



19 December 2022

Dear Premier & Minister Kahlon:

Congratulations Minister Kahlon on your appointment to the Ministry of Housing and to the government as a whole on introducing and passing Bill 43 Housing Supply Act & Bill 44 Building and Strata Statutes Amendment Act, 2022. Together this legislation represents the most significant housing legislation in decades. We are encouraged by the direction taken and strongly support the Province stepping in to ensure municipalities are building sufficient housing to meet the needs of British Columbians. This legislation represents an important start towards addressing our critical housing shortage and resulting affordability crisis in British Columbia.

We are similarly pleased with the prohousing agenda in Minister Kahlon's mandate letter. The housing crisis is not just making it hard for British Columbians to get by, it is robbing younger generations and new Canadians of opportunity. Economists Hsiesh and Moriatti examined the impact of constrained housing supply on the economy, finding that the US economy had 36% less economic growth since 1964 than it would absent housing supply constraints, resulting in ~\$9k USD less annual worker wages. We expect BC and Canada experienced similar GDP losses due to similar housing shortages. Removing the artificial constraints of bad housing policy would generate additional revenue for provincial priorities in healthcare, climate action and social housing, and restore access to the opportunities our cities offer to young people and newcomers.

Bold action is required to make life more affordable and restore opportunities to British Columbians. To that effect, significant work is still required to make real progress towards ending the housing crisis. We urge the province to build on the work of Bills 43 & 44 by:

- **Ensuring a robust assessment of housing targets.** The Housing Supply Act relies on Housing Needs Assessments prepared by municipalities to create housing construction targets. Without robust standards for the preparation of Housing Needs Assessments, municipal governments resistant to change could game the system by underestimating their municipality's housing needs. Housing needs must be assessed using real-world indicia, including rental vacancy rates, housing/job imbalances, and quantity of cost-burdened households. Current projections and needs assessments that implicitly accept past trends of household displacement are inadequate for determining new housing targets. A more comprehensive approach, similar to California's RHNA system, would be for the Province to set overall housing needs targets at the metro level, and then distribute shares of the metro target to each municipality according to opportunities, such as proximity to jobs and transit, and equity considerations, such as tenant displacement.
- **Implementing minimum zoning standards.** While we were disappointed that minimum zoning standards were not included in the Housing Supply Act, we are happy to see them included in Minister Kahlon's mandate letter. New Zealand's experience shows broad limits on exclusionary municipal zoning bylaws are an effective way to boost housing production, while also demonstrating that larger cities require stronger interventions. We are concerned future Housing Ministers may be less inclined to hold municipalities accountable for failing to permit enough homes. Establishing base zoning province-wide removes that potential failure mechanism. Therefore, we encourage your government to bring forward legislation in the upcoming session to legalize six-plexes across BC, with at least six-floor buildings allowed in major urban areas near frequent transit (including Greater Vancouver, Greater Victoria, Abbotsford, Nanaimo, and Kelowna). Additional density bonuses should be available for buildings with below-market homes. We strongly encourage the mandate letter direction to "expand the number of units allowed to be built in cities using single-family home development permit processes" to be interpreted as broadly as possible to cover at least six-plexes.



- **Ensure permitting and regulations are in the public interest.** California’s experience with state level housing legislation showed that anti-homebuilding municipalities used their regulatory powers to do an end run around housing legislation with excessive parking requirements, dubious heritage designation and excessively complex review process all intended to make building more homes unfeasible. We strongly encourage the minister to apply careful scrutiny of minimum parking requirements and other such regulations as part of his monitoring of Municipal Housing Target Progress reports and the mandate to “simplify and speed up provincial housing approval processes, working toward ‘one-stop’ provincial permitting – and support municipalities to streamline development approvals through the continued implementation of the Development Approvals Process Review” to ensure the public interest in ending the housing shortage is advanced.
- **Expand support for low income and student housing.** The Province’s housing plan should explicitly commit to substantial investments in social housing, other forms of low income housing and housing for students at our universities. Currently, municipal obstacles add unnecessary cost, delay, and risk to public and non-profit housing. The Province needs to both directly fund social housing and act to streamline its approval.
- **Rewarding proactive local governments via a “Pro-Housing Designation” system.** In addition to assisting 8-10 local governments which are struggling to reach housing targets, we hope the province will create a “Pro-housing Designation” to reward towns and cities which voluntarily implement the following pro-housing reforms: 1) Create OCPs consistent with housing needs and the minimum zoning standards recommended above, 2) pre-zone up to the OCP maximum and delegate approvals to staff, 3) allow all OCP compliant non-profit housing to be built by right with approvals delegated to staff, 4) delegate approvals of all housing development permits to staff, 5) remove parking minimums, 6) demonstrate they are approving sufficient housing to meet targets. Local governments that voluntarily adopt these measures would receive a “Pro-Housing Designation”, and they’re funding applications to the provincial government moved to the top of the pile for consideration. Adequate and timely Provincial support, such as funding new neighbourhood schools where needed, is critical to the success of car-light, climate-friendly communities.

By expanding on the important work already underway, your government can improve the lives of British Columbians struggling under the crushing cost of housing, and make it once again attainable for young adults and new Canadians to start their lives here. Your government should be applauded for the work done to date and we hope to see that same dedication in future housing legislation. Thank you for your time, and effort on increasing housing affordability in BC.

Sincerely,

Homes for Living YYJ
Abundant Housing Vancouver
Yes In New West
Kitsilano for Inclusivity
Deltans for People Oriented Places
Strong Towns Langley