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Chris Clibbon
Senior Planner, City-wide and Regional Planning
City of Vancouver
453 West 12th Avenue
Vancouver, BC V5Y 1V4

Re: UDI Feedback - 2026 Financing Growth Update

Dear Mr. Clibbon,

On behalf of the Urban Development Institute (UDI), thank you for the collaborative approach the City has taken throughout the Financing Growth Update process and for the opportunity to provide feedback on the proposed framework.

We also acknowledge the meaningful viability measures adopted in December 2025, including the temporary 20% DCL reduction, fee deferrals, the rental relief program, as well as the elimination of Transportation Demand Management (TDM) fees. These measures represented important steps toward improving project viability during an exceptionally challenging market cycle.

However, we are concerned that the introduction of new Amenity Cost Charges (ACCs) will undermine that progress at a time when the industry requires additional measures to support housing delivery, not additional barriers, as we noted in our April 28th letter to you. Although some fixed Community Amenity Contributions (CACs) are being removed, others remain, even though ACCs will be paid. Our members are concerned that their projects will be paying higher fees at a time when costs need to come down.

With that context, we offer the following suggestions to mitigate the added cost of the proposed ACCs while preserving the City's capital program amenity objectives:

1. **Temporary 50% reduction in ACC rates for one year.** Mirroring the approach taken with DCLs in December 2025, we recommend introducing the city-wide ACC at 50% of the draft rates for the first year, with an annual review tied to market indicators. The City should also consider whether a full deferral of ACCs in year one is appropriate, contingent on meaningful progress across the additional viability measures outlined below. In particular, we recommend that ACCs be waived entirely for rental projects on a temporary basis.

2. **Pause Below-Market Rental (BMR) requirements while the City's Inclusionary Zoning (IZ) review is underway.** We recognize and support the City's decision to review its inclusionary zoning framework. Given that the current BMR and social

housing requirements have not been subject to recent economic testing, it would be prudent to pause them until the IZ review concludes and updated testing is completed. We suggest removing the broad-based below-market and social housing requirement for all projects throughout the City. These requirements have made housing projects unviable, preventing the delivery of both affordable and market housing. Removing the affordable housing requirement would help unlock market housing and provide an overall increase in much needed housing supply. As an alternative revenue mechanism, the City could offer both strata and rental projects the option to pay a time-limited ACC in lieu of providing the BMR or social housing requirement.

3. **Extend CAC exemptions to 6-storey strata and mid-rise R-4 zones.** The current proposal removes target CACs for strata developments up to 5 storeys. We recommend extending that exemption to 6-storey strata projects as well. We also encourage the City to consider exempting new mid-rise R-4 zones (e.g., 12 -16 storeys), given the extraordinary cost premiums associated with that building typology. These projects face structural viability challenges that the existing exemption thresholds do not adequately address.

4. **Recalibrate strata policy to avoid disincentivizing ownership housing.** Vancouver needs both rental and ownership housing, and City policy should not inadvertently make strata development unviable relative to rental. We recommend aligning permitted strata densities with those available to rental projects, so that tenure choice is driven by market demand rather than zoning policies. Strata housing serves a distinct and important segment of the market, particularly for households seeking ownership opportunities, and the policy framework should allow for this. In addition, the Federal Government and CMHC are beginning to retrench their rental housing incentives, such as the MLI Select Program and the Apartment Construction Loan Program. These programs have been essential to allowing our members to build the large number of purpose-built rental projects in the City. At the same time, senior governments are introducing incentives for ownership housing.

5. **Value engineering and regulatory cost reform.** Beyond development charges, the City has an opportunity to meaningfully improve viability by reducing the embedded cost of building. Many regulatory requirements no longer reflect current market realities or demonstrated consumer demand and add cost without commensurate benefit. We recommend the City undertake a focused review of the following areas:
    - Bike parking: Current Class A requirements substantially exceed observed utilization in completed buildings. Surrey conducted a bike parking utilization study and found actual demand to be well below the City's requirements, leading to a reduction from 1.2 to 0.4 spaces per unit. A similar review is warranted in Vancouver.
    - Visitor parking: Minimums remain excessive given the City's own transportation and mode-shift objectives and should be reduced accordingly, especially in areas well served by transit.

- Balcony requirements: Balcony provisions embedded in design guidelines increase construction costs and reduce energy performance. These should be revisited to give projects greater flexibility.
- Amenity space minimums: Minimum amenity space requirements add cost and floor area that the homebuyers and renters may not value or need. The size of these spaces should be left to the market to determine on a project-by-project basis.
- TRPP Alignment: TRPP should be modified to align with interim viability measure including the ROFR at CMHC average (not 20 % below) and with these rates available for eligible tenants only subject to income verification, otherwise market rent is payable when the unit is available.

Finally, we encourage the City to consider a transition mechanism for recently approved projects that would benefit from the new policy directions. Certain projects entitled in the last one to two years carry obligations that would not apply under the proposed framework, such as public art contributions. A streamlined process to access more favourable conditions would help bring more of these projects to construction.

The steps the City has taken over the past year to improve development viability are appreciated and reflect a recognition of how difficult market conditions have become. However, conditions remain extremely challenging, and a majority of projects are still unable to proceed to construction.

Adding new charges, without corresponding measures to offset them, risks discouraging the very development the City has worked hard to enable and undoing this progress. We believe our recommendations above offer a practical path forward. They preserve the City's long-term capital amenity objectives while avoiding a further setback to housing delivery that could take years to overcome.

Thank you for the opportunity to provide feedback, and we look forward to continuing to work with staff toward our shared goal of delivering more housing for Vancouver.

Sincerely,

Michael Drummond
Chief Executive Officer
Urban Development Institute

CC: Josh White, General Manager, Planning, Urban Design, and Sustainability