



UNLOCKING SUPPLY: HOUSING AFFORDABILITY AND THE MISSING MIDDLE

Message from the Board of Directors



Robin Silvester

2016-17 Chair,
Greater Vancouver Board of Trade

For more than 130 years, the Greater Vancouver Board of Trade has engaged in evidence-based, non-partisan advocacy on behalf of our region's business community. In line with this mission, we have developed this report to help identify municipal solutions to our region's housing affordability crisis and ensure that businesses in this region are able to attract, develop, and retain talented workers. If we are to grow our economy, we must unlock our housing supply.

Housing affordability is one of the key challenges highlighted in the Greater Vancouver Economic Scorecard 2016, an unprecedented research report that our organization undertook last year in partnership with the Conference Board of Canada.

Scorecard 2016 compared our region among 20 international competitors and identified our strengths and weaknesses on an international scale. From this research we confirmed what many already knew — that housing affordability is a challenge that hampers our region's economic growth.



Lori Mathison

Chair, Policy Council,
Greater Vancouver Board of Trade

Scorecard 2016 also highlighted that housing affordability is inextricably linked to other challenges facing our region. For example, it is linked to the scope of our public transit system and our road networks. It limits Greater Vancouver's attractiveness to younger generations that are unable to afford skyrocketing real estate prices, compromising the region's future. It is linked to our ability to attract and retain talented workers, which in turn hinders business investment. In working to address Greater Vancouver's housing affordability crisis, we can effectively make headway on a number of other barriers to our economic growth and societal well-being.

While there have been some measures taken by the Provincial Government to address housing demand in the region, only recently have supply-side solutions been explored by governments. As the front-line in housing supply, municipalities have a key role to play in ensuring not only that there is enough supply to meet demand, but that this supply is appropriate for building inclusive communities and a strong economy.



Iain Black, ICD.D.

President and CEO,
Greater Vancouver Board of Trade

This report highlights the importance of "The Missing Middle," a concept that emphasises diverse housing forms and tenures. A diverse housing supply is needed if we are to attract and accommodate the workers needed to drive our region's economy.

As evident in the recommendations in this report, we will be encouraging municipalities throughout the Lower Mainland to cut red tape and create market conditions that are amenable to the development of "The Missing Middle." This is the key to unlocking the future of our region.

EXECUTIVE SUMMARY

In the *Greater Vancouver Economic Scorecard 2016* (Scorecard 2016), our region's alarmingly low ranking in housing affordability is of great concern for our future economic prosperity. If we are to encourage further economic growth without compromising livability for current residents, it is imperative we unlock our region's housing supply and ensure we create the right type of housing that suits the long-term needs of our region and its residents.

Our region's poor housing affordability has plenty of causes — limited availability of land, an attractive market for foreign investment, population growth, and constrained supply. While there is no silver bullet to address all these causes at once, concerted efforts to address these issues individually must be made. Over the past year, there has been a significant focus on managing the *demand* for housing through the provincial foreign buyer's tax. However, only recently have the various levels of government started to talk about increasing the *supply* of housing.

This report provides seven recommendations for municipalities across our region that will alleviate pressures on the housing market by adding supply and providing varied housing forms and tenures. By introducing a greater variety of housing forms and tenures throughout the region, we can make housing more affordable through more compact and denser neighbourhoods while providing people with alternative options for ownership or renting — which are currently out of reach for many individuals and families.

While all levels of government are currently concerned about housing, our local governments are on the front lines of the housing crisis. Municipal planning, zoning, and development

processes have a direct impact on the speed in which housing supply can be added to the region. Local governments must evaluate and measure these processes in a consistent and empirical way to ensure that they are prioritizing and encouraging diversity in housing form and tenure while increasing supply. It is important to note that some of these recommendations are already being implemented in some local jurisdictions. However, there is a significant amount of variation within Greater Vancouver's municipalities, and these policies are key to properly addressing the housing crisis across our region.

There are several ways in which municipalities can unlock supply while providing more diverse housing options. The recommendations highlighted in this report include:

- **Focusing on developing “The Missing Middle”**
- **Consistent and empirical data collection on the development processes across the region**
- **Pre-zoning for transit-oriented development**
- **Ending negotiated community amenity contributions**
- **Using density bonus zoning wherever possible and appropriate**
- **Using concurrent processes**
- **Exploring and implementing a regional accreditation regime**

BACKGROUND

AFFORDABILITY & ECONOMIC COMPETITIVENESS

Greater Vancouver’s poor housing affordability is compromising the economic competitiveness of our region.

High demand, coupled with inadequate volume and a lack of diversity of supply, has resulted in soaring housing prices for both homeowners and renters. Housing costs are consuming an increasingly larger portion of household budgets and are preventing businesses from finding and retaining workers that can afford to live within a commuting distance. This puts Greater Vancouver at an economic disadvantage when competing for human capital against other regions around the globe.¹

In Scorecard 2016, our region earned a “D” grade in the Housing Affordability indicator, ranking 15th out of 17 jurisdictions. Broadly, “housing affordability” is a measure of housing costs relative to income. Simply put, the high cost of living in Greater Vancouver demands higher wages than other regions. Without significantly compromising our economic competitiveness, wages in Greater Vancouver are unable to sufficiently account for the high cost of housing, leading to an affordability crisis. For some businesses, this can be a disincentive to move to or grow operations in our region.

Low housing affordability is also inextricably linked to Greater Vancouver’s “D” grade in the proportion of population aged 25-34 (7th out of 19 jurisdictions). This demographic represents some of the most productive years in a person’s career. Without access to affordable housing, our region will lose this important age group to our competitors.

THE NEED FOR GREATER SUPPLY

By 2041, Greater Vancouver’s population is expected to grow by over one million people, requiring over half a million new dwellings.² While the Canadian Mortgage and Housing Corporation has noted record housing starts in 2016, supply is still not keeping pace with growing demand.³ The absorption rate for multi-family homes is almost 100 per cent, compared to 60 per cent for single-family detached homes.⁴ Ultimately, this means that the supply of multi-family housing is not yet meeting the existing demand.

AFFORDABILITY & ECONOMIC COMPETITIVENESS

Rank	City	Value	Grade
1	Houston	A	3.5
2	Halifax	A	3.7
3	Calgary	A	4.2
4	Montreal	A	4.3
5	Manchester	A	4.7
6	Portland	A	4.8
7	Singapore	A	5
8	Seattle	A	5.2
9	Miami	A	5.6
10	Toronto	B	6.5
11	Seoul	B	7.7
12	Los Angeles	B	8
13	San Francisco	C	9.2
14	Sydney	C	9.8
15	Vancouver	D	10.6
16	Shanghai	D	12.8
17	Hong Kong	D	17

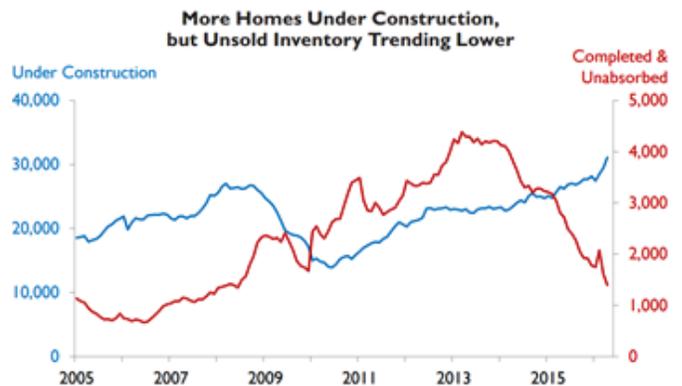


Figure 1 – CMHC Graph 1

CONSTRAINED GEOGRAPHY REQUIRES CREATIVE HOUSING SOLUTIONS

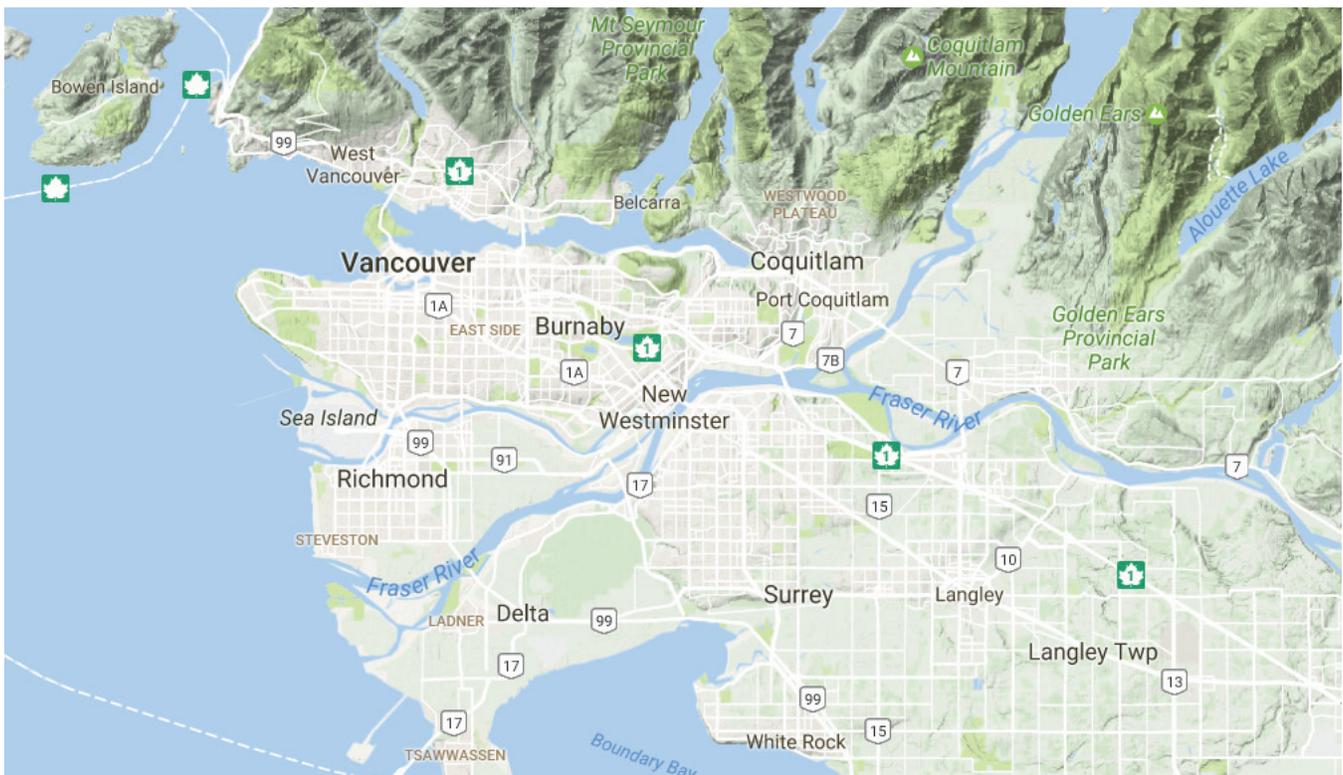
Greater Vancouver's unique geography also provides challenges when addressing supply. Physical barriers and legislated land restrictions (Agricultural Land Reserve, Urban Containment Boundary etc.) significantly limit land available for new developments, meaning the majority of the needed increase in our housing supply will need to be in areas where housing already exists. This requires creative housing solutions that balance density with liveability. Despite our constrained geography, inefficient land use continues to exacerbate the region's housing affordability challenges. 63% of residential zoned land is occupied by detached single-family homes, housing a small minority of our total population.⁵ This is unsustainable. To maximize the best use of our lands, we must look at options that increase density and diversity in our housing stock.

LOCAL GOVERNMENTS ARE ON THE FRONT LINES

All levels of government must play a role in addressing housing affordability. However, The Local Government Act and The Vancouver Charter grant direct authority over land-use planning and approval for housing developments to local governments, putting them on the front lines of the housing crisis.

While the Federal and Provincial Governments can act to fund affordable housing projects for at-risk and low-income populations who may have poor access to housing, local governments have control over the regulatory environment for the construction of new market housing supply. Some municipalities are already exploring supply-side solutions. However more must be done to incentivize the development of diverse market and non-market housing and to lay the regulatory foundation for the swift use of federal and provincial funding.

This report offers recommendations to municipalities on how to move towards a more optimal regulatory environment that allows those who want to bring more supply to the market to do so responsibly.



Greater Vancouver is constrained by mountains to the north, the Pacific Ocean to the west and the U.S. border to the south. Google Maps 2017.

RECOMMENDATION: THE MISSING MIDDLE

DIVERSITY IN HOUSING FORM

Housing form in the Greater Vancouver region is primarily detached single-family homes or small condominium units in high rises. These housing forms will not be sufficient to meet the demand for housing in our region. In order to make more efficient use of our land, we must construct housing that falls in what is called *The Missing Middle*. The Missing Middle can include, but isn't limited to, laneway housing and secondary suites in single-family home zones, townhouses, and apartment multiplexes.

The availability of housing units that can support families is also of great concern. Greater Vancouver struggles to attract people between the ages of 25 and 34, a highly desirable and productive demographic, that is also the demographic that tends to start families. While some local governments

have recently introduced family-unit requirements for new developments, zoning and regulations have created disincentives to build denser family housing styles like townhouses and other missing middle housing options. Increasing the number of housing units that can support families while also contributing to density will need to be a priority for local governments not just to address issues around housing affordability, but also the region's productivity and economic competitiveness.

MISSING MIDDLE HOUSING

Missing Middle housing is a type of housing first defined by Daniel Parolek of Opticos Design, Inc. in 2010. It includes a range of multi-unit or clustered housing types, including:

- Duplex, triplex & fourplex
- Courtyard apartments & bungalow courts
- Townhouses
- Multiplexes
- Live/work spaces

These types of housing are often constructed in a walkable context near amenities, have small building footprints, are high enough density to support transit, consist of smaller, well-designed units, and fewer off-street parking requirements. They are often built to transition from single-family home zones to higher density housing and provide affordable options for increased density.

More info: <http://missingmiddlehousing.com/>



DIVERSITY IN HOUSING TENURE

Form is not the only aspect of housing that requires diversity to support our population growth. Housing tenure refers to whether homes are for ownership, rental, co-op or other forms mixed ownership. Ideally, a healthy rental vacancy rate is understood to be between 3% and 5%⁶. However, the CMHC reports Greater Vancouver's rental vacancy rate to be 0.7%, alarmingly lower than the Canadian average of 3.4%.* This indicates that our current supply is unable to meet the demand, driving the cost of rental housing up and keeping it out of reach for those also unable to purchase a home.

Younger demographics and lower income earners are more likely to seek out stable rental housing. Our region's low grade in income inequality (C grade, 11th out of 20 jurisdictions) and proportion of population aged 25-34 (D grade, 7th out of 19 jurisdictions) in Scorecard 2016 are indicative of certain demographics that may have difficulty accessing proper housing and therefore are unable to participate fully in our economy. Generation Squeeze estimates in a 2016 report that it would take "12 years for the typical 25-34-year-old Canadian to save a 20 per cent down payment on an average home."⁷ Consequently, this demographic and those earning lower incomes are unable to purchase a home and must look to affordable rental accommodation. Adding supply must address more than homeownership — it must address housing options for all demographics.



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ALTERNATIVE HOUSING TENURES

Missing Middle housing includes diversity in housing tenure beyond sole ownership and rental.

These other models can include:

- Community Land Trusts
- Co-Op Housing
- Co-Housing
- Shared Ownership/Shared Equity Models
- Fee-Simple (instead of strata)

Alternative housing tenures allow greater access to housing for middle and low income earners, especially those with families. In many cases, home ownership may not be within someone's financial means, but renting doesn't provide enough long term security. These alternate forms of tenure can address those problems by providing secure housing in an accessible way.

RECOMMENDATION: Prioritize diversity in housing supply when considering applications and use the tools at the disposal of local governments to create a smart regulatory environment that encourages the addition of more supply and greater diversity in housing form and tenure, with a particular focus on the Missing Middle.

RECOMMENDATION:

DATA COLLECTION ON TIMELINES

Regulatory processes at the local government level can take more than a year for new developments, even if rezoning is not required.⁸ These processes, while generally similar, vary across local jurisdictions within the Greater Vancouver region. Currently, there is no consistent empirical way to measure, analyze and compare the development processes in our region. This is a key barrier preventing new efficiencies in the development process.

With over 25 steps—some of which may be repeated multiple times depending on feedback and consultation—the approvals process is thorough but cumbersome. There are several stakeholders that must have input into the process, including elected officials, experts, regulators, design panels and the public. A report by Holden, Fung and Sturgeon lays out a general overview of how the municipal process works for a typical apartment development.

In addition, this chart doesn't include steps such as amendments to an Official Community Plan or the Metro Vancouver Regional Growth Strategy. It is important for land-use planning and development approval processes to be thorough, in order to provide the greatest possible benefit for communities. However, extended timelines for development can hinder the entry of new supply to the market. This puts upward pressure on housing prices.

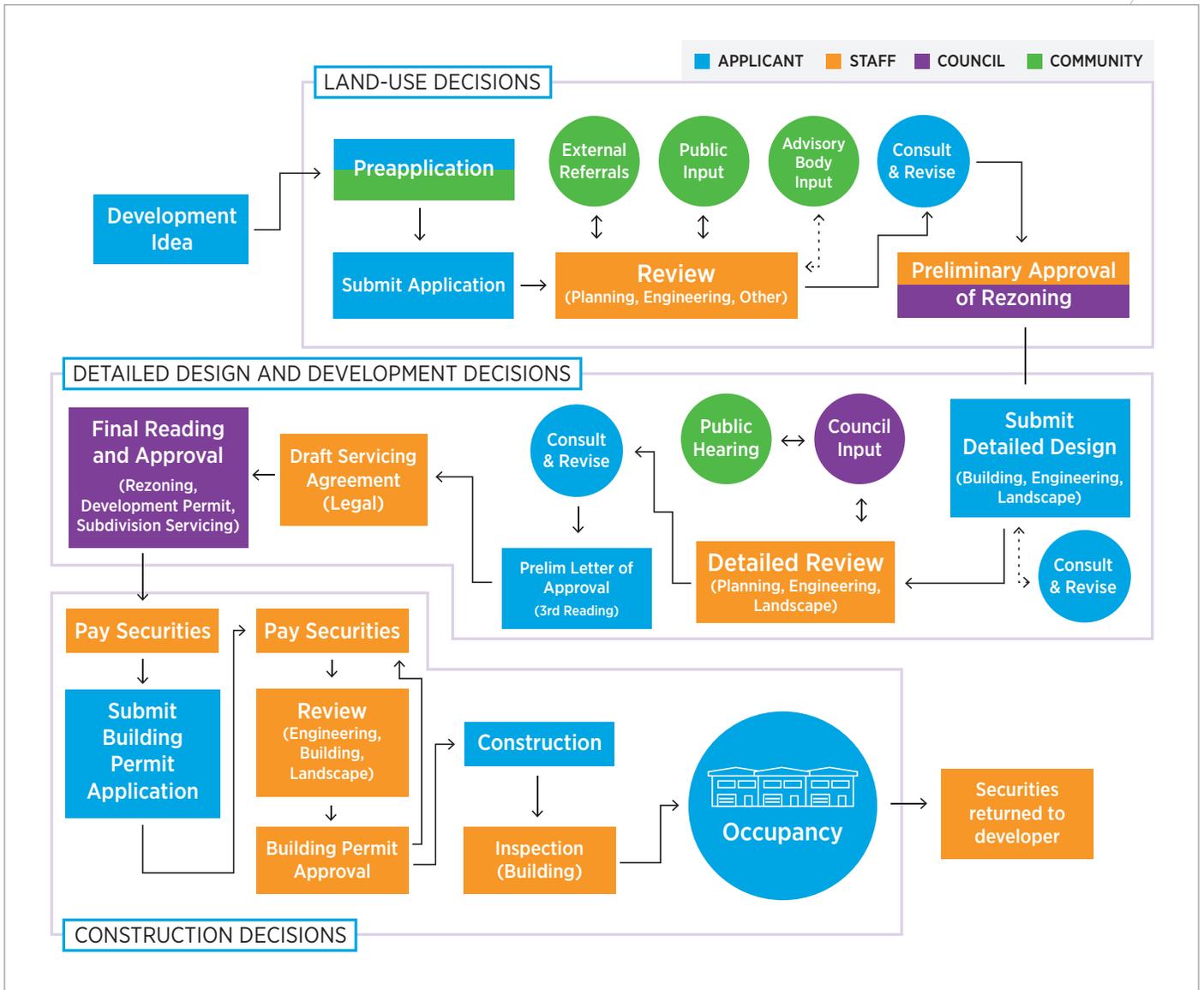
The Holden, Fung and Sturgeon report further identifies causes of delays in development approvals. According to their report, most delays are caused by off-site servicing requirements (easement and road widening) followed by planning conformity (e.g. zoning, design guidelines, building massing, floor area calculations, etc.) and building elements review.⁹ Approximately 30% of developers observed that the impact of extended timelines was more significant than increased fees and

charges. For this reason, it is important for local governments to consider the opportunity cost of each additional regulatory requirement as each new requirement adds time and costs to the development process. Both thoroughness and expediency are required to maximize the benefits of development and to create smart regulation.

While the duration of the approvals process affects the supply of housing, the certainty of the process also has a significant impact on development. Uncertainty in the process occurs when local governments do not explicitly set expectations for new developments or when they leave the expectations broad or undefined in their policies. The Fraser Institute found that uncertainty in development timelines significantly reduces the responsiveness of housing supply in the market.¹⁰ Expectations that are open to interpretation or negotiation can extend timelines, as developers are left guessing as to how they are expected to interpret municipal policies. If expectations are clearly laid out, this allows a proponent to better plan a development to meet municipal goals.

To properly address lengthy development timelines across the region, there must be a consistent, empirical system to measure, monitor, and compare timelines and processes across municipal boundaries. If information on development timelines were collected in a consistent and empirical manner, this would provide local governments with the information needed to identify, make changes and address inefficiencies in the development process.

RECOMMENDATION: Prioritize the collection of information, in partnership with senior levels of government to: a. Identify local market gaps in housing supply and diversity in a regional context; b. Compare timelines for development across the region.



TRACKING TIMELINES

While it is clear that uncertainty and length of that timelines in the development process are key barriers to the increase of supply, we need to better understand best practices. A standard method of measuring timelines across local governments would provide the necessary information for local governments to address the gaps in their process. This measure should identify the different sections and processes throughout the permitting timeline and measure how long decisions and tasks remain with both the local government and the proponent. When comparing municipal timelines, it is important to identify when the process

lies in the hands of the proponent and to “stop the clock” while the proponent must complete a task. There are currently tools to track the permitting process, for example, the City of Surrey’s Online Development Inquiry platform. This tool could be further used to collect data and compare local government timelines. Ideally, the same product would be used across municipalities to prevent discrepancies in data collection.

More info: <https://apps.surrey.ca/Online-Development-Inquiry/>

RECOMMENDATION:

TRANSIT-ORIENTED DEVELOPMENT

Scorecard 2016 emphasises the interconnectedness of its socio-economic indicators. It notes the inextricable linkage between housing affordability and public transit — proximity to well-designed public transit can make housing more affordable by lowering the cost of living and increasing options. However, city planning in our region does not always reflect this linkage. Policies that allow for higher density in conjunction with transit development would serve to link transit and development in a way that would increase housing supply, affordability, and ensures ridership for transit.

The current best practice for development around transit hubs is called Transit-Oriented Development (TOD). TOD is defined as “...moderate to high-density housing, along with complementary public uses, jobs, retail and services... concentrated in mixed-use developments at strategic points along the regional transit systems.”¹¹ Generally, TOD areas are located within a 10-minute walk (800 metres) of a transit station and are designed to reduce the dependence on single occupancy vehicles by connecting pedestrian to amenities. TOD design can take many forms and occur on a variety of scales to provide both increased density and diversity.

High-density developments tend to be less controversial and more beneficial when they are part of a TOD area located close to rapid transit. Often delivered as high-rise condominium complexes, high-density developments are generally targeted towards singles or couples, with few larger units for families provided. This does not always meet the long term needs of residents in our region, and excludes housing forms included in the Missing Middle. To ensure that all demographics are included, TOD areas should zone for the highest density in the closest proximity to rapid transit with Missing Middle density and family units moving towards the outer edge of the TOD area.

However, in many cases, development only occurs after transit is made operational. The Cambie Street Corridor in Vancouver, the Brentwood area in Burnaby, and the Moody Centre Area in Port Moody are all examples of when planning and development occurred after rapid transit has already been put in place. To be most effective, development and transit projects should be approved and built in tandem. Currently, development proponents are often required to go through a rezoning process that includes multiple rounds of public consultation. In some cases, like Collingwood Village in Vancouver, the public consultation process can last more than eight years.¹² In other developments, there is a public consultation or an open public comment first for the neighbourhood plan. Then, each parcel of land must be rezoned by development proponents even if they meet the requirements of the neighbourhood plan. Consultation must be done again during the development permitting process. This excessive consultation create uncertainty and a “moving target” for both the proponents and communities, unnecessarily extending development timelines and negatively impacting overall housing supply.

This practice is not currently applied by any municipality or required by the Provincial Government for two reasons. First, when a local government initiates a rezoning, there is no proponent from which to collect community amenity contributions or other similar contributions. This results in a loss of revenue that can be used to develop amenities for growing communities. Secondly, there is a risk of increasing the assessed values of properties in the pre-zoned area. If pre-zoning is to be pursued, methods to manage significant increases in property assessments must be explored so that property taxes do not become overly burdensome for residents and businesses in pre-zoned areas.

Pre-zoning around rapid transit stations during the development of neighbourhood plans or Official Community Plans would allow more supply to enter the market at a faster rate in conjunction with transit. If this pre-zoning occurs during the development of a neighbourhood plan and is subject to consultation at that point, instead of twice (during the creation of the neighbourhood plan, and again during rezoning), this would create efficiencies into the development process. There would also be a benefit to having pre-zoning of TODs tied to final funding decisions for rapid transit lines.

If local governments committed to a target number of housing units in specified TOD zones in exchange for guarantees of rapid transit infrastructure funding from senior levels of government, it would ensure guaranteed ridership while providing more affordable housing supply. However, if the municipality was unable to deliver the necessary units, then that municipality could be subject to an increase in the proportion of property tax paid to TransLink. In this respect, the Provincial and Federal Governments should also be taking a leadership role in requiring the pre-zoning of TOD in exchange for the capital funding of transit hubs.

RECOMMENDATION: Pre-zone for transit-oriented development during the planning process for new rapid transit investments.



Port Moody's Suter Brook Neighbourhood, Onni Group

RECOMMENDATION

COMMUNITY AMENITY CONTRIBUTIONS

The need to provide Community Amenity Contributions (CACs) is a key contributor to extended timelines and is therefore often a major barrier to the introduction of new supply into the housing market. This is especially true when municipalities use project-by-project negotiation as the preferred method of acquiring CACs. While these contributions provide important amenities that create a high quality of life in neighbourhoods, they often unnecessarily extend timelines for developers, creating uncertainty and elevating costs. While amenities still need to be provided for communities, the CAC process should be clear, fair and transparent.

According to the Ministry of Community, Sport & Cultural Development (MCSCD), CACs are defined as:

“Amenity contributions agreed to by the applicant/ developer. CACs can take several forms including community amenities, affordable housing, and financial contributions towards infrastructure that is not covered by DCCs (Development Cost Charges), like recreation facilities or a fire hall.”

A local government can obtain CACs if, and when, they vote to adopt a rezoning bylaw for the development in question. According to a 2015 Fraser Institute report, 15 jurisdictions in Greater Vancouver require more rezoning than the national average (58%). In 11 of those jurisdictions, more than 70% of residential development required rezoning. Having such a high occurrence of rezoning means a significantly number of new developments in Greater Vancouver are subject to CACs and vulnerable to lengthy negotiations.

The prevalence of rezoning provides local governments with an opportunity to gain revenue for civic improvements from project proponents. While local governments cannot legally

require CACs to be paid like they can other permitting charges and Development Cost Charges (DCCs), there can be a sense among project proponents that unless they agree to a local government’s suggested amount rezoning will not be approved. This is especially the case in jurisdictions with insufficient transparency and where CACs are negotiated on a project-by-project basis. The Holden, Fung and Sturgeon report indicated that developers react negatively to CAC negotiations, calling the negotiations “unfair” and the objectives “unclear”.¹³ This creates significant uncertainty in both the regulatory process and development timelines.

When looking at CACs as a way to collect revenue, local governments can increase the certainty and transparency in the process by establishing CACs as a price per unit or price per square foot of buildable space and attributing the contribution to a clear list of amenities in the community where the development is being built. If a CAC policy is clearly laid out on a neighbourhood-by-neighbourhood basis, it would allow for increased transparency in the collection of CACs and certainty in the rezoning process.

CACs can also be used to create diverse housing stock. Waiving or providing credit towards CACs in exchange for desired housing forms and tenures incentivize the construction of rentals or diverse Missing Middle housing.

It is important to note, there are some residents that would rather live in a lower-priced dwelling than in a dwelling near more amenities, according to a Metro Vancouver survey.¹⁴ The key factor for residents in choosing a home was, first and foremost, price point. This was followed by proximity to transit and proximity to shops, respectively. Local governments using CACs can act directly against creating this diversity in a market where a lower price point is more valued than proximity to city amenities.

RECOMMENDATION: End the practice of negotiating community amenity contributions on a project-by-project basis or waive or give credits towards community amenity contributions for developments that include purpose-built rental or other forms of necessary and diverse housing.

RECOMMENDATION

DENSITY BONUS ZONING

Density bonus zoning clearly lays out options for developers to build a base density as laid out by zoning, or to contribute certain amenities, affordable housing or other specified conditions in exchange for defined tiers of increased density zoning. These programs give developers the right to build at the base density listed in the zoning bylaw, but often are structured so that developers have a limited incentive to increase density. The municipality then gains a share of the land value that results from the density increase.

Density bonus zoning reduces development timelines by laying out clear expectations for both developers and the community in which they build and by eliminating the need for any negotiations. This can also help reduce community backlash

that might extend the development process by delineating clear guidelines for density proposals. Once established in the zoning bylaw, taking advantage of a density bonus program does not activate public consultation or require local government approval.

Density bonus zoning is also the recommended best practice for municipalities according to the MCSCD and should not be used in conjunction with a CAC policy.¹⁵ When density bonus zoning and CACs are both used, they can effectively become double charges for developers. If municipalities do opt to use them together, clear and transparent reporting is necessary to delineate how the funds are allocated and CACs should not apply to any density above the base level established in the bylaw.

CITY OF NEW WESTMINSTER SECURED MARKET RENTAL HOUSING POLICY

The City of New Westminster's Secured Market Rental Housing Policy outlines ways to preserve and add to their rental housing stock. By clearly outlining objectives and actions that will achieve these objectives, development proponents have greater incentive to help the municipality achieve these objectives. In this policy, increasing the rental inventory in the City of New Westminster allows the developer an increase in density, effectively incentivizing badly needed rental supply. Actions to create new rental stock include:

- Increased density through density bonus process
- 50% reduction in building permit fees
- Reduction in parking requirement within 400m of Frequent Transit Network or SkyTrain Station
- Concurrent processing of Rezoning and Development Applications
- City payment of legal fees to prepare Housing Agreement
- Consideration of relaxations to servicing requirements

More info: [https://www.newwestcity.ca/database/files/library/Secured_Market_Rental_Housing_Policy_FINAL\(1\).pdf](https://www.newwestcity.ca/database/files/library/Secured_Market_Rental_Housing_Policy_FINAL(1).pdf)

RECOMMENDATION: Use density bonus zoning wherever possible and appropriate to encourage diversity and density.

RECOMMENDATION

CONCURRENT PROCESSES

When the development process is simplified and streamlined according to a set of clearly defined desirable outcomes, development timelines become much shorter. When the timelines are shorter and the expectations are clearly laid out, developers can invest quickly and with certainty. This allows greater diversity and supply to be added to the market at a rate which keeps better pace with the region's rapidly growing demand.

The Holden, Fung and Sturgeon report highlights the importance of concurrency in permitting and approval processes in reducing development timelines. Concurrency is the practice of processing permits simultaneously rather than sequentially. In many cases, the information required for one permit is not dependent on another and can be processed without awaiting approval of a preceding permit. In other cases, duplication of processes, like repetitive public consultations on the same development proposal, can add to timelines and uncertainty. Understanding where these duplications exist and working to streamline them can increase efficiency for both developers and local governments.

The report also outlines that when building permit and development permit processes occur concurrently, there could be a time savings of up to 36 weeks.¹⁶ With some developments requiring multiple years from start to finish, concurrency in permitting can drastically improve the time it takes for new housing supply to enter the market.

The approval process for most residential development can be broken down into three parts: the rezoning process, development permitting, and building permitting. The rezoning process deals primarily with land use and amendments to a zoning bylaw. The development permitting process focuses on the design and form of the development. The building permitting process focuses on the structural and engineering aspects of the project.

There are tasks within the three parts of the approvals process that can be started and completed without being affected by the processes that would otherwise precede it. By reducing the risk generated from multiple approval steps and streamlining the approval process to one set of clearly defined guidelines, timelines are made shorter and project approval becomes more certain. There are opportunities to introduce concurrency and streamlining to target specific housing types, like coach houses in the case of North Vancouver, resulting in targeted density and diversity where it is desired most.

It is also important to recognize that smaller municipalities, where planning departments have not grown as quickly as the demand for new development, may experience backlogs and will be unable to concurrently process permits due to staffing limitations. In these cases, it is even more imperative that efficiencies are found to process applications at a reasonable rate through streamlining processes, reducing duplication of efforts, and clearly laying out expectations in the system.

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CITY OF NORTH VANCOUVER CONCURRENT DEVELOPMENT PERMIT AND BUILDING PROCESS FOR COACH HOUSES

The City of North Vancouver has adopted a concurrent development permit and building permit process. According to the City of North Vancouver website:

“Applications compliant with the Coach House Development Permit (DP) Guidelines may be approved by staff. To facilitate the efficient processing of compliant coach house applications the City has developed a process whereby coach houses are reviewed against the Coach House Development Permit Guidelines and the BC Building Code through one submission. Please note - applications inconsistent with the Coach House Guidelines or the Zoning Bylaw must be forwarded to Council for consideration.”

More info: <http://www.cnv.org/property-and-development/building-and-development/development-applications/development-permits/accessory-coach-houses>

This policy by the City of North Vancouver helps to encourage the creation of coach houses, adding to the diversity of the housing supply. By introducing concurrency for coach houses, the City has removed barriers and created a regulatory environment that favours a more affordable housing option and encourages an increase in the supply of this uncommon housing type.

This policy also reduces timelines by delegating responsibility for application approval to staff based on clearly laid out principles. This reduces the amount of time by not relying on regular meetings of an advisory board or council and allowing the permit to be approved based on previously agreed to terms.

RECOMMENDATION: Work to meaningfully reduce development timelines through concurrent permitting for housing types that introduce affordable and diverse housing supply.



Laneway housing is currently only available for rent. Smallworks, Vancouver

RECOMMENDATION:

REGIONAL CERTIFIED PROFESSIONAL ACCREDITATION

With the limited capacity of local governments being a contributing factor to lengthening timelines, reducing the workload on city staff could help alleviate the backlog of development applications. One potential model to improve efficiency would be an accreditation regime that allows professional firms the option to “fast-track” their application, similar to a NEXUS pre-clearance card for travel between Canada and the United States. This policy would allow those in the home-building and development industry with a proven track-record of consistent, well-prepared, and successful applications to qualify for a special status. Tools like concurrent permitting or prioritization could be used to incent developers to attain this accreditation as well. This designation could also apply to many contracted professionals like architectural, engineering or law firms retained by developers.

An accreditation program would be an incentive for developers to properly prepare their applications, using accredited firms, while discouraging poorly prepared applications that can consume significant time and resources from municipalities—add to the backlog of applications.

This model requires further exploration to create a fair and objective accreditation system, and if successful should be applied uniformly across the Greater Vancouver region. While some of these programs exist in separate municipalities (Richmond, Vancouver, North Vancouver, etc.) they are not regional in scope.

CITY OF LOGAN RISKSART ACCREDITATION

In 2010, the City of Logan in Queensland, Australia adopted an accreditation process called RiskSmart to help reduce development timelines.

RiskSmart is a quick and easy way to get development applications approved by Logan City Council, by enabling the assessment of simple, low-risk applications to be carried out by accredited RiskSmart consultants. The accredited consultant assesses the application against the Logan Planning Scheme

and RiskSmart criteria and prepares the approval paperwork and supporting documentation for Council. This documentation is then reviewed by staff and the decision notice is issued by an Assessment Manager within five business days of the application being lodged. This program was expanded on May 18, 2015 with the commencement of the Logan Planning Scheme 2015 to significantly increase the scope and volume of applications that can be processed through RiskSmart.

More info: <http://www.logan.qld.gov.au/planning-and-building/planning-and-development/development-in-logan/risksmart-planning>

RECOMMENDATION: Explore a region-wide accreditation regime that allows professionals involved in the development industry with proven track record to apply for accreditation and receive access to a fast-tracked process.

RECOMMENDATIONS SUMMARY

As the authorities on land use and development approvals in their respective jurisdictions, local governments have tools at their disposal to help increase the supply and diversity of housing in the Greater Vancouver region. The Greater Vancouver Board of Trade recommends that local governments undertake the following actions to help address the region's housing crisis:

- 1** Prioritize diversity in housing supply when considering applications and use the tools at the disposal of local governments to create a smart regulatory environment that encourages the addition of more supply and greater diversity in housing form and tenure, with a particular focus on the Missing Middle;
- 2** Prioritize the collection of information, in partnership with senior levels of government to:
 - a. identify local market gaps in housing supply and diversity in a regional context;
 - b. compare timelines for development across the region;
- 3** Pre-zone for transit-oriented development during the planning process for new rapid transit investments;
- 4** End the practice of negotiating community amenity contributions on a project-by-project basis or waive or give credits towards community amenity contributions for developments that include purpose-built rental, or other forms of necessary and diverse housing;
- 5** Use density bonus zoning wherever possible and appropriate to encourage diversity and density;
- 6** Work to meaningfully reduce development timelines through concurrent permitting for housing types that introduce affordable and diverse housing supply;
- 7** Explore a region-wide accreditation regime that allows professionals involved in the development industry with proven track record to apply for accreditation and receive access to a fast-tracked process.

END NOTES

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April, 2017



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