Downtown Eastside Housing Implementation

Amendments to the FC-1 District in the Zoning and Development By-law and the Downtown Eastside/Oppenheimer District Official Development Plan (DEOD ODP) By-law to Accelerate SRO Replacement and Increase Social Housing

Public Hearing Presentation
December 9, 2025.

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Presentation outline

- Background and context
- Overview of proposed changes
- Public + stakeholder feedback and policy responses
- Analysis of key issues

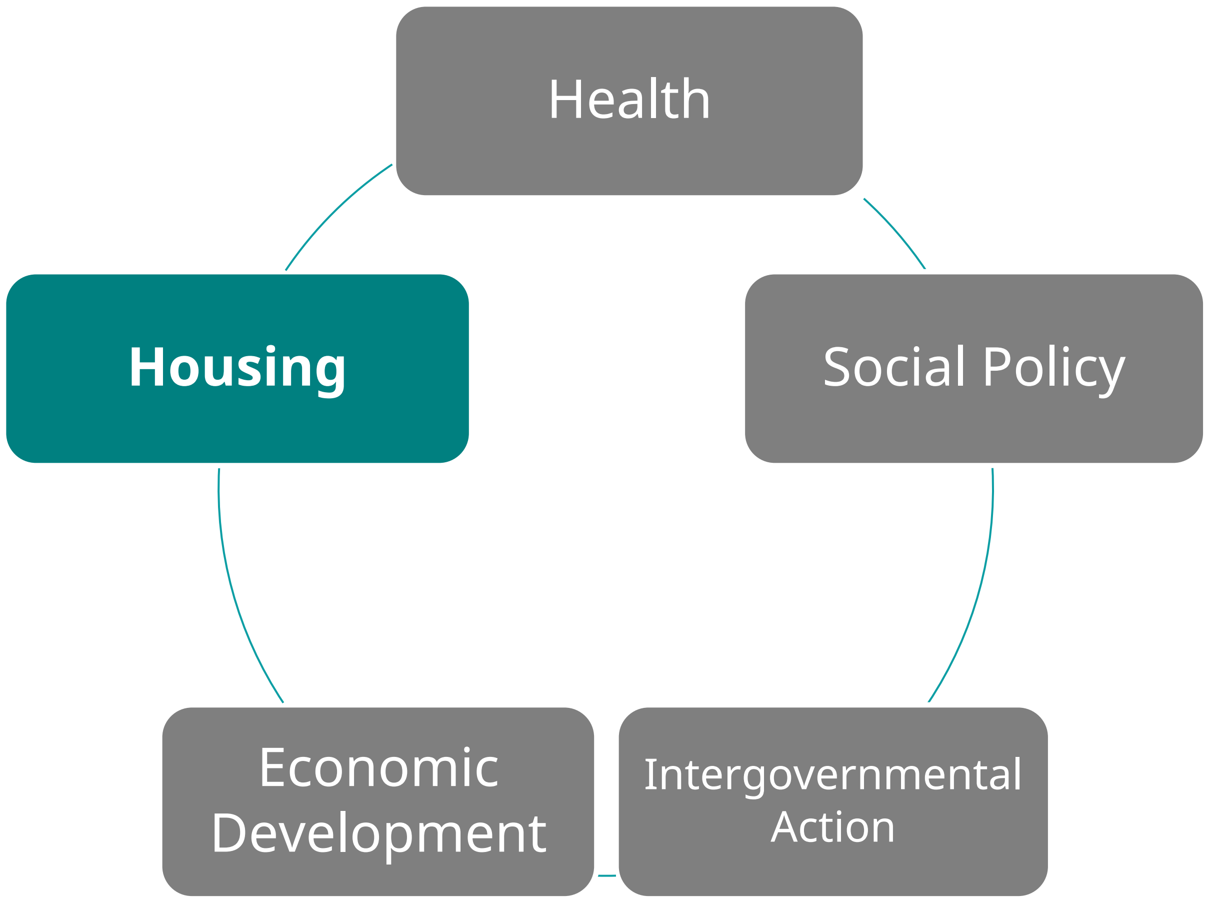
Background and context

Uplifting the Downtown Eastside Council Motion

Direction for this work is from the November 2023 Council Motion called **"Uplifting the Downtown Eastside",** which had the goal to improve housing and health outcomes in the DTES.

Housing directions:

- Explore changes to the definition of social housing
- Increase social housing in the DEOD by leveraging private development options
- Accelerate SRO replacement



Downtown Eastside Plan (2014)

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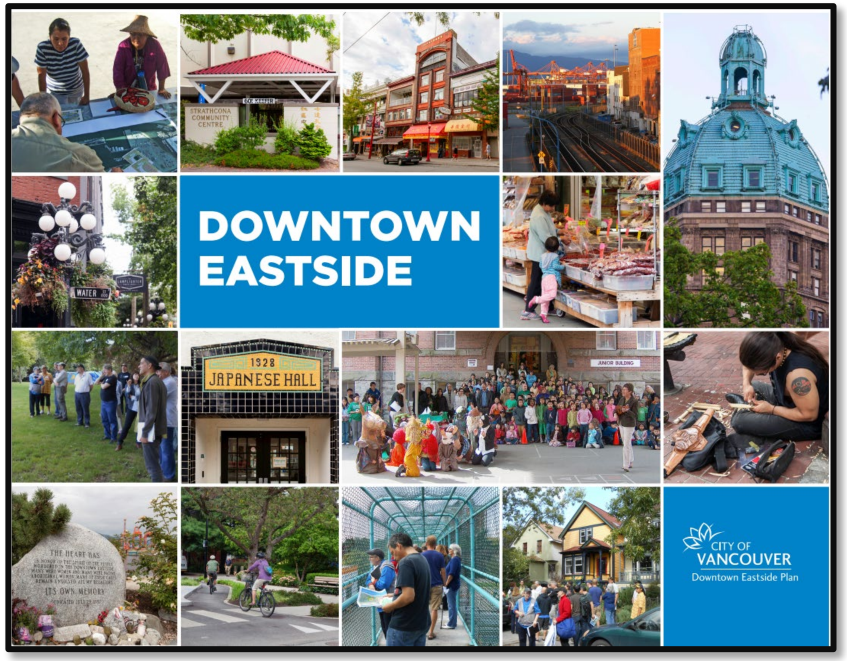
Housing vision

“Healthy homes for all” by providing affordable housing choices for people living in the DTES and beyond.

- Ensuring housing is **affordable for everyone**, including singles, seniors, and families.
- **Replacing and upgrading ageing SRO** buildings.
- **Helping residents** with mental health and substance use challenges to find stable housing.

Encourage **revitalization without displacement.**



Changes proposed do not replace the Plan, but change some rules to deliver housing faster.

How much housing has the DTES Plan delivered?

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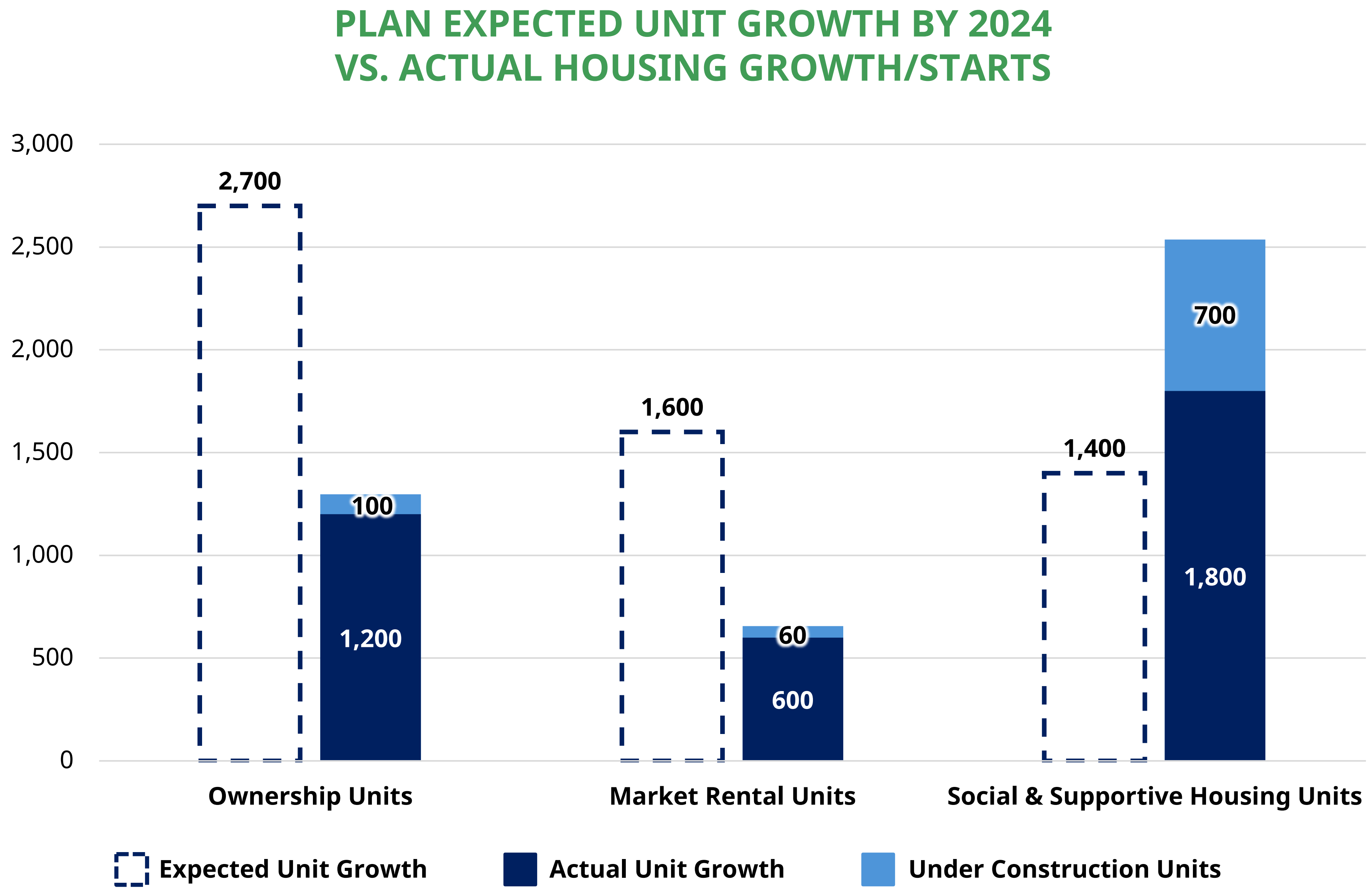

- DTES Plan called for a diversity of housing options
- Delivered more social housing than expected - 1,800 units of social housing completed, surpassing 10-year goal
- Fewer market units delivered than anticipated

Context today – what's changed?

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Development viability has become more challenging

- Cost of high-density residential construction has nearly doubled since 2014
- 2014 was near the height of the condo market demand, leading to policies focused on limiting speculation
- Increased opportunities for market housing development in other areas of the city, decreasing focus on the DTES
- Reduced ability to leverage market development to help achieve Plan objectives

Construction material costs in B.C. rising faster than inflation, says industry group

Interest rate cut by Bank of Canada could stimulate investment, according to BCCA

Other persistent issues

- **High housing need –** Despite housing created over the last 10 years, housing need for social housing remains high
- **Worsening housing conditions** – Issues with livability and building condition in SROs persist
- **Government funding not keeping pace with need for SRO replacement/conversion**

Housing need in the DTES

2,700*

DTES households in core housing need (living in unaffordable, unsuitable or inadequate housing)

Source: 2021 Census

6,200

Open SRA-designated rooms across the DTES

Source: City of Vancouver (2025)

2,700**

Individuals Experiencing Homelessness – city-wide

Source: 2025 Point-in-Time Homeless Count in Greater Vancouver: Preliminary Data Report, prepared for Lu'ma Native Housing Society by Homelessness Services Association of BC in consultation with the IHSC (July 2025).

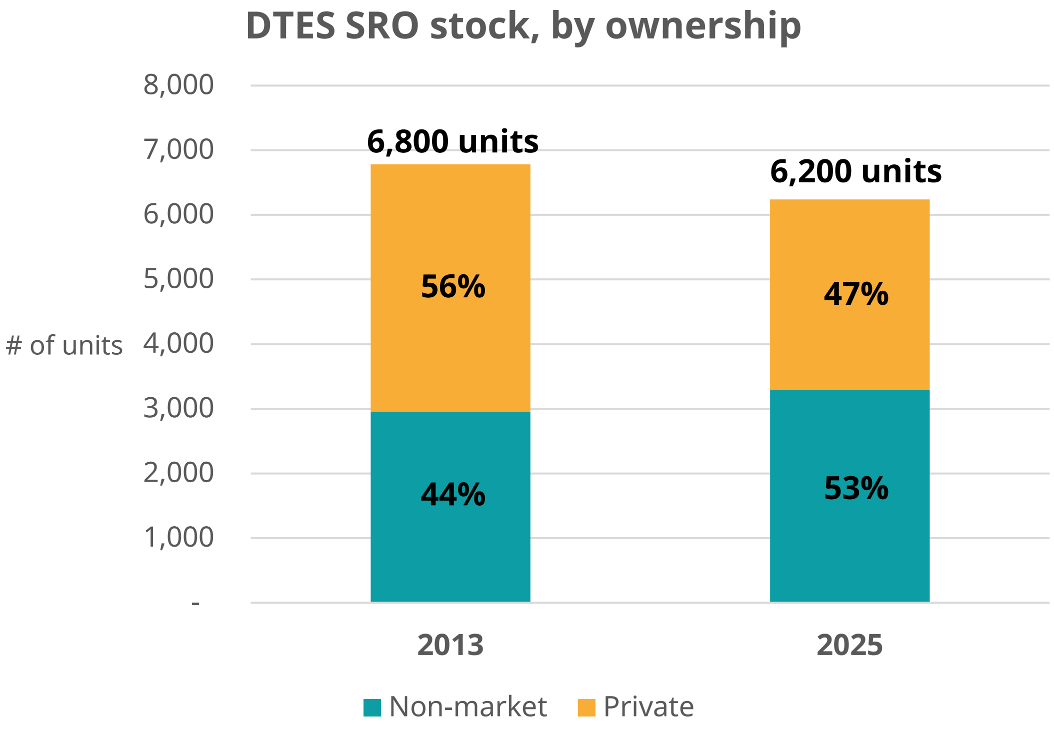
Up to approximately **10,000 non-market units** are required to address housing need for DTES residents

** Down from 3,900 in 2016, likely underestimated in 2021 due to COVID-19 temporary income supplements.*

*** The latest homeless count numbers are not disaggregated by neighbourhood. A portion of these housing needs could be addressed outside the DTES.*

SRO stock in the DTES

Due to their age, SRO buildings face increasing risk, including deteriorating conditions, seismic vulnerability, fire and climate-related hazards, and decreasing affordability, all of which threaten housing security for existing low-income tenants.



- **The SRO stock in the DTES is still substantial.**
- **Government acquisitions** have brought more SROs into non-market ownership over time to help stabilize the stock.
- However, **replacement of SRO buildings is still necessary**.

Significant efforts needed to accelerate SRO replacement

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- Due to rising demand for low-income housing/ homelessness, **continued reliance on ageing SROs** even as new social housing is built
- **Pace of replacement has lagged** – in last ~20 years, 8 SROs (~475 rooms) have been replaced or converted to self-contained social housing
- **Replacing** remaining SRO rooms will **require significant investment**
- Currently, there is **no viable private development option** to replace existing private SROs

Economic testing

Extensive economic testing was completed to support this work.

Key findings

- Challenging development conditions across the board with escalating costs.
- Increased height + density can help support project viability – but there is a threshold where additional height + density is no longer helpful.
- Additional tools (e.g. DCL waivers, grants, etc.) are necessary.

100% non-market housing development

- The current DTES affordability requirements for social housing are challenging and require significant funding from senior governments to be viable.

Inclusionary social housing development

- The current inclusionary housing model in the DTES is not viable.
- Market rental housing can help subsidize inclusionary social housing, but additional financial assistance will still be needed.

Need for increased efforts from all partners

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Federal government

Direct Funding

Financing

Other Funding/Contribution Programs
Innovation, infrastructure, land, etc.

Data & Research

Build Canada Homes

Province

New Local Government Tools
Inclusionary zoning, density bonusing, TDM

New Housing Legislation
Proactive planning, development financial, TOD areas, SSMUH, housing target orders

BC Housing
Capital & operating funds, BC Builds, housing provision, data & research

Metro Vancouver

Advocacy

Policy Coordination

Strategy
Metro 2050, Housing 2050

Metro Vancouver Housing

Data & Research

Municipalities

Policies, Strategies, and Targets

Land Use Tools (zoning regulations and incentives)

Tenant Protections

Funding & Land Contributions

Development Fees

Permitting Process

Where are we at in the process?

Uplifting the Downtown Eastside
Council Motion

Scoping & Technical Analysis
Spring 2024 – March 2025

Public Engagement & Consultation
Apr – May 2025

Jun – Oct 2025
Draft Regulations

5 Nov 2025
City Council
- DTES Omnibus Report
- Downtown Eastside Housing Implementation Referral Report

Public Hearing
Downtown Eastside Housing Implementation Report

9 Dec 2025

Overview of proposed changes

Geographic scope

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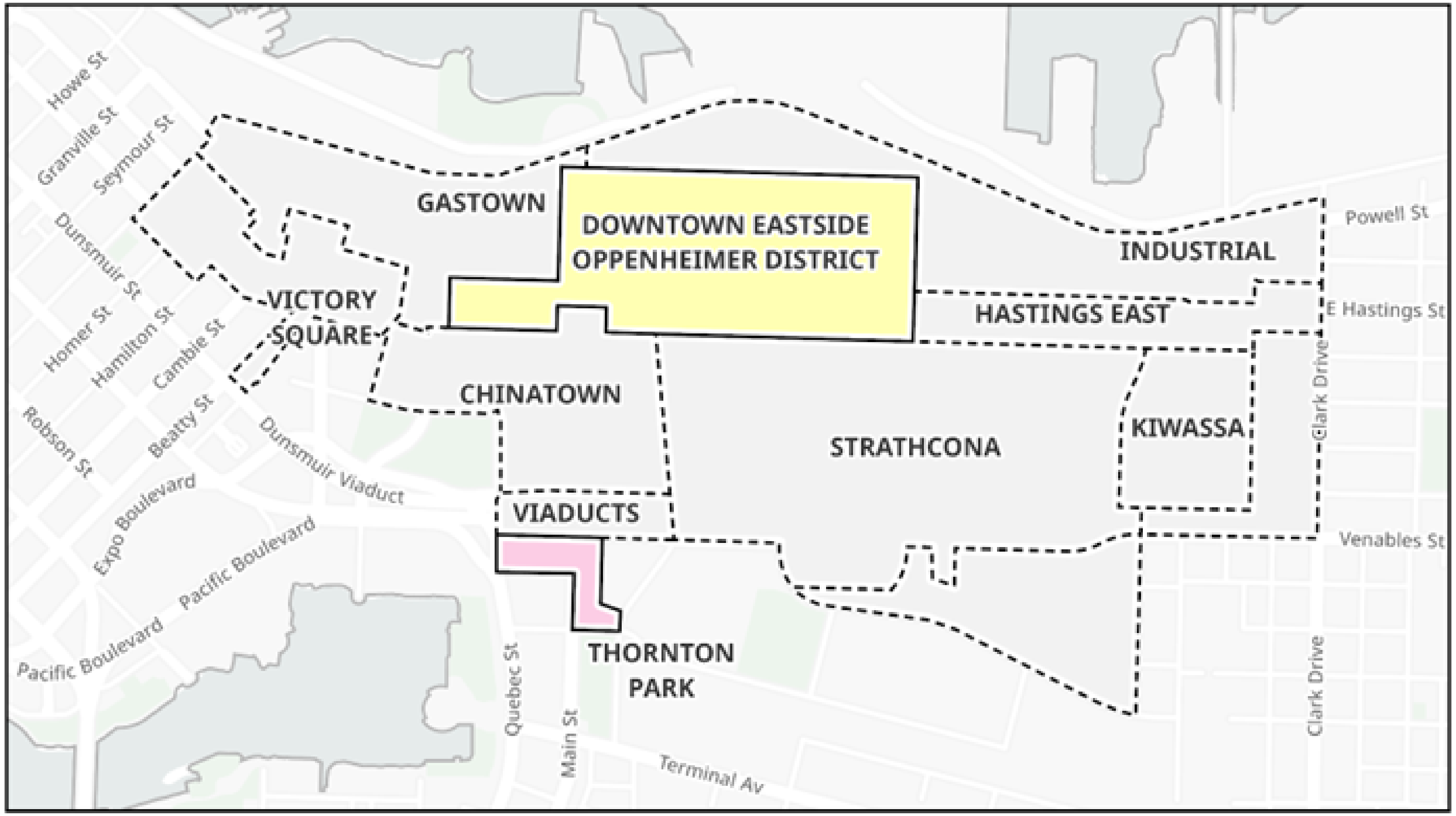

--- Downtown Eastside Sub-Area Boundaries

*Most of the proposed changes are limited to the DEOD and Thornton Park.

Key proposed changes

1. Z&D Bylaw changes to align the **DTES social housing definition** with senior government programs and provide better flexibility

2. Increase allowable **heights and densities**

3. Amend **Public Views Guidelines** to allow increased heights

4. Provide more viable **inclusionary social housing** options

5. Provide a **new DCL waiver pathway** specific to inclusionary housing projects in the DTES

6. Introduction of a new **DTES Revitalization Grant Program**

7. Changes to **heritage review** process for the area

8. Introduce new **tenant relocation policies** to ensure existing tenants have affordable housing options

1. Changing social housing requirements in the DTES

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Current Regulations/Policy

- Social housing in the DTES must have **33% of units at shelter rate** as a minimum.
- Social housing must be **owned** by a non-profit or government entity

Challenges

- The primary senior government funding programs only cover 20% at shelter rate, leaving a funding gap.
- Non-profits must find other partners to fill the gap to make their project work.
- No flexibility for different ownership structures for social housing

Proposal:

- Lower the requirements in the DTES **from 33% of welfare units to 20% of welfare units** ($500 / month)
- With an additional 10% of units required to be at rent-geared-to-income (HILs)
- Social housing must be **owned or leased** (min. 60 years) by a non-profit or government entity

**This change applies to the entire DTES area*

2. Allow bigger taller buildings

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Current Regulations/Policy

Maximum building heights of **10 storeys in the DEOD** and **6 storeys in Thornton Park**

Challenges

Densities are not economically viable, both for non-profit development and for-profit development

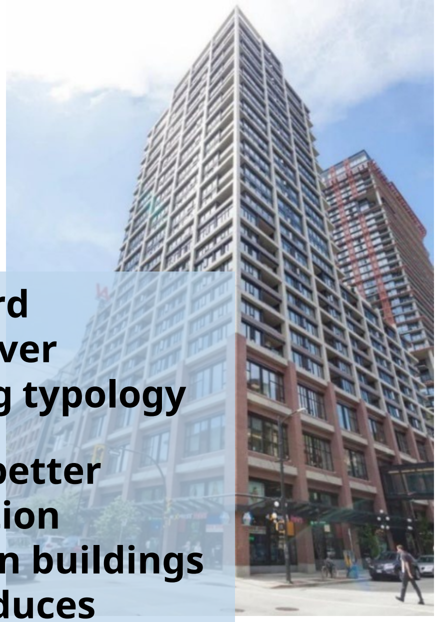
Proposal: Allow for larger buildings up to 11 FSR to make projects more economically viable. Buildings can take two forms.

High street wall (~22 storeys)

Enables necessary density in areas where height is constrained by view cones

Requires less site frontage / consolidation

Tower + podium (~32 storeys)



Standard Vancouver building typology

Offers better separation between buildings and reduces shadow impacts

3. Amend protected views

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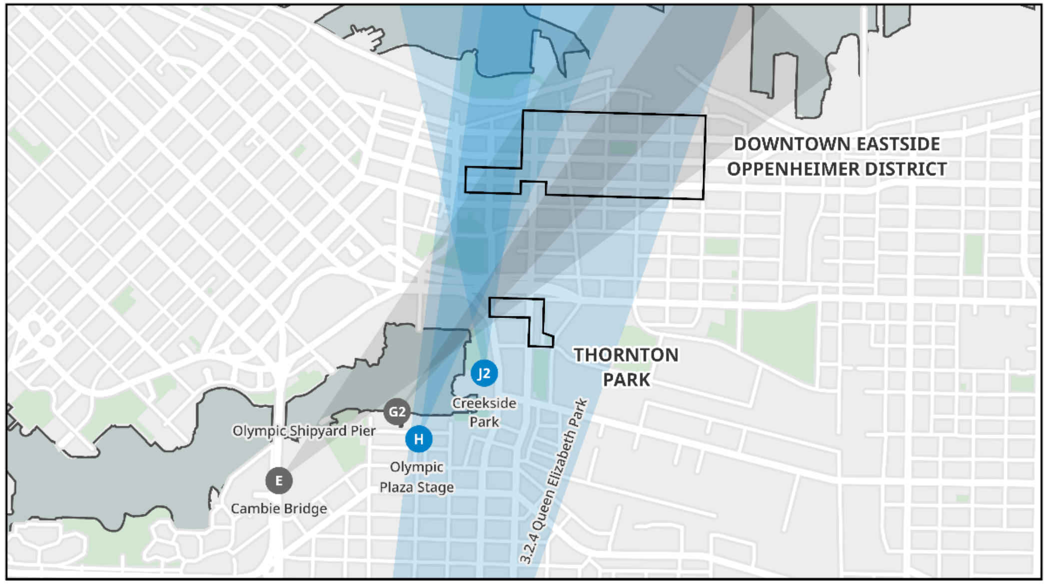
Current Regulations/Policy

Five **protected public views** intersect the DEOD and Thornton Park

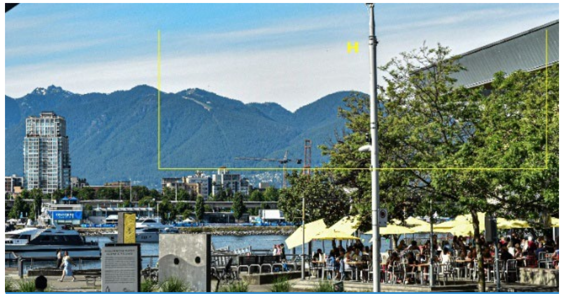
Challenges

Protected view significantly **restrict achievable height/density**, making it more difficult to deliver new housing

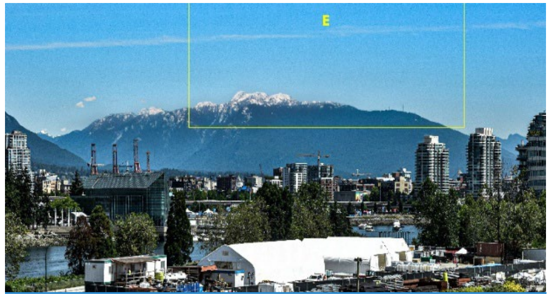


Protected public view proposed for change

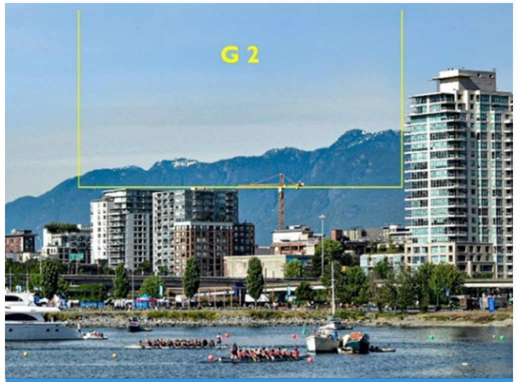
Protected public view unchanged



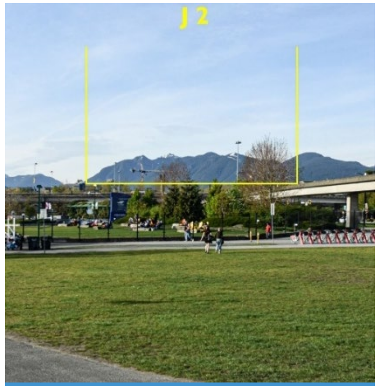
H Olympic Plaza



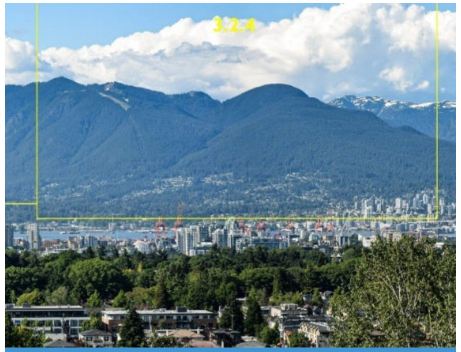
E Cambie Bridge



G2 Olympic Shipyard Pier



J2 Creekside Park



3.2.4 Queen Elizabeth Park

3. Amend protected views (cont'd)

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Proposal: Change some public views to allow taller buildings

Three views being proposed for changes to increase opportunities to increase housing:

- **Queen Elizabeth Park (View 3.2.4)**
- **Olympic Plaza Stage (View H)**
- **Creekside Park View (J2)**

3.2.4 Queen Elizabeth Park

H Olympic Plaza

J2 Creekside Park

Proposed *horizontal lower boundary*

Current *horizontal lower boundary*

4. Revised option for inclusionary social housing

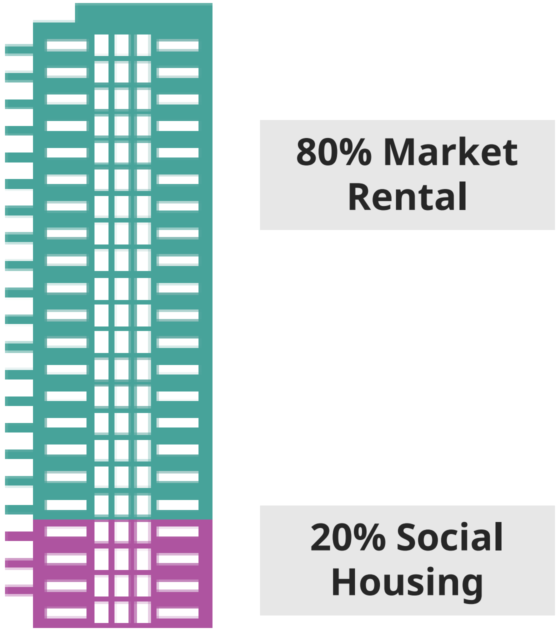
Current Regulations/Policy

In the DEOD, the current **Inclusionary Housing** policy requires developers to build **40% as market rental, and 60% as social housing.**

Challenges

- This model is not viable – only 2 projects have been built

Proposal: Create a more viable, flexible inclusionary social housing development option.



- 20% of homes are non-profit social housing, or equivalent to the number of existing SRO units, whichever is greater
- 80% are market rental
- **Financial Testing**: requires additional incentives / partnership funding from a non-profit or senior government to be viable

5. DCL waiver to support inclusionary social housing

Current Regulations/Policy

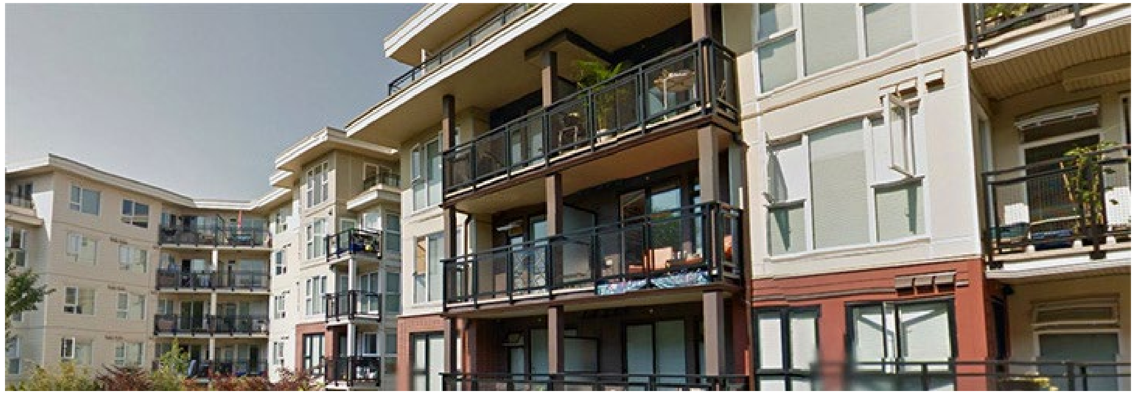
DCL waiver provided for-profit affordable rental housing projects. Social housing is exempt from paying DCLs. **No waiver exists** for **inclusionary social housing projects** (for the private rental portion of the building).

Challenges

- Financial testing shows that inclusionary social housing projects requires additional funding/incentives to be viable

Proposal:

Add new DCL waiver for inclusionary market rental / social housing projects in the DEOD and Thornton Park where at least 20% of the units are social housing or meet the affordability definition of social housing for the DTES.



6. New DTES Housing Revitalization Grant Program

Current Regulations/Policy

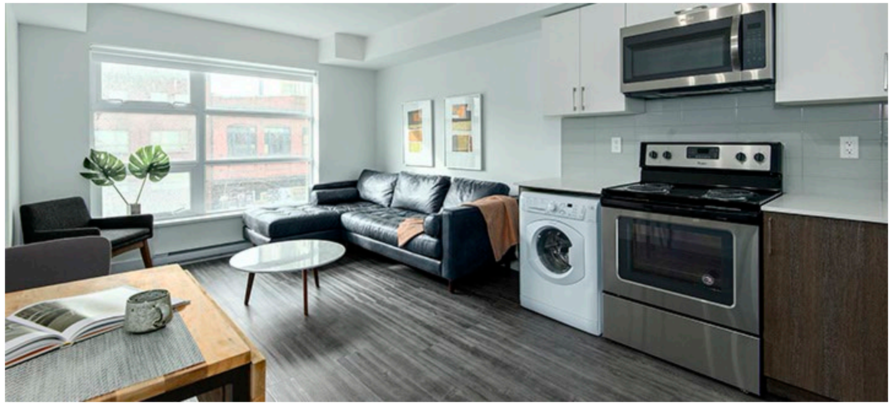
The City's CHIP grants do not specifically target support to DTES inclusionary housing projects

Challenges

- Financial testing shows that inclusionary social housing projects requires additional funding/incentives to be viable

Proposal: Creation of a new DTES Housing Revitalization Grant Program:

- Provide up to $50,000 per social housing unit (equivalent to ~$10,000 per housing unit for the entire project) to non-profits
- Funding can be stacked with CHIP funding to leverage senior government funding and financing programs



7. Streamline heritage review

Current Regulations/Policy

Each VHR building is assessed individually at the application stage.

Challenges

- Limited funding for heritage retention, challenging to get self-contained social housing with conversions
- Current process involving VHR buildings can be uncertain, long, and expensive.

Proposal: Streamline the heritage review process.

Heritage buildings have been pre-reviewed and prioritized based on a set of criteria. Building have been placed into two groups to simplify processing and clarify requirements.

54 VHR buildings in the area

Group 1: Redevelop
(No Future Heritage Review)

27 buildings in this group

Group 2: Rehabilitate
(with Simplified Process for Social Housing & SRO Buildings)

27 buildings in this group

8. Ensure tenants are protected

Existing Regulations/Policy

City-wide TRPP applies

- Different requirements for private and non-profit developments
- Eligibility: live in building for 1 year or more

Challenges

- Many existing SROs are not non-market housing
- City-wide TRPP for market development is not specifically designed for tenants with low incomes and complex needs.

Proposed TRP Changes

- Enhanced tenant protections for **all tenants** displaced due to redevelopment or renovation.
- Non-Market City-wide TRPP Policy will **apply to both private and non-profit led projects:**
    - Focus on permanent rehousing, maintaining affordability, and additional supports to vulnerable tenants
    - promotes a one-move **approach** and group rehousing where possible
- Encourages partnership with non-profits to implement TRPs

Public and stakeholder feedback and policy responses

Public and stakeholder engagement

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Engagement Period - April 23 to May 16

- 5,000+ touch points
- 800+ comment forms & Landowner surveys
- 350+ attendees in-person/virtual events
- Social media impressions/engagements – 138,400

Schedule of Engagement Events

May 5: Heritage Commission
May 6: General stakeholder in-person
May 7: Non-profit housing virtual
May 8: Urban Indigenous residents
May 12: Public Info Session In-Person
May 13: Landowner office hours
May 14: General stakeholder virtual
May 15: SRO Tenants
May 16: Landowner office hours
May 21: Industry Session
June 15: Chinatown Societies

Engagement summary & key themes

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Concerns about **reducing the proportion of shelter rate units** in new development, potential **displacement** of low-income residents, and **for-profit development** in the DTES.

Public, SRO residents, and stakeholders

- Significant ***concern about reducing requirements for shelter rate housing***
- Fears around ***displacement risks*** and impacts
- Concern with introducing more market housing options, including:
  - ***Gentrification*** of the neighbourhood and ***impact on land values***
  - ***Distrust of market developers*** to operate housing for low-income residents

Non-profit housing operators

- Some ***support for increases in building heights and densities***
- Many wanted current affordability requirements maintained, while others supported changes
- Highlighted the importance of ***strong tenant protections***

Market development industry

- ***Support for increases in building heights and densities***
- Highlighted the current ***challenges in economic viability*** for development
- Low interest in operating below-market rental units in the DTES – ***preference to work in partnership with non-profits***

Policy responses to feedback

- **Removal of the below-market rental development option**
  - Original proposal included a market rental and below-market rental development option
  - The revised proposal helps address the concern from the community around 100% for-profit development in the DTES
  - The proposed direction also aligns with input from the for-profit development sector, who expressed greater interest in partnering with non-profits on deeply subsidized units
- **More flexibility for inclusionary social housing delivery**
  - Allows for non-profit housing operators and for-profit developers to work directly on projects
  - Provides opportunity for different social housing ownership models
- **Contextual approach to tenant relocation**
  - All tenants are eligible, regardless of duration of tenure
  - Focuses on a “one move” approach and finding permanent, affordable housing options
  - Working with non-profits on tenant relocation is strongly encouraged

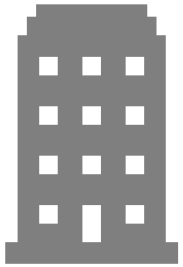
Analysis of key issues

Concerns around land value increases

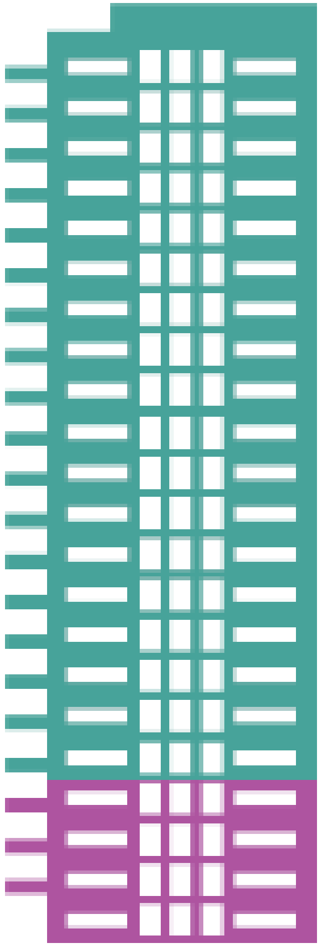
Example for discussion purposes

Existing SRO building

- **SRO units:** 20
- **Current property value:** $6M



80% Market Rental



20% Social Housing

New inclusionary social housing development

- **Social housing units:** 50
- **Market rental units:** 190
- **Funding gap:** $16M ($330k per social housing unit)

Key takeaways

- The existing SRO building is the highest and best use – due to its **revenue generation**
- **No land value increases** are expected due to requirements for inclusionary social housing
- **Additional funding** is still needed to make new inclusionary social housing project viable

Benefits of partnership projects in the DTES

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Investment needed to deliver new social housing

Inclusionary social housing	vs.	Standalone social housing
$330 – 410k per social housing unit		$550k per social housing unit

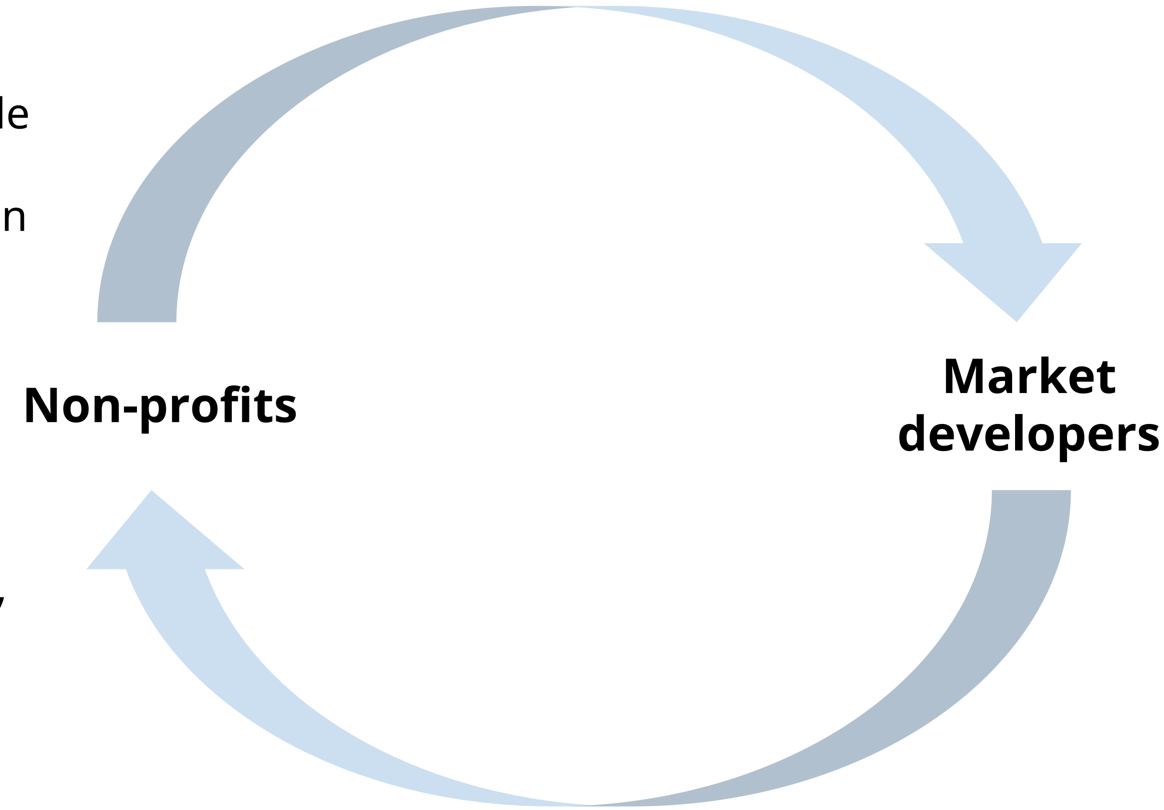
Key takeaways

- The gap is significantly reduced using an inclusionary model. For <u>100 units of social housing</u>, the cost differential is **$14 – 22M**.
- The proposed DTES Revitalization Grant Program will help fill the gap, but **significant contributions from senior governments** will still be required.

Partnerships can be mutually beneficial

Partnership projects can leverage the strengths of both non-profits and market developers.

- ✓ Mission-driven to provide deeply affordable housing that is needed in the DTES
- ✓ Able to access senior government funding programs
- ✓ Expertise in addressing complex housing needs, including tenant relocation

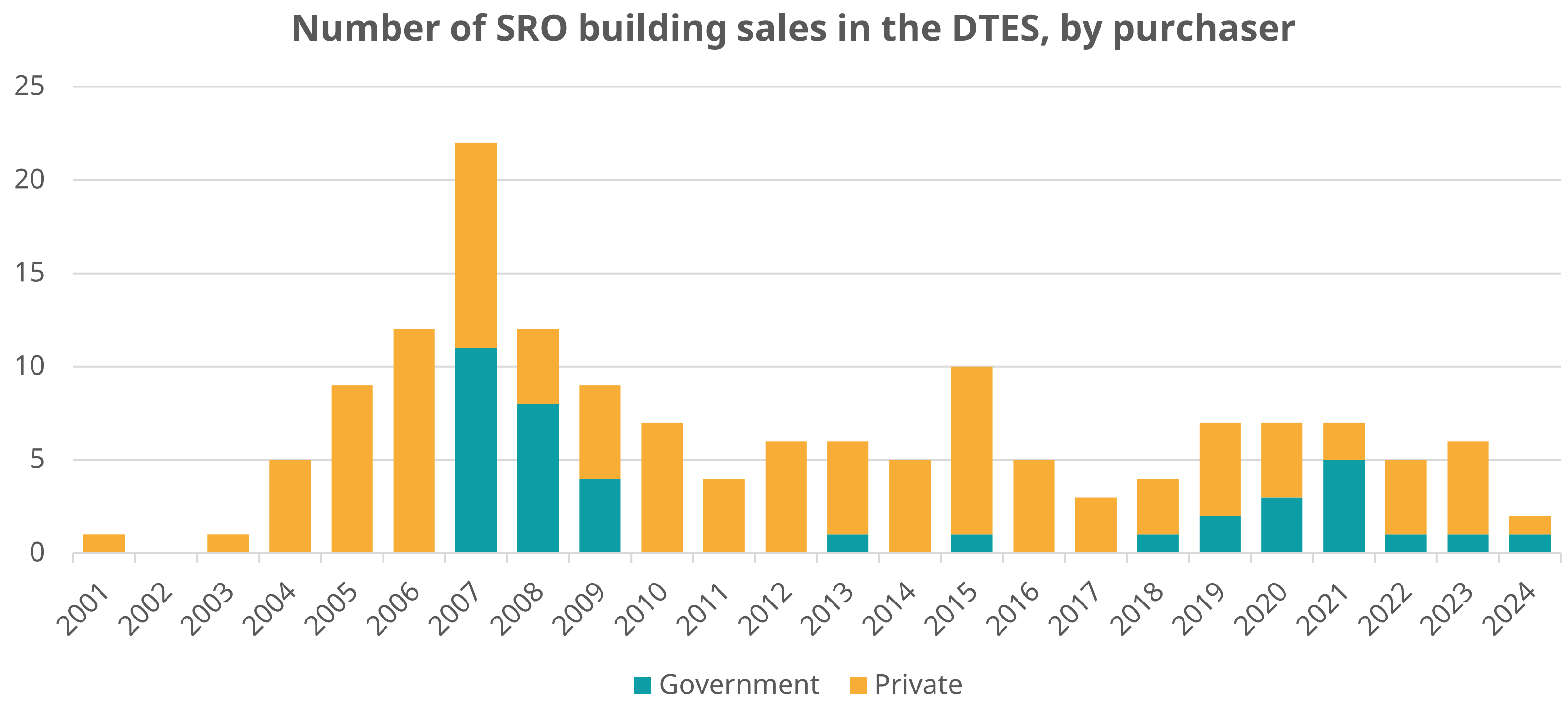


- ✓ Expertise in large-scale development projects, including access to capital
- ✓ Market development can help subsidize non-market housing delivery

Concerns around sales of SRO buildings

SROs have been bought and sold in the market over the years, including among private buyers. Sales activity fluctuates due to many factors.

- 155 SRO building sales in the DTES since 2001
- Most SRO purchases are by private entities
- Sales activity is lower in recent years compared to the late 2000s



Concerns around reduced affordability levels

Example

Minimum affordability levels for **100% non-market housing** development in DEOD

	Current policy		Proposed policy	
Type of units	**5.0 – 7.0 FSR**		**11.0 FSR**	
	% of units	**# of units**	**% of units**	**# of units**
Shelter rate	33%	48 – 67	20%	63
Rent geared to income (RGI)	33%	48 – 67*	10%	32
Low-end of market	33%	48 – 67	70%	222
TOTAL		**144 – 201**		**317**

**Under current policy, 1/3 of social housing units at rents geared to income is a target, not a requirement.*

- Staff expect most projects to be **100% non-market development**
- Generally, there will be **more or the same amount of shelter rate** units
- **RGI units may be lower**
- Overall, **more social housing units** delivered
- **Affordability can be increased over time**, or with more funding

Concerns around reduced affordability levels

Example

Minimum affordability levels for **inclusionary social housing** development in DEOD

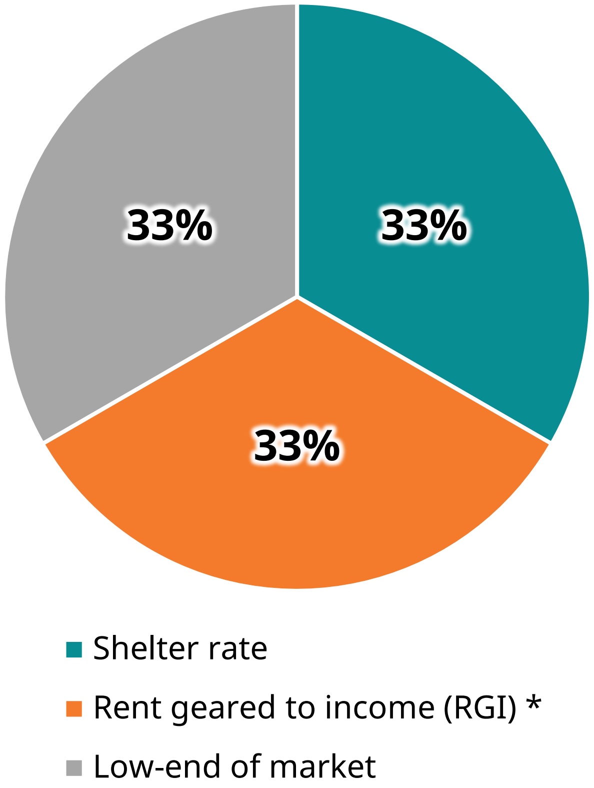
	Current policy		Proposed policy	
Type of units	**2.5 – 7.0 FSR**		**11.0 FSR**	
	% of units	**# of units**	**% of units**	**# of units**
Shelter rate	20%	14 – 40	4%	13
Rent geared to income (RGI)	20%	14 – 40*	2%	6
Low-end of market	20%	14 – 40	14%	44
Market rental	40%	29 – 80	80%	254
TOTAL		**71 – 200**		**317**

**Under current policy, 1/3 of social housing units at rents geared to income is a target, not a requirement.*

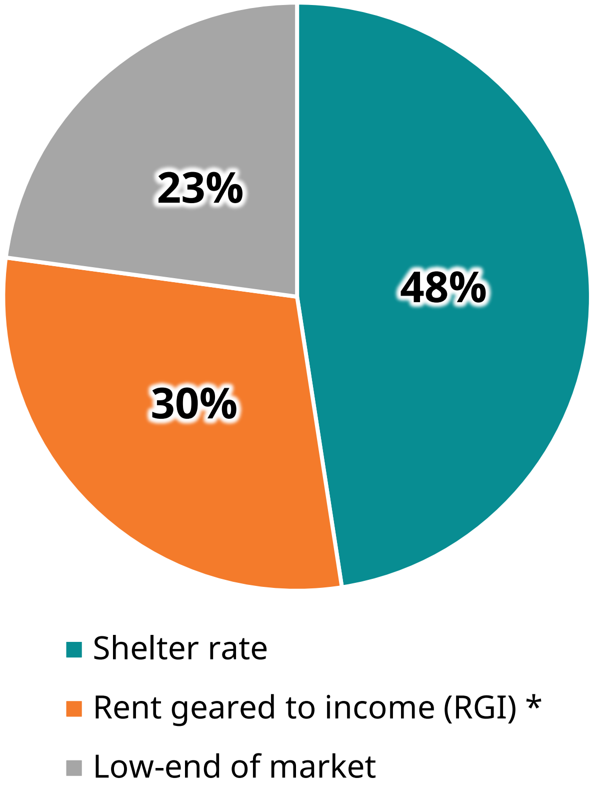
- Staff expect **fewer inclusionary social housing projects** than 100% non-market projects
- Current policy has only delivered two inclusionary social housing projects
- Fewer social housing units for each building, but more units/development overall
- **Affordability can be increased over time**, or with more funding

Affordability minimums are often exceeded

DTES Social Housing Affordability Requirments



Affordability of DTES Social Housing Units Approved Since 2014



- **Minimum affordability requirements are often exceeded** as non-profits aim to maximize affordability based on available funding
- **Flexibility allows projects to proceed** despite changing economic conditions and levels of senior government funding

** Under current policy, 1/3 of social housing units at rents geared to income is a target, not a requirement.*

Expected results of the proposed changes

- Continued development of new social housing and non-market SRO replacement with senior government funding
- Gradual replacement of private SROs with inclusionary social housing in taller buildings
- Existing DTES residents remain in the community in newer, safer self-contained housing, or move to social housing elsewhere in the city
- More moderate-income renters in the neighbourhood; less vacant store fronts and shops and services for both low income and higher income residents

Replaced SRO example: The Stanley

Thank you

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