



September 5, 2018

Mayor and Council
City of Victoria
1 Centennial Square
Victoria BC V8W 1P6

Re: Inclusionary Housing / Bonus Density Policy

Mayor and Council –

The Urban Development Institute (UDI) Capital Region and the City of Victoria are aligned on improving affordability in our region and providing housing options that address the needs of all residents.

UDI would like to thank Staff for consulting with us on August 1, 2018. This meeting was to discuss preliminary findings from Coriolis and to give feedback on the principles of the proposed Inclusionary Housing / Bonus Density Policy. We appreciated Staff incorporating our general, high-level feedback into their analysis, however UDI feels strongly that further collaboration is required with its members to ensure the policy is successful in achieving its goals.

Unfortunately, UDI has not been provided with an opportunity to fully review and provide feedback on the specifics of the Coriolis Report and the proposed Inclusionary Housing / Bonus Density Policy. In the one full business day since the publication of the Committee of the Whole agenda on Friday, August 31st, UDI has done a preliminary review of the report and attachments and has significant concerns about some of the economic assumptions that form the foundation of the report's policy recommendations. For example, UDI feels that the policy as currently proposed is not achieving its goal of being grounded in the economic principles of the current density bonus policy and would like additional time to analyze this issue further.

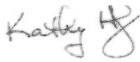
Further, many developer members that have been responsible for both market and affordable rental housing projects in our City during your tenure as Council have informed us that their projects would not have been feasible were this policy to be enacted as currently proposed. As the details of this proposal will have far-reaching implications on the supply of housing in our region, UDI would like to explore this issue further to ensure that the proposed policy will not stifle housing supply when we need it most.

Likewise, additional consultation is needed with developers and affordable housing providers to ensure that it will be possible to effectively operate and manage affordable units built under the policy.

UDI strongly supports Staff's recommendation that Council direct Staff to undertake further consultation with stakeholders, both on the Inclusionary Housing / Density Bonus Policy and on the issue of pre-zoning areas of the City.

This is an important initiative that requires creative and precise planning so not to stifle all forms development in a market where supply is necessary. Both City Staff and Council should recognize that an inclusionary housing policy will only be successful in providing affordable housing units if conditions for market housing remain strong. The City of Victoria requires a unique policy that is sensitive to local market and economic conditions. This proposed policy could have significant negative implications on both supply and affordability in the City of Victoria should this policy be approved in its current form. UDI looks forward to further consultation with Staff on this policy.

Kind Regards,



Kathy Hogan – Executive Director
(On behalf of the UDI Capital Region Executive Directors)