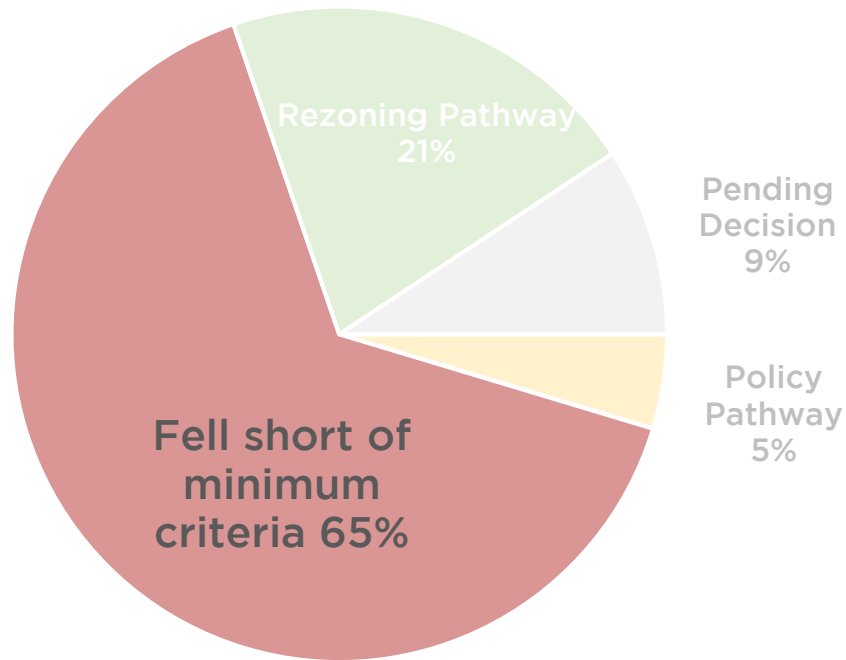
- Sinclair Centre
 - Significant job space in CBD

Units Proposed*

- Market rental: 2,500+
- Below Market Rental: 500+
- Social housing: 400+
- Seniors Supportive or assisted housing: 150+
- Strata: 1,000+
- Employment space: 450,000+ sq. ft.

Capacity to process 3-4 site specific Policy Non-Compliant & Enhanced Rezoning applications per year

POLICY ENQUIRY PROCESS - SINCE LAUNCH



Some proposals are seeking exceptions to policies where other similarly situated properties and applications have achieved full compliance.

Applications that fell short of min. criteria

- Residential encroachment in industrial/employment lands
- Tenant displacement without adequate replacement units
- Market rental without commensurate below-market rental units
- Increases in density without proportional increases in amenities
- Insufficient utilities or transportation infrastructure

The Policy Enquiry Process options and improvements



- Ongoing operational improvements
- Council may choose to reassess the current PEP criteria to align with its goals, priorities and desired outcomes to increase success rate of applications
- Recommendation for consideration included in the report

Impacts to processing timelines and outcomes

Issues

- Housing Crisis: housing affordability, homelessness
- Volume of applications and enquiries
- Policy compliance within applications impacting processing timelines
- Policy work that focuses on goals and desired outcomes
- Improvements needed to application processing



Impacts

- Slower processing and response times (causing downstream construction delays)
- Increased frustration on behalf of applicants
- Staff burnout, morale issues, medical leaves, and turnover
- Diminished Customer Service



STRATEGIES RESULTING FROM PRIORITIZATION FRAMEWORKS

Short Term (6-9 mo.)

- Prioritize processing policy compliant proposals (inc. housing approval #s)
- Modifications to Public Hearing schedule
- Ongoing operational improvements
- Assign lower priority to policy non-compliant proposals, proposals that undergo multiple revisions
- Wait list new Policy Enquiry (PEP) applications until new Council priorities and goals established
- Pre-zoning Cambie townhouses, Broadway Plan C-2 & I-1C, Missing Middle (RS)

Medium Term (9-18 m)

- Prioritize applications with secured funding
- New Housing Vancouver 3-Year Action Plan
- Monitor prioritization framework
- Onboard new staff
- Scoping of policy work and future report backs to Council, per Work Plan
- Ongoing operational improvements

Long Term (18+ mo.)

- Policy work to increase the right supply of housing
- Policy and regulatory changes to identify more areas for “pre-zoning”
- City-wide land use plan / Official Community Plan
- Report back to Council on policy initiatives from PDS 4-Year Work Plan
- Vancouver Plan Implementation actions
- Digital Transformation

PRIORITIZATION FRAMEWORK FOR REZONING

Responding to Housing Crisis:
housing supply, affordability, homelessness



Delivering on Jobs & Vibrant Economy (including industrial, office, retail and hotel)



Supporting Key Partner or Critical Infrastructure Delivery



Addressing Climate Action



PRIORITIZATION FRAMEWORK FOR PDS 4-YEAR WORK PLAN

Equitable Housing & Complete Neighborhoods



Jobs & Vibrant Economy
(An Economy that Works for All)



Climate Protection & Restored Ecosystems



Creating Efficiencies



General Guidance



THANK YOU