

From: **"Mochrie, Paul"** <Paul.Mochrie@vancouver.ca>

To: **"Direct to Mayor and Council - DL"**

Date: 11/17/2021 3:58:49 PM

Subject: **Council Memo - Working for More Housing Affordability in the Cambie Corridor - RTS 14664**

Attachments: **Memo to Mayor Council - Motion Response - Working for More Housing Affordability in the Cambie Corridor.pdf**

Dear Mayor and Council,

Please see the attached memo from Theresa O'Donnell which responds to the motion "Working for More Housing Affordability in the Cambie Corridor" RTS 14664 passed at the May 12, 2020 Regular Council meeting.

- ☐ The memo provides relevant background on Cambie Corridor Plan development and housing unit estimates and summarizes current work to better align housing delivery with local incomes in the Cambie Corridor
- ☐ Council will receive a comprehensive progress update on Cambie Corridor implementation in Q1 2022

Should you have any questions, please contact Theresa O'Donnell (Theresa.O'Donnell@vancouver.ca).

Best,
Paul

Paul Mochrie (he/him)
City Manager
City of Vancouver
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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and səliłwətał (Tsleil-Waututh) Nations.

MEMORANDUM

November 17, 2021

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Susan Haid, Deputy Director, Long Range and Strategic Planning
Neil Hrushowy, Assistant Director, Community Planning
Dan Garrison, Assistant Director, Housing Policy and Regulation

FROM: Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

SUBJECT: Motion Response: Working for More Housing Affordability in the Cambie Corridor

RTS #: 14664

Purpose

This memo is in response to the Council motion "Working for More Housing Affordability in the Cambie Corridor" which was passed at the May 12, 2020 Regular Council meeting and directed staff to:

"...report back as part of their ongoing work on the affordability of Cambie Corridor Plan housing and public benefit targets, taking into account that the new units that are built, under construction, approved or under review, will not meet the Plans' goals for affordability, as only 3% of them are required to be at HILs rates (approximately \$50-80K), while half of renter households in the city as well as 26% of owner households have incomes below \$50K, and make recommendations for aligning the affordability targets to the real incomes of people in Vancouver who need housing including low wage workers, people who have low incomes, seniors, people with disabilities and people who are homeless."

Background Context: Cambie Corridor Plan Phase 1, 2 and 3

Creation of the Cambie Corridor Plan was in response to construction of the Canada Line, to ensure more people can live and work close to high-efficiency rapid transit. Developed over eight years, the three phases of the Plan provided land use policy for sub-areas within a study area that covers 1,000 hectares and almost 9% of the City's total land area:

- Phase 1 (2010) – Provided planning principles and an Interim Rezoning Policy adopted by Council
- Phase 2 (2011) – Provided land use policy for arterial sites and an interim strategy for public benefits and the public realm
- Phase 3 (2015-2018) – Provided land use policy for surrounding neighbourhoods proximate to Canada Line Stations, a detailed Public Benefit Strategy, and a Public Realm Plan.

The majority of development in the Cambie area to date has come under Phase 2, completed in 2011. At the time, mid-rise building forms were emphasized for most of the Corridor, with taller towers at key locations such as Marine Drive and Oakridge. Phase 2 initially included a policy requiring 20% affordable rental housing on most sites. In practice, this was not achievable in the mid-rise form, and the rental requirement was replaced with a target rate CAC payment, with funding towards affordable housing and other public benefits.

In 2017, Council approved Housing Vancouver, the City's 10-year strategy to address housing affordability. This was a significant policy shift as the strategy introduced an income-based approach to new housing targets.

Phase 3 of the Cambie Plan coincided with Housing Vancouver and resulted in an extension of the plan timeline to align with the income-based approach in the remaining sub-areas. This is most notable in the Oakridge Municipal Town center where a new below-market rental option affordable to households earning between \$30,000 and \$80,000 was enabled.

Progress towards the Cambie Plan housing targets reflects the evolution of the plan over time. The majority of development to date reflects the early emphasis of the Plan (Phase 2) on mid-rise condominium housing. More recent development under Phase 3 reflects the shift following the adoption of Housing Vancouver towards more rental, affordable and missing-middle housing options.

Figure 1: Cambie Corridor Plan Program Phases & Study Area



Progress toward Cambie Corridor Plan Targets for Housing Affordability

The final Cambie Corridor Public Benefits Strategy (PBS) outlines housing estimates for 2041 for the entire study area. Under the PBS, approximately 26% of units are anticipated to be secured market rental, below market rental or social housing. Table 1 summarizes the housing estimates by type and progress towards these estimates as of June 2021. Table 2 summarizes rental housing approvals by income ranges, as outlined in Housing Vancouver.

Table 1: Progress toward housing unit estimates in Cambie Corridor as of June 2021*

Housing Type	2041 Housing Unit Estimates*	% of Total Units	# Net New Units Approved, Under Construction or Completed	% of Total Units Approved, Under Construction or Completed
Social and Supportive	2,800	9%	1,509	10%
Below Market Rental	400	1%	222	1%
Secured Market Rental	5,000	16%	1,654	11%
Strata Townhouses	2,250	7%	847	6%
Strata Condominiums	20,950	67%	11,140	72%
Total	31,400	100%	15,372	100%

*2041 housing unit estimates for the different housing types enabled under the Plan are based on a range of development assumptions (e.g. annual policy take-up, length of approvals process, construction timing, etc.). The estimates include Major Project sites (Heather Lands, Oakridge Transit Centre, Oakridge Centre, Langara Gardens and Pearson Dogwood) and sites under Marpole Community Plan policy located within the Cambie Corridor Plan area.

Table 2: Net new rental housing units approved, under construction or completed as of June 2021 broken down by level of affordability as per Housing Vancouver*

Rental Housing Type	Annual Household Income Ranges					Total
	<15K/yr.	\$15-30K/yr.	\$30-50K/yr.	\$50-80K/yr.	\$80-150K/yr.	
Social and Supportive	213	36	159	711	390**	1,509
Below Market Rental			117	105		222
Secured Market Rental				203	1,451	1,654
# Total Rental Units	213	36	276	1,019	1,841	3,385
% of Total Rental Units	6%	1%	8%	30%	54%	100%

*This table does not include an affordability breakdown of new ownership units; however, it can be assumed that the majority of new ownership units will not be affordable to incomes under \$80K/yr. A full affordability breakdown of all new units will be available through the next comprehensive progress update on Cambie Corridor implementation, expected in Q1 of 2022.

**These 390 units are counted under the lower end of the \$80-\$150k/yr. range

The tables above show that housing approvals in Cambie are well aligned with anticipated housing supply outlined in the Cambie Plan. The goals of increasing “missing middle” ground-oriented townhouse forms and diversifying existing single family areas to include apartment forms next to rapid transit are being achieved. However, Phase 3 goals to enable new rental housing affordable to households earning under \$80,000 per year are still in progress and further work is needed to address unmet need for housing affordable to low- and moderate-income households.

Current Work to Align Housing Delivery with Local Incomes in the Cambie Corridor

Following Council direction, staff are currently working on implementing a number of initiatives to better align housing delivery in the Cambie Corridor with local incomes, with a focus on creating housing affordable to households earning under \$80,000 per year. These initiatives include:

- In July 2019, Council approved consideration of additional below-market and market rental housing on major project sites, including the Oakridge Transit Centre (OTC), Pearson Dogwood, Heather Lands and Oakridge Centre sites. Applications for these changes are in progress and currently include approximately 947 additional secured market rental units. A minimum of 25% of the net increase in residential floor area for rental housing on each of these projects will be at moderate-income rates affordable to households earning \$30,000 to \$80,000 per year.
- In February 2020, Council approved a recommendation through the *Ashley Mar Issues Report* that allows staff to consider rezoning enquiries and applications for additional height and/or density for social housing sites and inclusionary housing sites in the Marine Landing neighbourhood. Active rezoning applications proposing affordable housing in Marine Landing include:
 - Ashley Mar Co-operative redevelopment to include 1-for-1 replacement of the existing co-operative units, and proposes an additional 71 co-op housing units and 524 secured market rental units; and
 - 622-688 SW Marine Drive application to create 573 secured market rental units, with 20% of residential floor space allocated to below-market rental units affordable to households earning under \$80,000 per year. The YWCA will operate 35% of the below-market floor space and rent the units at even deeper levels of affordability.
- Staff are exploring the rezoning of off-arterial rental/social housing sites in the Oakridge Municipal Town Centre. Rezoning would eliminate the need for a site-specific rezoning, enabling a more expedient delivery of below-market rental and social housing units. The project recently had to be paused in response to the current resource challenges in the Development, Buildings and Licensing Department. However, staff continue to process rezoning applications for off-arterial inclusionary housing sites in the MTC. Council has approved at public hearing two projects with 339 units in these areas that include 270 secured market rental units and 69 below-market rental units. There are a further two projects currently in review that propose with 603 units that include 482 secured market rental units and 121 below-market rental units.

The Council-directed actions outlined above amount to approximately 2,093 additional secured market rental units with requirements for a portion of those units to be rented at below-market rates and an additional 71 co-operative housing units in Cambie Corridor. This will work to shift new development toward rental housing options affordable to incomes under \$80,000, however a more comprehensive review of the Plan would be needed to add significantly more below-market rental homes in this area.

Conclusion

This memo responds to Council's motion "Working for More Housing Affordability in the Cambie Corridor" which was passed at the May 12, 2020 Regular Council meeting.

In the Cambie Plan area, more social and below-market rental housing is being enabled through Phase 3 of the Plan as well as more recent policy changes approved by Council, resulting in a greater proportion of social and below-market rental being advanced. Approximately 26% of units are anticipated to be social housing, secured market rental or below market rental in the Plan area. However, there remains unmet need for below-market housing options both in the Cambie Corridor and citywide.

Staff are undertaking the actions outlined in this memo to better align housing delivery with local incomes in the Cambie Corridor. These immediate actions to boost affordable rental supply are currently part of existing staff work programs. Further land use and policy revisions would involve a comprehensive review of the plan and both the Cambie and Marpole Public Benefits Strategies. These two Public Benefit Strategies are integrated and work together to deliver in-kind amenities, such as childcare and community facilities, and allocate cash CACs collected from new development to support a growing population. A comprehensive review would necessitate a significant new work program and would not be feasible at this time without pausing existing work and allocating new resources.

Planning, Urban Design and Sustainability is currently focused on delivery of the Broadway Plan and Vancouver Plan. The Broadway Plan is anticipated to provide significant opportunities to increase the supply of secured rental housing affordable to households earning under \$80,000 per year. The Vancouver Plan will provide a citywide approach to enabling additional affordable housing in all neighbourhoods supported by a land use plan and policy framework. Work is also underway to update the Housing Vancouver Strategy housing targets.

The next comprehensive progress update on Cambie Corridor implementation is expected in Q1 of 2022, and will provide additional detail on development activity and progress toward achieving the Plan's public benefits targets. Should you have any questions, please do not hesitate to contact me.



Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

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