



URBAN
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Renee de St. Croix
Director of Urban Planning and Design
City of Coquitlam
3000 Guildford Wy
Coquitlam, BC V3B 7N2

RE: Coquitlam High-Density Zones and Rental Incentives

Dear Ms. de St. Croix,

On behalf of the Urban Development Institute (UDI), we are writing to share feedback on the proposed *High-Density Zones and Rental Incentives Policy* and reiterate the need for measurable changes to improve development viability. Although we can provide some high-level comments on the proposed changes, ***we are unable to provide fulsome commentary until we can review the financial viability analysis and the inputs used to inform the Policy.***

We appreciate the City's recognition of the challenges facing the development industry and proposing an incentive-based approach to securing affordable housing, as more stringent requirements would only deepen the slowdown in housing delivery.

Nevertheless, with the proposed Policy, **the City is over-relying on density** as a core incentive in the high-rise market. Today, project viability is being driven far more by mitigating the cost-of-delivery crisis.

CONCERNS WITH THE POLICY

As we have raised in previous meetings and correspondence, the industry can no longer build what the average buyer or tenant can afford to pay. In this context, we need incentives that will reduce the costs to deliver homes.

While we appreciate the direction the City is taking, we have concerns that several aspects of the proposed Policy may reduce uptake and limit its impact on the objective of improving housing delivery:

- The proposed removal of the 2.0 m² per adaptable unit FAR exclusion will eliminate incentives to provide adaptable units beyond the required 20%, while also making projects more difficult to deliver even at the minimum provincial requirement;
- While the framework allows the 0.2 FAR affordable housing contribution to be converted to strata units through a cash-in-lieu contribution, there does not appear to be a comparable pathway for the 1.3 FAR affordable housing incentive for the market rental component; and
- Although we appreciate the proposed reduction in common amenity space requirements for rental projects from 2.0 m² to 1.0 m², we question why the same approach would not apply across all residential tenures.

Again, UDI supports the City's decision to maintain an incentive-based approach at a time when some municipalities are moving toward mandatory Inclusionary Zoning requirements. However, if the City's objective is to support housing delivery in the current market, significantly stronger cost and process-related incentives will be required to make projects financially viable.

OTHER DEVELOPMENT VIABILITY SUPPORTIVE MEASURES

In previous meetings, we have discussed several opportunities for the City to help mitigate the impacts of the cost-of-delivery crisis while also reducing staff workload and improving application timelines, including measures such as a Certified Professional Program and other process improvements. We would welcome a broader discussion with the City on meaningful ways to improve project viability through both cost reductions and streamlined approvals. While additional density can remain an important long-term planning tool, immediate improvements to housing delivery will come from measures that directly reduce project costs and constraints.

As part of this discussion, we urge the City to consider:

- Reviewing Amenity Cost Charge rates, which are among the highest in the Lower Mainland, surpassing [Surrey](#) and Vancouver (proposing \$1.2-10.00 psf);
- Considering reductions in Development Cost Charges as [Surrey has recently done](#) – even as a short-term measure;
- Reviewing public art contribution requirements;

- Reviewing Transportation Demand Management (TDM) requirements and maintaining flexibility on visitor parking requirements;
- Reviewing bike parking standards;
- Considering a reduction of indoor amenity requirements;
- Maintaining the current flexibility in unit mix policies;
- Considering property tax abatement for Purpose-Built Rental;
- Reviewing the requirement for non-profit management of below-market rental units given the recently approved [regulation allowing builders to income test](#); and
- Considering larger floorplate sizes to reduce construction costs – and improve energy efficiency.

UDI welcomes the opportunity to discuss the proposed incentives when information is available on the financial analysis that the City is conducting. Additionally, we would like to explore the other measures noted above and additional improvements that will allow our members to launch more housing projects in Coquitlam.

Yours sincerely,



Michael Drummond, President and CEO
Urban Development Institute