COUNCIL MEMBERS' MOTION

For consideration at the Standing Committee on City Finance and Services meeting on November 18, 2026

14. Strengthening Safeguards Against Tax Avoidance for Unbuilt Housing Sites

Submitted by: Councillor Maloney

WHEREAS

1. The City of Vancouver is experiencing a significant housing affordability crisis impacting households at all income levels, a challenge that is exacerbated when approved housing developments remain unbuilt;

2. Despite obtaining approvals, sometimes years ago, several major projects designed to deliver thousands of new housing units, including hundreds of social housing units, remain unconstructed;

3. For instance, the Little Mountain Housing project, owned by the Holborn Group, remains incomplete despite receiving rezoning approval in 2016 (The Tyee, 2026);

4. Some of these unfinished projects have sought to change the tax classification of their vacant land, as permitted by provincial regulations. This process enables developers to reclassify vacant sites from business use to parks and gardens by establishing a community garden or dog park, thereby reducing their tax obligations by providing community amenities;

5. Since 2019, the conversion of properties from business class to parks and gardens has resulted in approximately $3.6 million in general purpose taxes being redistributed to other taxpayers;

6. The City of Vancouver reported that, in 2026, ten properties were reclassified from business to parks and gardens, resulting in a municipal tax shortfall of $913,000 (City of Vancouver, 2026);

7. While tax incentives may play a role in mitigating the risks associated with new construction, some developers appear to be taking advantage of these measures to help them postpone building until more favourable market conditions arise;

8. While establishing temporary community gardens or dog parks on vacant development land may offer some community benefit and is preferable to leaving land unused, in many cases these interim uses provide limited added value or opportunities for neighbourhood connection when weighed against the significant housing opportunities such sites could deliver (Global News, 2025);

9. Council has raised this issue since 2009, directing staff to identify mechanisms to limit such reclassifications, including Mayor Fry's motion entitled, "*Transparent Process and Taxation for Land Banks Repurposed as Temporary Recreational Properties"* (City of Vancouver, 2009 and 2019);

10. Given current market conditions, more developers may pursue tax reclassification strategies at a time when there is an urgent need to prioritize creating affordable housing options;

11. Although municipal authority does not extend to preventing property reclassification, the City of Vancouver can ensure that municipal guidelines for community gardens and dog permits do not inadvertently facilitate tax avoidance on vacant land designated for housing development; and

12. Further direction is required at the municipal level to utilize all available levies and tools to ensure a fair and equitable approach to housing development and municipal revenue.

THEREFORE BE IT RESOLVED

A. THAT Council establish defining safeguards against tax avoidance for unbuilt housing sites as a priority for this term in order to ensure continued housing development, reiterating Council direction initiated by Mayor Fry's motion, "*Transparent Process and Taxation for Land Banks Repurposed as Temporary Recreational Properties"* on June 26, 2019.

B. THAT Council direct staff to report back by Q2 2027 with recommendations on how to amend guidelines and permitting processes for temporary parks and gardens in order to minimise any incentive they may provide to delay the commencement of housing construction on vacant land and ensuring the proposals provide substantial and measurable public benefit or compensate for the impact on other taxpayers.

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