

**METRO VANCOUVER REGIONAL DISTRICT  
HOUSING COMMITTEE**

**MEETING**

**Friday, July 7, 2023**

**1:00 pm**

**Meeting conducted electronically/in-person pursuant to the Procedure Bylaw  
28<sup>th</sup> Floor Committee room, 4515 Central Boulevard, Burnaby, British Columbia**

**A G E N D A<sup>1</sup>**

**1. ADOPTION OF THE AGENDA**

**1.1 July 7, 2023 Meeting Agenda**

That the Housing Committee adopt the agenda for its meeting scheduled for July 7, 2023 as circulated.

**2. ADOPTION OF THE MINUTES**

**2.1 May 12, 2023 Meeting Minutes**

That the Housing Committee adopt the minutes of its meeting held May 12, 2023 as circulated.

*pg. 3*

**3. DELEGATIONS**

**4. INVITED PRESENTATIONS**

**4.1 Roberto Pecora, ZEBx**

Subject: Decarbonization of Housing Stock Across the Region

**5. REPORTS FROM COMMITTEE OR STAFF**

**5.1 BC Rental Protection Fund - Metro Vancouver Housing Pre-qualification**

That the MVHC Board direct staff to submit an application for pre-qualification to the BC Rental Protection Fund program, and report back with potential options for future consideration.

*pg. 7*

**5.2 Decarbonization Plan – Meeting Metro Vancouver Housing’s 10-Year Plan Targets**

That the MVHC Board receive for information the report dated June 28, 2023 titled “Decarbonization Plan – Meeting Metro Vancouver Housing’s 10-Year Plan Targets”.

*pg. 11*

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<sup>1</sup> Note: Recommendation is shown under each item, where applicable.

**5.3 Draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans**

pg. 32

That the Housing Committee receive for information the report dated June 14, 2023, titled "Draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans."

**5.4 Manager's Report**

pg. 50

That the Housing Committee receive for information the report dated June 29, 2023, titled "Manager's Report".

**6. INFORMATION ITEMS**

**7. OTHER BUSINESS**

**8. BUSINESS ARISING FROM DELEGATIONS**

**9. RESOLUTION TO CLOSE MEETING**

*Note: The Committee must state by resolution the basis under section 90 of the Community Charter on which the meeting is being closed. If a member wishes to add an item, the basis must be included below.*

That the Housing Committee close its meeting scheduled for July 7, 2023 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality

**10. ADJOURNMENT/CONCLUSION**

That the Housing Committee adjourn/conclude its meeting of July 7, 2023.

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Membership:

Locke, Brenda (C) – Surrey  
Ruimy, Dan (VC) – Maple Ridge  
Buchanan, Linda – North Vancouver City  
Hepner, Gordon – Surrey

Kruger, Dylan – Delta  
Martens, Barb – Langley Township  
McNulty, Bill – Richmond  
Meiszner, Peter – Vancouver

Pollock, Glenn – Port Coquitlam  
Tetrault, Daniel – Burnaby  
Towner, Teri – Coquitlam

**METRO VANCOUVER REGIONAL DISTRICT  
HOUSING COMMITTEE**

Minutes of the Regular Meeting of the Metro Vancouver Regional District (MVRD) Housing Committee held at 1:00 pm on Friday, May 12, 2023 in the 28<sup>th</sup> Floor Committee Room, 4515 Central Boulevard, Burnaby British Columbia.

**MEMBERS PRESENT:**

Chair, Mayor Brenda Locke, Surrey  
 Vice Chair, Mayor Dan Ruimy\*, Maple Ridge (arrived at 1:01 pm)  
 Mayor Linda Buchanan\*, North Vancouver City (departed at 1:51 pm)  
 Councillor Gordon Hepner, Surrey  
 Councillor Dylan Kruger, Delta  
 Councillor Barb Martens\*, Langley Township  
 Councillor Bill McNulty, Richmond  
 Councillor Peter Meiszner, Vancouver  
 Councillor Glenn Pollock\*, Port Coquitlam  
 Councillor Daniel Tetrault\*, Burnaby  
 Councillor Teri Towner\*, Coquitlam

**MEMBERS ABSENT:**

None.

**STAFF PRESENT:**

Heather McNell, Deputy Chief Administrative Officer, Policy and Planning  
 Morgan Mackenzie, Legislative Services Coordinator, Board and Information Services

**1. ADOPTION OF THE AGENDA**

**1.1 May 12, 2023 Meeting Agenda**

**It was MOVED and SECONDED**

That the Housing Committee adopt the agenda for its meeting scheduled for May 12, 2023 as circulated.

**CARRIED**

\*denotes electronic meeting participation as authorized by section 3.6.2 of the *Procedure Bylaw*

**2. ADOPTION OF THE MINUTES**

**2.1 April 14, 2023 Meeting Minutes**

**It was MOVED and SECONDED**

That the Housing Committee adopt the minutes of its meeting held April 14, 2023 as circulated.

**CARRIED**

**3. DELEGATIONS**

No items presented.

1:01 pm Vice Chair Ruimy arrived at the meeting.

**4. INVITED PRESENTATIONS**

**4.1 Jim Handy, Manager, Planning & Regulatory Services, City of Victoria**

Jim Handy, Manager, Planning & Regulatory Services, City of Victoria, and Ross Soward, Senior Planner, City of Victoria, provided the Housing Committee with information on the rapid deployment of affordable housing initiative in the City of Victoria.

Members were provided with a presentation on the city-wide initiative to support affordable housing highlighting the background on *The Victoria Housing Strategy 2016-2025*, the rapid deployment of affordable housing proposal, the qualifying criteria for affordable housing projects, the benefits of flexible qualifying criteria, the feedback from affordable housing providers, the impacts from the changes and the lessons learned.

Presentation material titled "Rapid Deployment of Affordable Housing" is retained with the May 12, 2023 Housing Committee agenda.

**4.2 Eric Bond, Senior Specialist, Canada Mortgage and Housing Corporation (CMHC)**

Eric Bond, Senior Specialist, Canada Mortgage and Housing Corporation (CMHC), provided the Housing Committee with an update on the 2022 CMHC Rental Market Survey Results.

Members were provided with a presentation on the 2022 CMHC Rental Market Survey Results, highlighting an overview of the rental market survey, the factors affecting the rental rates, and how CMHC collaborates with the regional and local levels of government.

Presentation material titled "CMHC Rental Market Survey Results 2022" is retained with the May 12, 2023 Housing Committee agenda.

1:51 pm Mayor Buchanan departed the meeting.



## 5. REPORTS FROM COMMITTEE OR STAFF

### 5.1 Metro Vancouver Housing 10-Year Plan – Funding Update

Report dated April 26, 2023, from Amanda Hrgovic, Program Manager, Housing Finance, Regional Planning and Housing Services, providing the MVHC Board with information on the recently secured funding towards the implementation of the *Metro Vancouver Housing 10-Year Plan*.

#### **It was MOVED and SECONDED**

That the MVHC Board receive for information the report dated April 26, 2023 titled “Metro Vancouver Housing 10-Year Plan – Funding Update.”

**CARRIED**

### 5.2 Tenant Programs and Services Update

Report dated May 6, 2023, from Saleh Altaf, Manager, Tenant Programs and Services, Regional Planning and Housing Services, providing the MVHC Board with an update on the Tenant Programs and Services.

Members were provided with a presentation on Metro Vancouver Housing (MVH) Tenant Programs and Services, highlighting the ecosystem of community support, quarterly programs, tenant-led events, cultural events and legacy programs including the free food program, community gardens, gardening workshops, and the master gardeners’ support.

Presentation material titled “Tenant Programs and Services Update” is retained with the May 12, 2023 Housing Committee agenda.

#### **It was MOVED and SECONDED**

That the MVHC Board receive for information the report dated May 6, 2023, titled “Tenant Programs and Services Update”.

**CARRIED**

### 5.3 Manager’s Report

Report dated April 26, 2023, from Heather McNell, Deputy Chief Administrative Officer, Policy and Planning, providing the Housing Committee with the Housing Committee’s Work Plan for 2023 and quarterly updates on the Rent-Geared-to-Income (RGI) ratio, the vacancy report, and the quarterly update on MVH development and rehabilitation projects.

Members were provided with a presentation on the capital projects, highlighting an overview of the capital development plan, and the capital maintenance plan.

Presentation material titled “Capital Project Updates” is retained with the May 12, 2023 Housing Committee agenda.

**It was MOVED and SECONDED**

That the Housing Committee receive for information the report dated April 26, 2023 titled "Manager's Report."

**CARRIED**

**6. INFORMATION ITEMS**

No items presented.

**7. OTHER BUSINESS**

No items presented.

**8. BUSINESS ARISING FROM DELEGATIONS**

No items presented.

**9. RESOLUTION TO CLOSE MEETING**

**It was MOVED and SECONDED**

That the Housing Committee close its meeting scheduled for May 12, 2023 pursuant to section 226 (1) (a) of the *Local Government Act* and the *Community Charter* provisions as follows:

"90 (1) A part of a council meeting may be closed to the public if the subject matter being considered relates to or is one or more of the following:

- (e) the acquisition, disposition or expropriation of land or improvements, if the council considers that disclosure could reasonably be expected to harm the interests of the municipality."

**CARRIED**

**10. ADJOURNMENT/CONCLUSION**

**It was MOVED and SECONDED**

That the Housing Committee adjourn its meeting of May 12, 2023.

**CARRIED**

(Time: 2:14 pm)

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Morgan Mackenzie,  
Legislative Services Coordinator

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Brenda Locke,  
Chair

59933934 FINAL

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To: Housing Committee

From: Mikayla Tinsley, Housing Planner, Metro Vancouver Housing

Date: June 28, 2023 Meeting Date: July 7, 2023

Subject: **BC Rental Protection Fund – Metro Vancouver Housing Pre-Qualification**

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### **RECOMMENDATION**

That the MVHC Board direct staff to submit an application for pre-qualification to the BC Rental Protection Fund program, and support exploration of potential options for future consideration under the program.

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### **EXECUTIVE SUMMARY**

In January 2023, the Government of British Columbia announced the Rental Protection Fund, a \$500 million program to assist non-profit organizations with acquiring purpose-built rental buildings to preserve existing affordable rental housing, and protect tenants by preventing rental unit loss as a result of speculation. Metro Vancouver Housing may be able to leverage this fund to acquire rental buildings to add to its portfolio, in particular by exploring the acquisition of buildings adjacent to existing MVH sites, which could open up opportunities for future expansion. The Fund may also provide a means of advancing MVH's regional equity objectives by enabling the acquisition of buildings in municipalities that are currently underserved by MVH. While details about the program are still limited, staff anticipate that pre-qualification for the Rental Protection Fund will open in Summer 2023.

### **PURPOSE**

To inform the Housing Committee and Board about the newly announced BC Rental Protection Fund, and seek direction to apply to pre-qualify for the program and to further investigate potential opportunities.

### **BACKGROUND**

The *Metro Vancouver Housing 10-Year Plan* provides the guiding framework for how Metro Vancouver Housing (MVH) will provide, preserve, and expand its portfolio of affordable rental housing across the region. The 10-Year Plan is centered around four broad goals. One of the four goals is to develop partnerships to expand affordable rental housing across the region, which explicitly includes exploring opportunities for new sources of government funding. A second goal is to pursue opportunities to grow strategically through redevelopment and acquisition of new properties. As the BC Rental Protection Fund is a new potential funding source that could allow MVH to strategically acquire existing purpose-built rental buildings, it presents a unique opportunity for MVH to accomplish these goals.

## **EXISTING DETAILS ON THE RENTAL PROTECTION FUND**

In January 2023, the Government of British Columbia announced a new \$500 million program called the Rental Protection Fund, which will provide non-profit organizations with one-time capital grants for the purpose of acquiring affordable rental buildings and ownership co-operatives. These grants will enable non-profits to purchase existing, occupied, purpose-built rental buildings and secure their affordability over time. Eligible properties must be currently held in the private market and be at risk of redevelopment and/or significant rent increase.

Non-profit acquisitions will be supported through a combination of Rental Protection Fund grant money and financing (i.e. forgivable loans on a 20-year term), with the amount of both dependent on the purchase price, condition, and existing rents in the building. Based on funds available and the target number of buildings, available funding is anticipated to be in the order of \$250,000 per unit. In some instances, a grant of this magnitude may enable the purchase of a building without requiring a non-profit to contribute additional equity (i.e. the purchase would be supported by the grants combined with debt serviced by existing rents).

The goal of the program is to secure existing rental buildings that provide a “naturally occurring” form of affordable housing that is being lost to redevelopment faster than new affordable units are being created. The program’s grant conditions will require that any sale/assignment or redevelopment during the 20-year term is only permitted with the approval of the Fund’s Board. With this provision, there will be opportunities for non-profits that acquire rental buildings under this program to work with tenants over the long term to expand the housing through redevelopment to house more tenants at an affordable rate.

The Fund will be jointly managed and distributed through a non-profit society called the Rental Protection Fund Society created by the Aboriginal Housing Management Association (AHMA), BC Non-Profit Housing Association (BCNPHA), and the Co-operative Housing Federation of BC (CHF BC). At the time of the announcement, the Fund was slated to be operational in the coming months and financed prior to March 31, 2023. In early March, the Rental Protection Fund Society began recruiting for their Chief Executive Officer (CEO), and in May, announced that Katie Maslechko was selected for this position. Given these developments, staff anticipate that the Rental Protection Fund Society will begin a pre-qualification process in early Summer 2023, with the Fund expected to be active soon thereafter.

## **POTENTIAL BENEFITS TO METRO VANCOUVER HOUSING**

Staff have conducted a preliminary analysis of existing privately owned purpose build rental properties adjacent to existing MVH sites with this new funding program in mind. While further analysis will be required once the full program details are released, staff believe there may be opportunities to leverage this Fund strategically to acquire rental buildings adjacent to existing MVH sites—this would enable MVH to operate the building for its remaining lifespan, and then consolidate the sites with MVH’s existing holding, creating new opportunities for future expansion in the long term. A preliminary analysis has indicated there are at least five MVH sites across the portfolio that have adjacent purpose built rental with strategic potential for acquisition. If so directed, staff will further explore these opportunities, working with the real estate department and

with external assistance to assess whether the owners of these neighbouring properties are interested in selling and conducting a cash flow analysis to determine whether the acquisition is financially feasible. Staff would explore the use of this Fund only in cases where little or no equity would be required by MVH and would report back with any viable opportunities.

Many existing buildings that could be acquired under this program have deferred maintenance. With extensive experience managing a portfolio of older rental buildings and leading building rehabilitations, MVH is uniquely positioned to evaluate building condition and rehabilitation costs. A realistic assessment of lifecycle costs of the assets will be critical to ensuring any acquisitions under this program do not impose an undue burden on MVH's available capital.

Leveraging the Rental Protection Fund in this manner would provide an opportunity to help MVH fulfill its goals outlined in the *Metro Vancouver Housing 10-Year Plan*, particularly the goal of growing strategically through redevelopment and expansion. The Rental Protection Fund may additionally provide opportunities to expand into communities across the region where there is little or no existing MVH housing.

#### **APPLICATION REQUIREMENTS**

The application process for the Rental Protection Fund will have three stages: society level approvals, qualifying buildings, and underwriting buildings. For the society level approval, MVH will need to demonstrate that it has a track record of successfully managing housing properties, the capacity to absorb the proposed acquisition, and that it follows a recognized Asset Management Plan (AMP). Next, MVH will need to show that the property meets eligibility requirements (i.e. that it is available for purchase and is at risk of redevelopment), and provide information about the building such as the current rents and type of units. The final stage will involve submitting more concrete details, such as the Letter of Intent from the lender and a pro forma, and demonstrating a sustainable cash flow for the building over the 20-year period.

#### **NEXT STEPS**

With direction from the MVRD Board, staff will pursue this opportunity and report back should MVH's pre-qualification be successful. Following the pre-qualification process, staff will bring forward any location or site-specific opportunities to the Committee and Board for consideration and for further direction before proceeding.

#### **ALTERNATIVES**

1. That the MVHC Board direct staff to submit an application for pre-qualification to the BC Rental Protection Fund program, and support exploration of potential options for future consideration under the program.
2. That the MVHC Board receive for information the report dated June 28, 2023, titled "BC Rental Protection Fun – Metro Vancouver Housing Pre-Qualification" and provide alternate direction to staff.

## **FINANCIAL IMPLICATIONS**

There are no financial implications to consider at this time. The pre-qualification process will have minimal impact on staff resources and is within the scope of the current Housing Planning & Policy work plan.

## **CONCLUSION**

The Rental Protection Fund is a new provincial program that provides one-time capital grants for non-profits to acquire older rental buildings. Staff anticipate that the pre-qualification process will be launching Summer 2023, and the Fund may provide a rare chance to strategically acquire rental properties adjacent to existing MVH sites with low or no equity from MVH. This supports the goal of growing MVH's housing offerings through expansion and redevelopment, as well as its mandate of regional equity in terms of the distribution of MHV housing sites. Although the details on the program are currently limited, staff believe it would be advantageous to be prepared to act quickly once the pre-qualification process is formally launched, and thus are looking for MVRD Board support to submit an application for pre-qualification to the BC Rental Protection Fund program.

## **Reference**

[New fund will protect thousands of renters in B.C. | BC Gov News](#)

59845900

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To: Housing Committee

From: Adrian Lynch, Senior Project Engineer, Energy Management, Liquid Waste Services  
Jade Hume, Division Manager, Maintenance and Capital Projects, Metro Vancouver  
Housing

Date: June 28, 2023 Meeting Date: July 7, 2023

Subject: **Decarbonization Plan – Meeting Metro Vancouver Housing’s 10-Year Plan Targets**

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### RECOMMENDATION

That the MVHC Board receive for information the report dated June 28, 2023 titled “Decarbonization Plan – Meeting Metro Vancouver Housing’s 10-Year Plan Targets”.

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### EXECUTIVE SUMMARY

The *Metro Vancouver Housing 10-Year Plan* includes a greenhouse gas (GHG) emissions reduction target of 45% by 2030 (against 2010 levels). Since 2010, energy and GHG emission reduction projects implemented have resulted in a 12% absolute reduction up to 2022. Through the integration of the Asset Management Program, Energy Management Program and Capital Investment Methodology, a Decarbonization Plan has been developed to ensure MVH continues to reduce GHG emissions and remain on track to meeting the 10-Year Plan targets as well as Metro Vancouver’s regional climate targets in *Climate 2050*. MVH’s Decarbonization Plan currently shows a 42% reduction in GHGs; however, MVH expects to exceed the 45% reduction target in the 10-Year Plan with additional funding and grants.

### PURPOSE

To inform the Housing Committee and Board about Metro Vancouver Housing’s Decarbonization Plan, which aligns with meeting the greenhouse gas (GHG) emission reduction target outlined in the 10-Year Plan.

### BACKGROUND

In 2019, the *Metro Vancouver Housing 10-Year Plan* was adopted which set key goals, actions, and targets to provide, preserve, and expand affordable rental housing across the region. One of the targets within the 10-Year Plan is to reduce GHG emissions in the Housing portfolio by 45% by 2030 (against 2010 levels). This report provides an overview of the planning process involved in meeting the 2030 GHG emissions reduction target.

### DECARBONIZATION PLANNING

Metro Vancouver Housing’s Decarbonization Plan was developed through a strategic planning process that consists of the integration of MVH’s Asset Management Program, MVH’s Energy Management Program, and MVH’s Capital Investment Methodology. The MVH Decarbonization Plan is also directed by and aligned with Metro Vancouver’s *Corporate Energy Management Policy*, *Carbon Price Policy*, and *Sustainable Infrastructure and Buildings Policy*.

**Asset Management Program**

MVH’s Asset Management Program, using a software system called AssetPlanner (Ameresco), fosters a planned maintenance culture to provide safe, affordable, sustainable, and well maintained buildings. In 2017, MVH established its current Asset Management Program, guided by four key objectives:

1. Use evidence based decision-making to support the delivery of clearly defined performance measures based on industry standards;
2. Provide a clear and consistent framework for balancing asset performance, risk, and the reinvestment costs over the life of the asset;
3. Ensure comprehensive, up-to-date data on overall site and building conditions to guide rehabilitation and redevelopment decisions; and
4. Provide a formal, systematic process of deploying, operating, maintaining and disposing of assets cost effectively.

**Energy Management Program**

Metro Vancouver’s Corporate Energy Management Program was initiated in 2010. The program receives funding from BC Hydro’s Industrial Energy Manager Program to foster an energy conservation culture within the organization and to build energy efficiency into Metro Vancouver’s business practices. As a participant in the BC Hydro program, Metro Vancouver qualifies for funding from FortisBC’s Energy Specialist Program, which provides funding for a Metro Vancouver Energy Specialist position since 2016. With MVH as Metro Vancouver’s largest natural gas user, the Energy Specialist spends the majority of their time on energy management services and support to the department.

**Capital Investment Methodology**

MVH energy savings and GHG emissions reductions realized since 2016 are largely attributed to the structured capital investment decision-making process involving triple-bottom line analysis (social, environmental, financial) that Housing and the Energy Management Group implemented.

Social and environmental analyses are difficult to monetize, but are important considerations in the decision process. Social aspects such as tenant comfort, noise impacts, system complexities and user friendliness, etc. undergo a qualitative analysis and evaluation process. The environmental considerations such as GHG reductions, sustainability, minimizing waste, etc. are not only evaluated on a project basis, but also on a municipal and regional level to ensure project potential is maximized.

The AssetPlanner software system provides planned renewal dates and capital replacement costs for each element on a site. However, up-front capital costs often represent only part of the costs associated with owning and operating an asset over its lifetime. MVH staff conduct life-cycle costing analysis on material and equipment options to ensure cost-effective and sustainable solutions. A key component in the financial analysis is the viability and availability of external grants and financing options. MVH actively pursue external funding opportunities that allow for deeper energy retrofits. A reduction of energy and GHG emissions is a common requirement of obtaining financial grants and favorable financing. These grants range in financial value and can have a significant



beneficial impact to MVH’s capital maintenance budget, providing opportunities to deliver additional capital maintenance projects.

### **Integrated Planning Approach**

While assessing the need for individual element upgrades, MVH staff consider practical construction sequencing and economies of scale, as well as considerations to minimize tenant disruption, and identify where it is beneficial to combine multiple element replacements into a single project. As the majority of MVH’s portfolio was developed in the late 1970’s and early 80’s, many of our buildings are over 40 years old, meaning most of the exterior elements are at the end of their serviceable life and need significant repairs or replacement.

Energy benchmarking is conducted to assess energy use across existing buildings and identifies where upgrading specific building equipment and components could make the most significant impact towards reducing its energy and GHG emissions. The results of energy benchmarking are used to assess and prioritize capital maintenance projects and create a 10-year plan for capital investment to address existing housing needs and work towards MVH’s 10-Year Plan goals for GHG emission reductions. By taking a holistic view of capital maintenance needs, MVH is often able to make significant building improvements that have positive impacts for sustainability as well as tenant comfort.

Up until 2020, the GHG reduction projects focused on replacing failing or end-of life mechanical equipment (e.g. space heating boilers, domestic hot water heaters and ventilation systems). In 2020, MVH was able to shift towards proactive planning and began upgrading selected buildings as a system instead of isolated components. Where possible, each building rehabilitation upgrade will take an envelope first approach, and subsequently upgrading mechanical and electrical systems. This ensures that by upgrading the building envelope first, energy demand is vastly reduced within the building. Once this has been achieved, the mechanical heating systems in the building can be reduced in sizing while also presenting an opportunity to upgrade to high efficiency equipment, or where feasible, fuel-switch from natural gas fired systems to electrification to ensure maximum GHG emission reductions. Three buildings are currently in design utilizing this approach that will achieve GHG emission reductions ranging from 67% to 97%, with future building upgrades outlined within the Decarbonization Plan to follow a similar pathway. MVH has achieved an absolute GHG emission reduction of 12% against 2010 levels up to 2022 and is on track to meet the goal to reduce GHG emissions by 45% by the year 2030.

### **ALTERNATIVES**

This is an information report. No alternatives are presented.

### **FINANCIAL IMPLICATIONS**

Decarbonization planning is used to guide capital maintenance project budgets as well as MVH annual and long-term budgeting. There are no direct financial implications of this report.

## **CONCLUSION**

This report outlines the process and programs involved in developing the Metro Vancouver Housing Decarbonization Plan, which aligns to meeting the 10-Year Plan GHG emissions reduction target of 45% by 2030 (against 2010 levels).

## **Attachment**

1. Presentation re: Decarbonization Plan – Meeting Metro Vancouver Housing’s 10-Year Plan Targets

## **References**

1. [Corporate Energy Management Policy](#)
2. [Carbon Price Policy](#)
3. [Sustainable Infrastructure and Building Policy](#)

60142594



Kelly Court - Full Building Envelope Rehabilitation 2022

# Decarbonization Plan – Meeting MVH’s 10 Year Targets

Adrian Lynch, P.Eng, PMP

Senior Project Engineer, Energy Management

June 09, 2023

Orbit

**metrovancouver**

# Metro Vancouver Housing Portfolio

67%  
TOWNHOMES



33%  
APARTMENT  
BUILDINGS



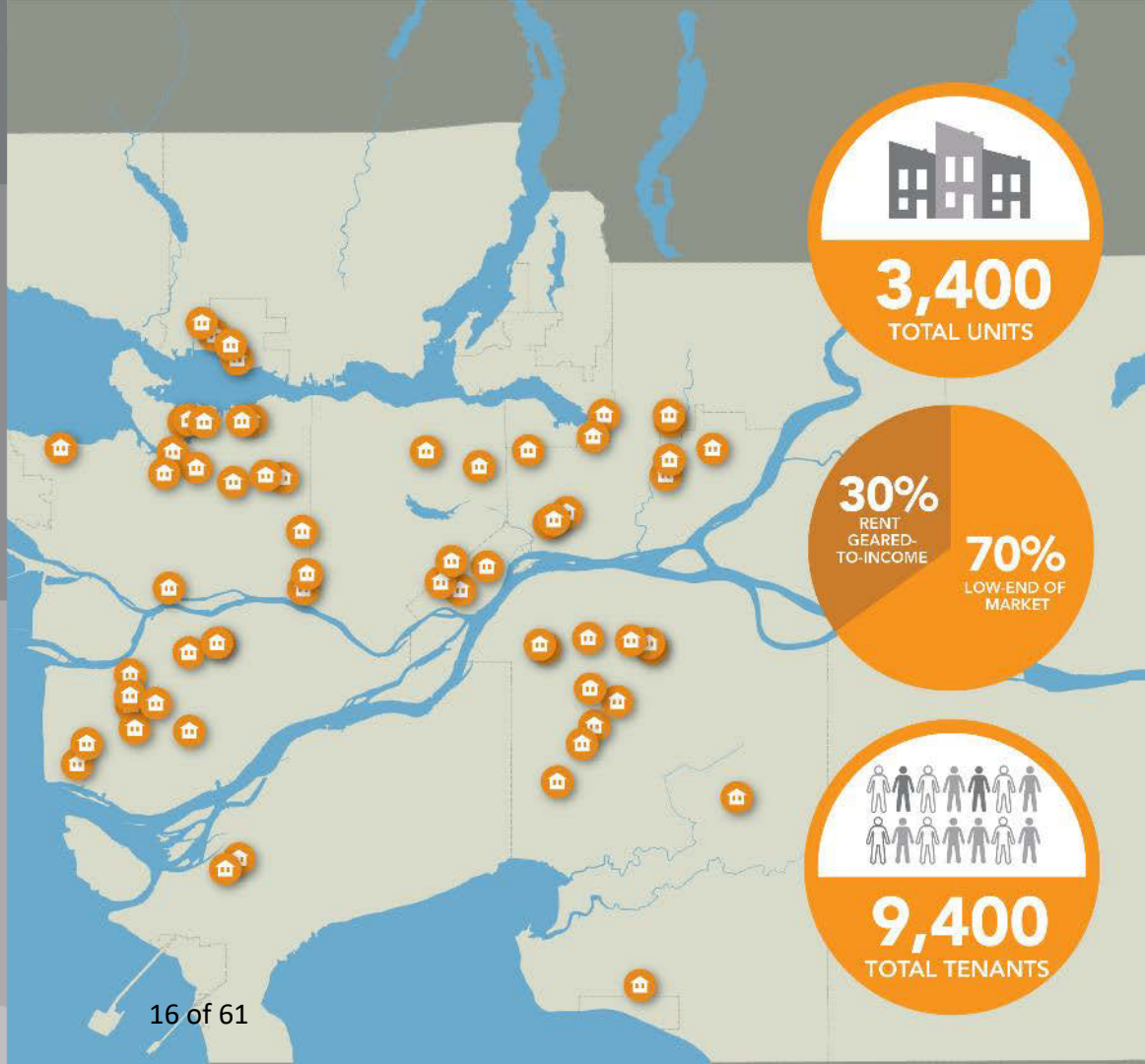
metrovancover

0 – 1 BDRM  
18%

2 BDRM  
41%

3 BDRM  
40%

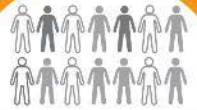
4 BDRM 1%



3,400  
TOTAL UNITS

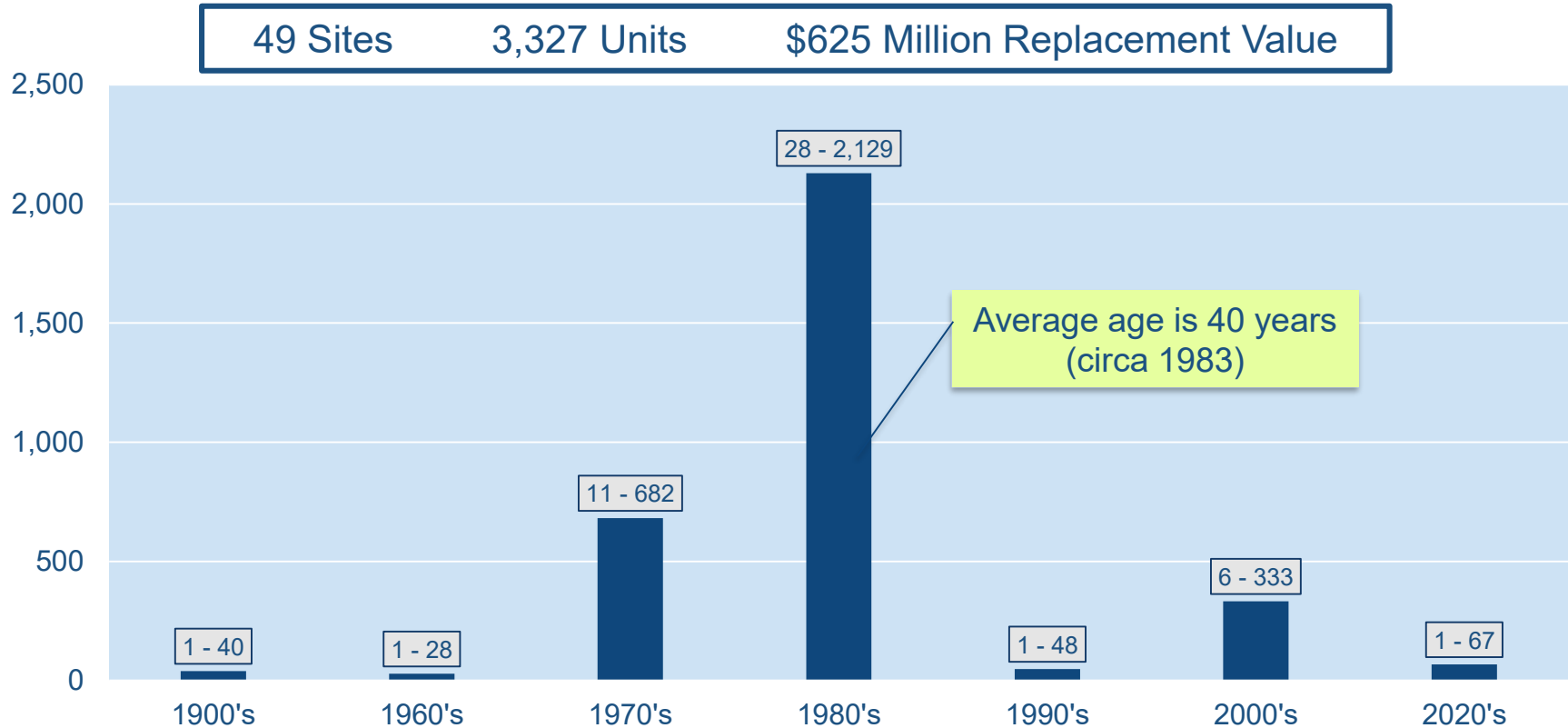
30%  
RENT  
GEARED-  
TO-INCOME

70%  
LOW-END OF  
MARKET



9,400  
TOTAL TENANTS

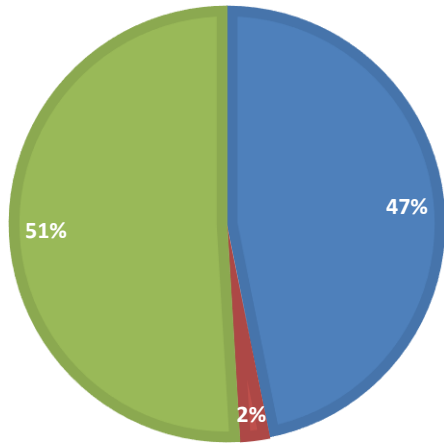
# MVH: PORTFOLIO AGE PROFILE



# HOUSING ENERGY AND GREENHOUSE GAS (GHG) 2022 DATA

## HOUSING ENERGY COSTS (\$)

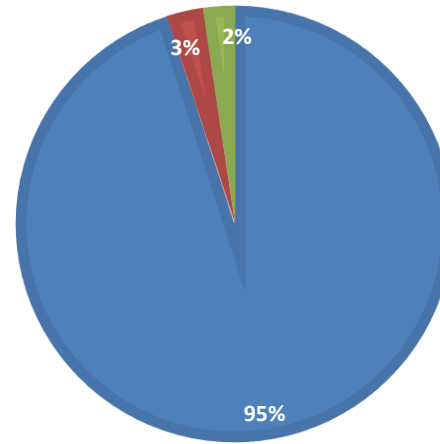
■ Natural Gas ■ Steam ■ Electricity



Total Energy Costs: \$1.3 million

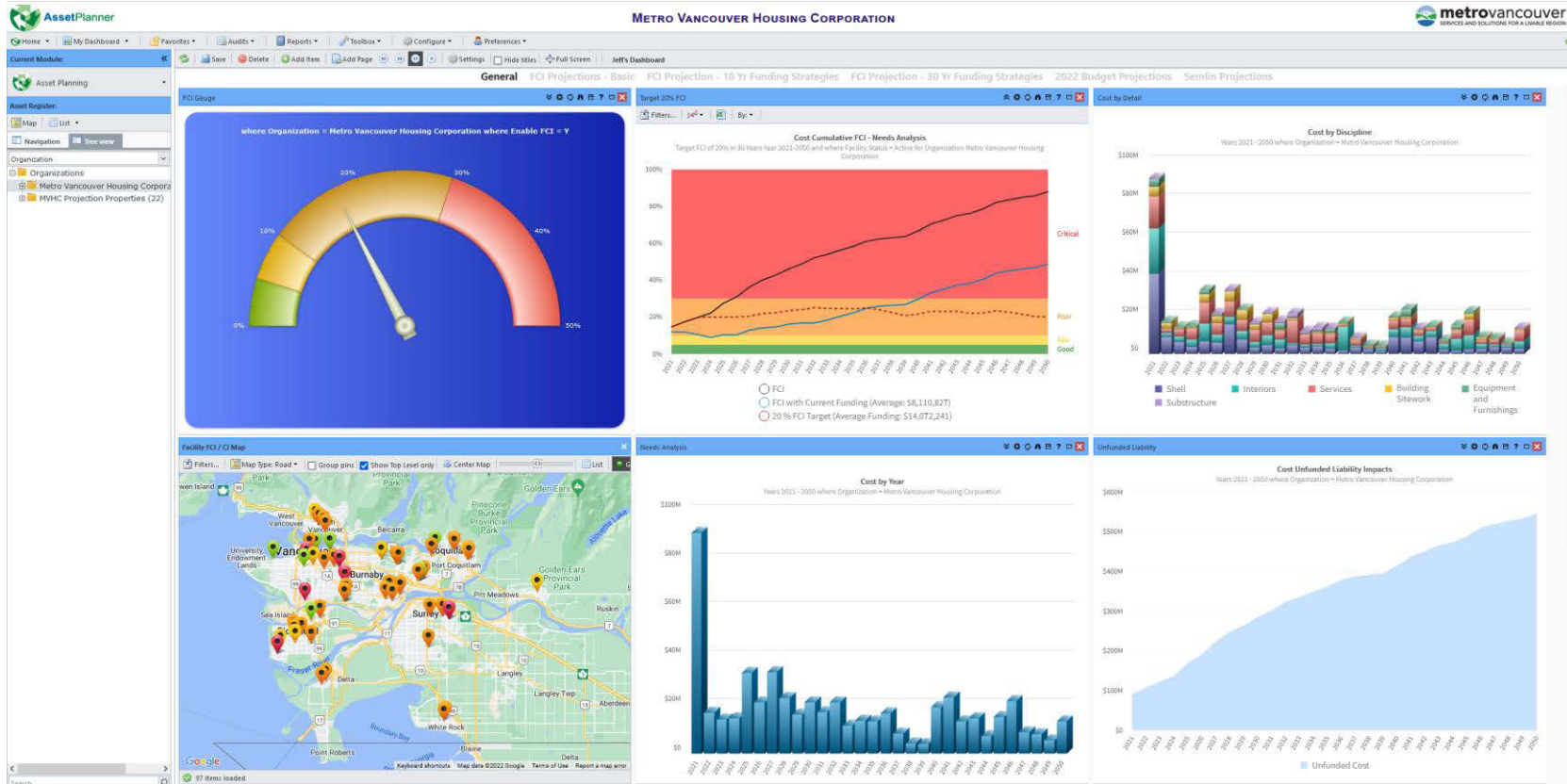
## HOUSING GHG ENERGY EMISSIONS (tCO2E)

■ Natural Gas ■ Steam ■ Electricity



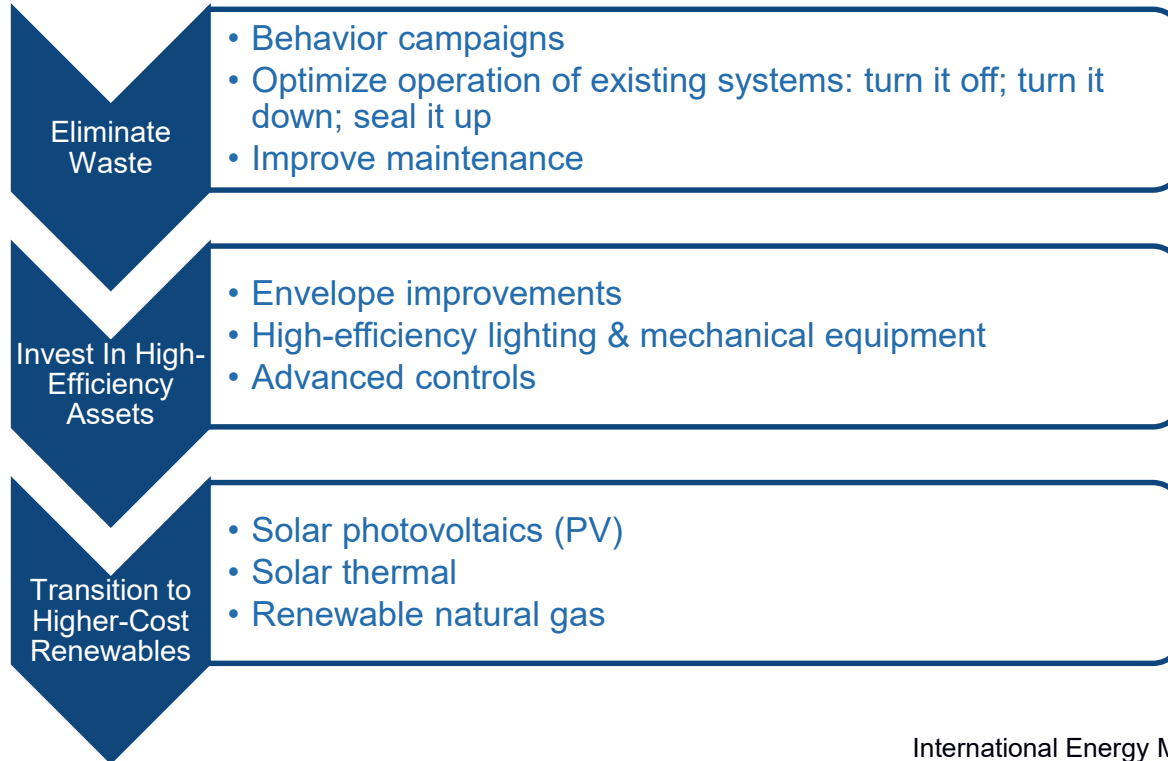
Total GHG Emissions: 2292 tCO2e

# MVH ASSET MANAGEMENT PROGRAM



# ENERGY MANAGEMENT PROGRAM

## Best Practices Approach



International Energy Management Standard: ISO50001



# CAPITAL INVESTMENT DECISION-MAKING PROCESS

## Triple Bottom Line Options Analysis

- Financial
- Environmental
- Social



# 2019 METRO VANCOUVER HOUSING 10-YEAR PLAN

## Targets

### 🎯 Mixed-income

Maintain at least 30% of our portfolio as Rent-Geared-to-Income to support a range of affordability needs and ensure long-term financial sustainability.

### 🎯 Diverse housing types

Maintain at least 70% of portfolio as 2-bedroom units or larger to support family-friendly housing and provide a mix of unit sizes to allow flexibility and suit a range of needs.

### 🎯 Energy Efficient

Reduce energy consumption by 25% for major rehabilitations, such as building envelope upgrades, and for new construction (from 2015 National Energy Code for Buildings).



### 🎯 Low emission

Reduce GHG emissions in housing portfolio by 45% (from 2010 levels) over the next 10 years to work towards the region's goal of being carbon neutral by 2050.

### 🎯 Well-maintained

Maintain a portfolio-wide Facility Condition Index at or below 20% over the next 10 years to support safe and healthy homes for existing tenants.

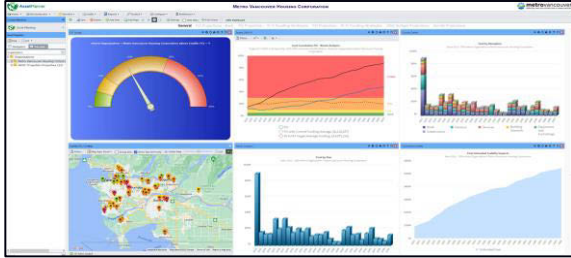
### 🎯 Age-friendly

Work towards 20% of units as adaptable or fully accessible to support people of all ages and abilities.

### 🎯 Growth

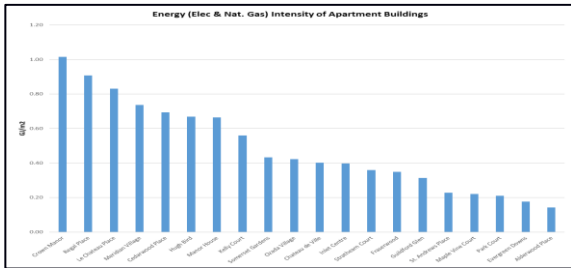
Increase housing portfolio with 1,350 new and redeveloped units approved over the next 10 years.

# GETTING TO THE 2030 GHG EMISSIONS TARGET



Capital Maintenance Budget Plan with Combined Capital Projects  
Last Updated: April 26, 2021

Code	Project Type	Distribution	Location	2022	2023	2024	2025	2026	+
#011	Building Envelope - Comprehensive	Monthly	Building 1	\$ -	\$ -	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ -
#011	Large Project Loan Repayment	Monthly	Building 2	\$ 756,164	\$ 1,623,317	\$ 2,476,097	\$ 2,795,091	\$ 3,114,884	\$ 3,434,677
#038	Roofing/Ergated BC Windows/Balconies	May-Dec	Building 3			\$ 1,900,000	\$ 2,280,000		
#041	Building Envelope (TH)	Monthly	Building 4			\$ 2,300,000	\$ 2,200,000	\$ 2,200,000	
#038	Roofing/Center Eaves/Entrances	May-Dec	Building 5			\$ -	\$ 1,150,000		
#038	Roofing/Entrance/RTU Hoopra/Fire Park	May-Dec	Building 6			\$ -	\$ 630,000		
#038	Roofing	May-Dec	Building 7				\$ 250,000		
#046	Elevator Upgrades and Modernizations	June-October	Building 8				\$ 250,000		
#040	Chalking (Ergated)	Monthly	Building 9	\$ 100,000			\$ 200,000		
#040	Chalking (Ergated)	Monthly	Building 10				\$ 200,000		
#040	Chalking (Ergated)	Monthly	Building 11				\$ 100,000		
#032	Exterior Finishing	May-Dec	Building 12				\$ 22,000		
#033	Fire Panels	period 1	Building 13				\$ 15,000		
#012	Exterior Finishing	May-Dec	Building 14				\$ 10,000		
#041	Building Envelope - Comprehensive	Monthly	Building 15			\$ -	\$ -		
#041	Building Envelope - Comprehensive	Monthly	Building 16			\$ -	\$ -		
#041	Building Envelope - Comprehensive	Monthly	Building 17			\$ -	\$ -		
#041	Building Envelope - Comprehensive	Monthly	Building 18			\$ -	\$ -		



Asset Management



Capital Planning



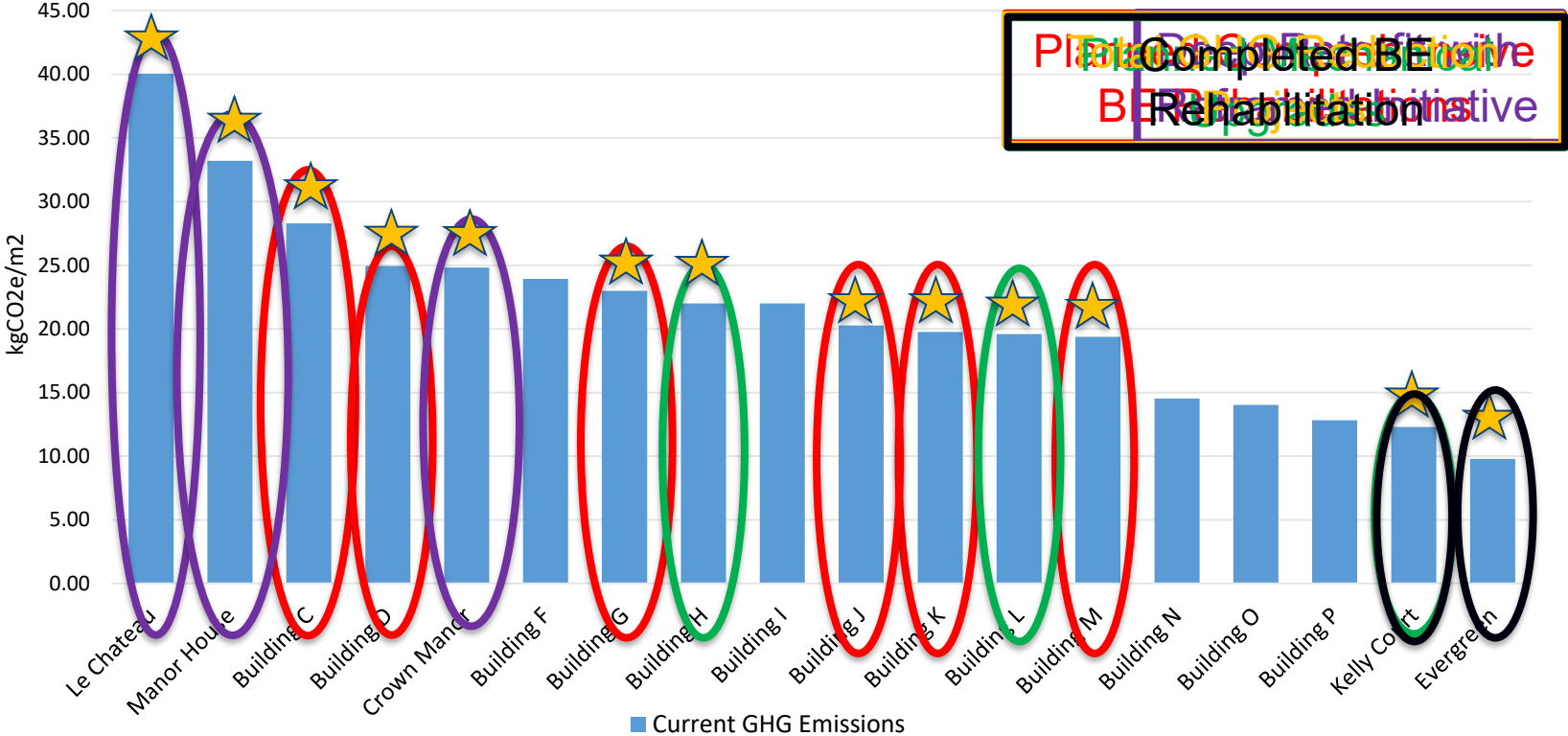
GHG Portfolio Reduction Plan



Energy Management

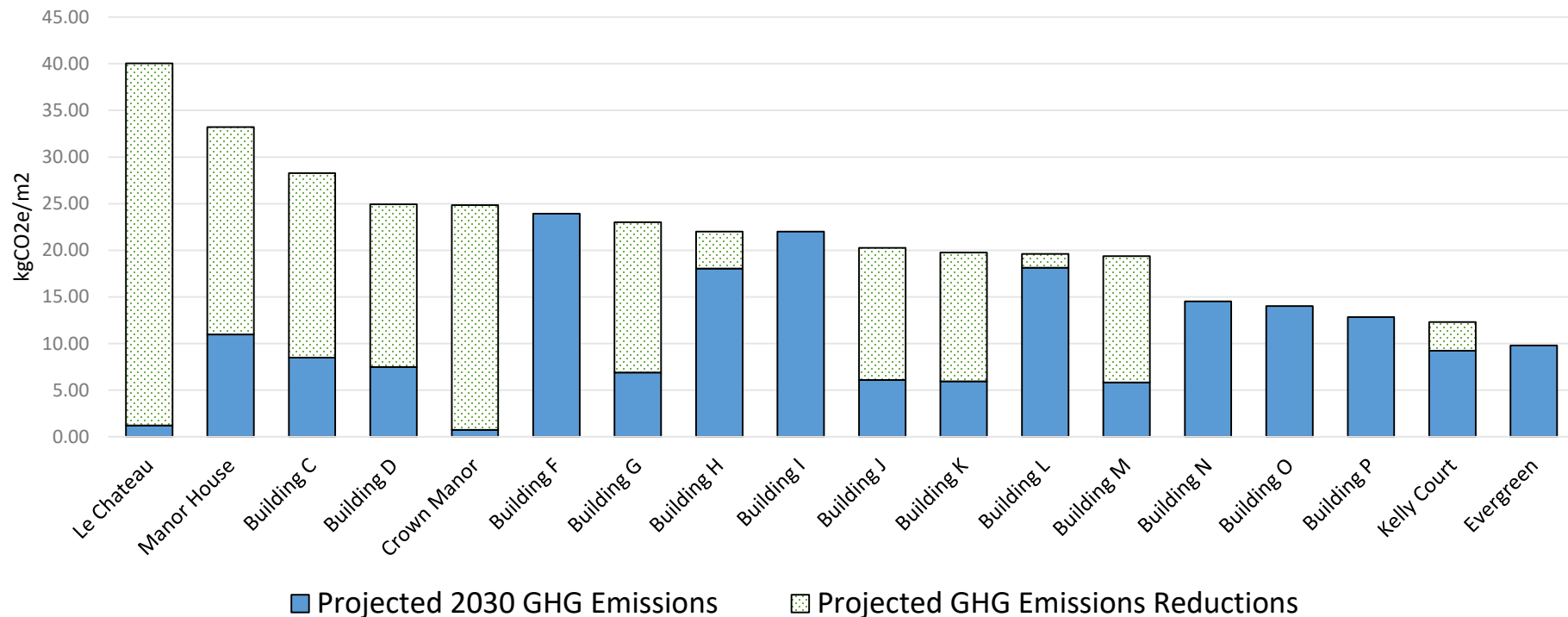
# CURRENT BUILDING BENCHMARKING

MVH GHG Emissions Building Benchmarking



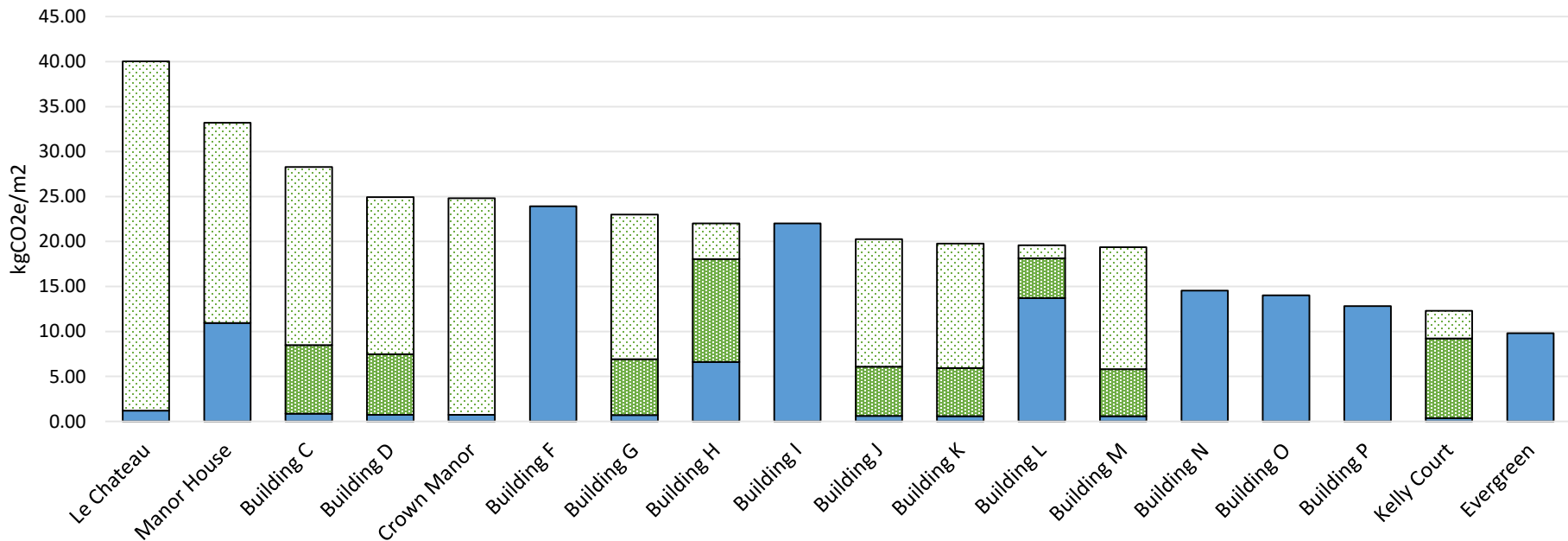
# PROJECTED 2030 BUILDING BENCHMARKING

## Projected 2030 MVHC Building GHG Emissions



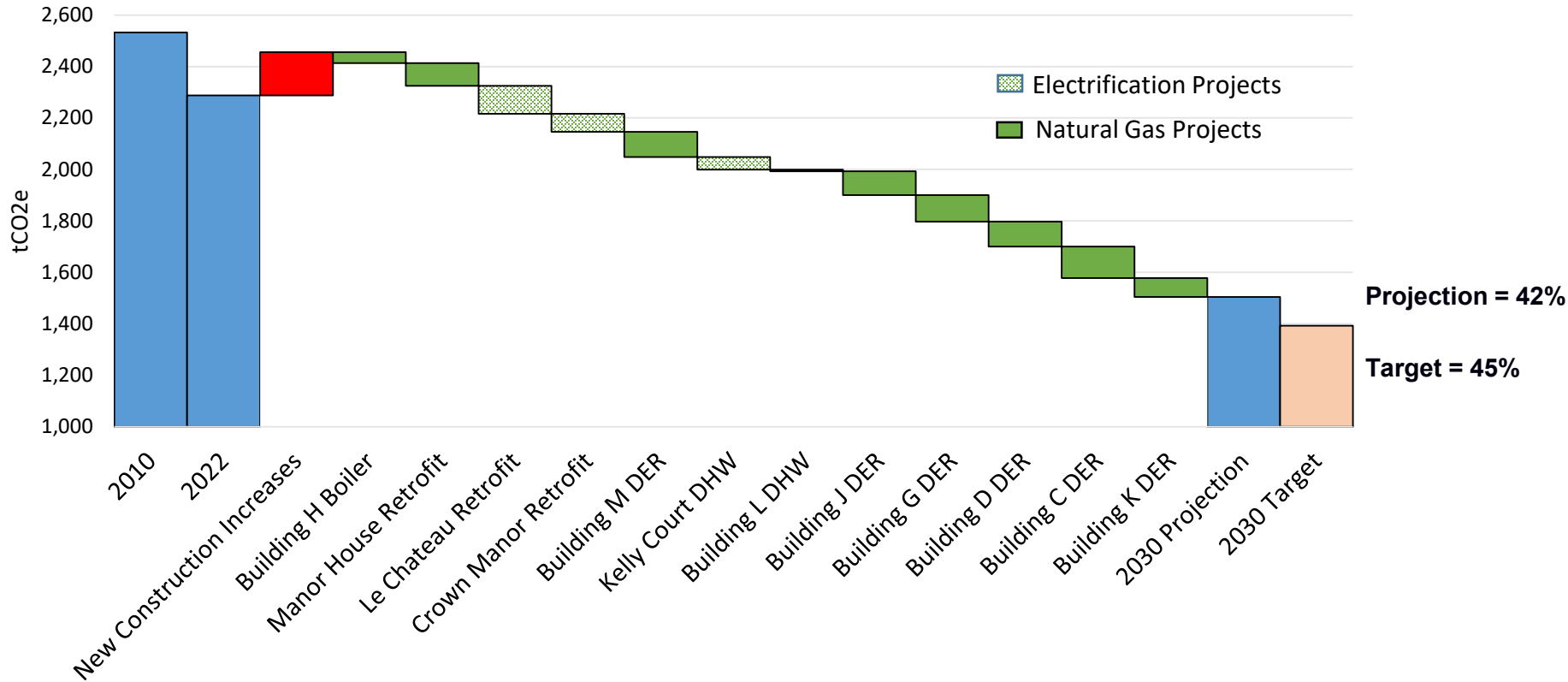
# ELECTRIFICATION PROJECTED 2030 BUILDING BENCHMARKING

Projected 2030 MVHC Building GHG Emissions

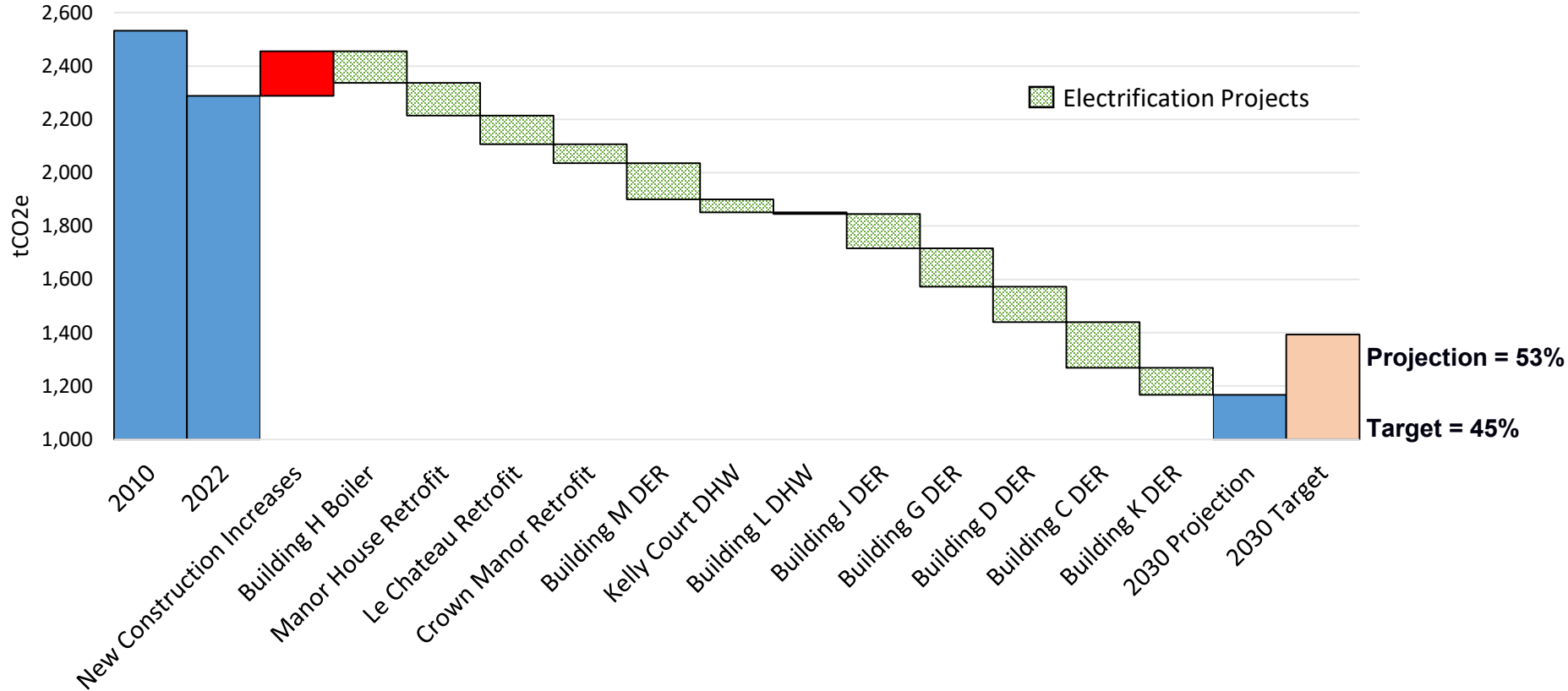


■ Projected GHG Emissions
 ■ Additional Electrification Reductions
  Current Projected GHG Emissions Reductions

# MVHC PORTFOLIO GHG REDUCTION PLAN



# MVHC PORTFOLIO GHG REDUCTION PLAN (ELECTRIFICATION)





# FINANCING & AFFORDABILITY OF DECARBONIZATION PROJECTS

- Capital Maintenance Budget
- External & Internal Grant and Financing Supports
  - CMHC
  - FCM
  - CleanBC
  - FortisBC
  - BC Hydro
  - SIF (Internal MV)



# ADDITIONAL BENEFITS TO MVH APPROACH TO DECARBONIZATION

- MVH 10 Year Plan - Targets
- Maintain Quality, Safe Homes
- Improve Tenant Comfort
- Enhance Sustainability
- Maintain Deeper Affordability
- Provide new building life cycle
- Reduce Energy Use
- Tenant Engagement & Collaboration



Evergreen Downs



# Questions



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To: Housing Committee

From: Michael Epp, Director Housing Planning and Development, Metro Vancouver Housing

Date: June 14, 2023 Meeting Date: July 7, 2023

Subject: **Draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans**

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### RECOMMENDATION

That the Housing Committee receive for information the report dated June 14, 2023, titled “Draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans.”

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### EXECUTIVE SUMMARY

The draft 2024 - 2028 Metro Vancouver Housing Capital Development and Capital Maintenance Plans have been prepared following direction received at the April 19, 2023 Metro Vancouver Board Budget Workshop and continues to be guided by key objectives of the *Metro Vancouver Housing 10-Year Plan*. As part of Metro Vancouver’s commitment to transparency and governance of the Capital Plan, this report allows for the Housing Committee to provide comments on the draft Capital Plan, which will then be incorporated into the Housing Financial Plan and included in the Fall budget presentations to the Housing Committee and MVHC Board.

The draft 2024 Capital Development cash flow is \$108.2M with a total estimated spend of \$550.3M over the next five years. The draft 2024 - 2028 Capital Maintenance Plan proposes a budget of \$35.2M for 2024 and a total of \$108.2M over the five-year budget cycle. As MVH has begun planning for Tranche 2 of expansion, the budget five-year cycle-over-cycle development plan has increased by \$163.3M (42.2%). To ensure assets are kept within the targeted facility condition, capital maintenance has been front loaded, and the five-year cycle-over-cycle capital maintenance plan has increased by \$20.1M (22.8%) from the corresponding years in the prior year capital plans.

### PURPOSE

To present to the Committee the draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans for input and feedback, which will then be incorporated into the Fall Budget approval process.

### BACKGROUND

On April 19, 2023, Metro Vancouver held a Board Budget Workshop with the objective to seek direction for the preparation of the 2024 - 2028 Financial Plan. This report provides the Housing Committee with the information needed to provide comments on the Capital Development and Maintenance Plans which will then be incorporated into the 2024 - 2028 Financial Plan scheduled to be presented in October.

**METRO VANCOUVER HOUSING CAPITAL DEVELOPMENT AND CAPITAL MAINTENANCE PLANS**

Metro Vancouver Housing initiatives and cash flows within the draft 2024 - 2028 Capital Plan over the five years are guided by the *Metro Vancouver Housing 10-Year Plan's* key objectives:

- **Provide:** Support diverse, affordable, livable and inclusive communities;
- **Preserve:** Safeguard and maintain the existing portfolio through capital maintenance. Planned investments are aimed at preserving a portfolio Facility Condition Index = or < 20% over next 10 years;
- **Expand:** Strategic redevelopment of existing sites and expansion through partnerships with member jurisdictions, as well as the Province of BC and the Federal government. All 807 “Tranche 1” expansion units are included in the draft 2024 - 2028 Capital Plan, which represents 59.8% of the *Metro Vancouver Housing 10-Year Plan* target to develop at least 1,350 new and redeveloped units over the next decade. Funds are allocated to begin advancing Tranche 2 projects;
- **Energy Efficiency:** Reduce energy consumption by 25% for new construction (from 2015 National Energy Code for Buildings); and
- **Climate Action:** Reduction of GHG emissions by 45% (from 2010 levels) by 2030.

**Capital Development Plan Highlights**

The draft 2024 - 2028 Capital Development Plan includes cash flows of \$108.2M for 2024 and a total of \$550.3M over the five-year budget cycle. With seven approved projects in various stages of completion, 2024 will be an active year with significant expenditures. Construction on Kingston Gardens and Salal Landing (formerly known as Welcher Avenue) commenced in 2022, with budgeted cash flows of \$14.0M and \$15.7M in 2024, respectively. A contract has been awarded for the construction of Heather Place B, which requires cash flows of \$19.0M in 2024. The Heron’s Nest (formerly known as Pitt Meadows), The Connection (formerly known as Eastburn) and The Steller (formerly known as Southwynde) are all anticipated to be tendered in 2024 with combined cash flows estimated at \$55.0M in 2024. Malaspina will be in the detailed design phase in 2024. As The Connection, The Steller, and Malaspina advance, staff will be returning to the Committee and Board with Class B cost estimates and financial implications prior to tendering.

Table 1. Capital Development Projects in 2024 (\$Millions)

Project	# Units	Budgeted Cash Flows 2024	2024 Key Milestones
Kingston Gardens – Phase 1, Surrey	85	\$14.0M	Construction to 97% completion
Salal Landing, Port Coquitlam	63	\$15.7M	Construction to 97% completion
Heather Place Building B, Vancouver	87	\$19.0M	Construction to 40% completion
The Connection, Burnaby	174	\$20.0M	Finalizing detailed design and construction tender
Malaspina - Phase 1, Coquitlam	161	\$2.0M	Detailed design and zoning approval
The Steller, Burnaby	122	\$10.0M	Finalizing detailed design and construction tender, construction to 13% completion



The Heron’s Nest, Pitt Meadows	115	\$25.5M	Construction tender and breaking ground in 2023, Construction to 33% completion
Projects in Planning	835	\$2.5M	Complete Moray Place detailed design and rezoning submission, advance other Tranche 2 projects.
<b>Total</b>	<b>1642</b>	<b>\$108.2M</b>	

The capital development program for 2024 - 2028 is projected to be funded by \$230.9M in grants/contributions from external funding sources and/or forgivable loans, \$217.8M external borrowing, and \$101.6M MVHC development reserves. The total cash flows of \$550.3M over the five years includes projects that are in the early planning stages and their revised budgets have not yet been endorsed by the Committee and Board. Projects are highly sensitive to fluctuations in construction costs and interest rates—changes in these values will have a significant impact on the reserve contribution required to be allocated to each project.

**Capital Development Plan Changes**

Metro Vancouver’s annual capital planning process allows the Board to adjust the capital budget once a year, in the fall, to accommodate changes required to fund projects in response to new or changing project needs, emerging issues, and changing priorities. The completion of multi-year projects is complex and subject to change due to a variety of factors including delays in construction timing caused by global events, rising escalation rates, changes in scope and city permitting processes.

The prior cycle capital plan for budget years 2024 – 2027 projected cash flows of \$324.8M, which has increased in the current budget cycle by \$139.7M. Cost estimates for construction escalation for projects not yet tendered added \$31.9M in cost adjustments, and changes in scope to move forward with the next phase of MVH’s expansion added \$107.8M. The changes in scope add in preliminary estimates for costs to proceed with Tranche 2 of MVH’s expansion to be allocated to MVH projects and potential partnerships, with the majority of these new scope costs projected to begin in 2026 (coinciding with the completion of Tranche 1 projects). Additional cash flows for 2028 total \$85.8M, leading to total projected cash flows of \$550.3M over the five-year budget cycle.

**Table 2.** Breakdown of total revised 2024 - 2028 Capital Development Plan compared to prior cycle Capital Development Plan (\$Millions)

Delivery By	Prior Cycle Plan 2024 - 2027	Adjustments to 2024 - 2027 Capital Development Plan					Cash Flow 2028	Draft Plan 2024 - 2028
		Projected Carry-Forward	Net Deferral	Cost Adjustments	New Scope	Total		
<b>Capital Development</b>	324.8	-	-	31.9	107.8	139.7	85.8	550.3
<b>Total</b>	324.8	-	-	31.9	107.8	139.7	85.8	550.3

**Capital Maintenance Plan Highlights**

The draft 2024 - 2028 Capital Maintenance Plan proposes a budget of \$35.2M for 2024 and a total of \$108.2M over the five-year budget cycle. The 2024 plan includes three rehabilitation projects

where building envelopes and mechanical systems will be upgraded providing new building lifecycles, improving tenant comfort, and increasing energy efficiency through improved building performance. These three projects account for 62% of the total capital maintenance budget in 2024. There are an additional 17 projects in 2024, each ranging between \$0.1M - \$2.3M, targeting large roof and cladding replacements, which in total, account for \$11.2M or 32% of the budget. The remaining 6% of the budget will fund smaller projects that also target window, roof and cladding replacements, along with minor capital replacements such as flooring, cabinetry, painting etc. (labour and materials) associated with unit renovations.

Table 3. Capital Maintenance Projects in 2024

Project	# Units	2024 Budget	2024 Key Milestones
Strathearn Court Rehabilitation - Vancouver	96	\$5.0M	50% construction completion
Manor House Rehabilitation – North Vancouver	50	\$11.0M	Completion of project
Minato West Rehabilitation - Vancouver	110	\$5.9M	10% construction completion
Targeted maintenance <\$1.5M		\$11.2M	Completion of 17 large projects and 30 smaller projects
Unit renovations		\$2.1M	Unit turnovers and end of life cycle replacements in units
<b>Total</b>		<b>\$35.2M</b>	

### Capital Maintenance Plan Changes

The Capital Maintenance Plan has traditionally included smaller targeted repairs, maintenance and replacement work funded with capital reserves. However, the building infrastructure has already reached or is approaching the end of its standard building life cycle and requires larger full building envelope and mechanical system upgrades to maintain healthy, livable homes for tenants. Through ongoing asset management assessments, several full building rehabilitation projects were identified and phased through the longer maintenance plan.

In an effort to accelerate the delivery of this rehabilitation work, staff has considered alternative funding options that would enable an expedited schedule of rehabilitation work under existing budget constraints. Through financing full building rehabilitation work, while still including smaller targeted repairs and replacement work from capital reserves, staff propose increasing the scope of projects delivered from the corresponding prior 5-year budget cycle by \$18.6M.

Further to improving tenant comfort and wellbeing, and ensuring the long-term preservation of existing affordable housing, expediting the implementation of these projects will enable MVH to leverage committed grant funding (\$5.6M committed from CMHC for repair), with additional grant funds expected to be leveraged through other current CMHC, FCM, CleanBC and Fortis BC grants and partnerships that target green building retrofits and the preservation of affordable housing. Delaying capital maintenance work would reduce the likelihood of leveraging such grants. Any grants received through these programs beyond the 5.6M committed by CMHC and/or partnerships

are not reflected in the current capital maintenance budget; therefore, receipt of funds will directly reduce the spend for the Capital Maintenance program and preserve our existing reserves.

**Table 4.** Breakdown of total revised 2024 - 2028 Capital Maintenance Plan compared to prior cycle Maintenance Plan (\$Millions)

Delivery By	Prior Cycle 2024-2027	Adjustments to 2024 - 2027 Capital Maintenance Plan					Revised Plan 2024 - 2027	Budget 2028	Total Revised Plan 2024 - 2028
		Projected Carry-Forward	Net Deferral	Cost Adjustments	New Scope	Total			
<b>Capital Maintenance</b>	73.8	-	-	-	18.6	18.6	92.4	15.8	108.2
<b>Total</b>	73.8	-	-	-	18.6	18.6	92.4	15.8	108.2

**ALTERNATIVES**

This is an information report. No alternatives are presented.

**FINANCIAL IMPLICATIONS**

The 2024 - 2028 Capital Development Plan includes cash flow of \$108.2M for 2024 and a total of \$550.3M over the five years. The 2024 - 2028 Capital Maintenance Plan includes cash flow of \$35.2M for 2024 and a total of \$108.2M over the five years. The intent is that the Housing Committee provide feedback and input, which will then be incorporated into the Housing Capital Plan and included in the Fall budget presentations to the Committees and the Board.

**CONCLUSION**

The draft 2024 - 2028 Capital Development and Capital Maintenance Plans illustrate how Metro Vancouver Housing supports the *Metro Vancouver Housing 10-Year Plan* and the financial impacts of these projects over the next five years. The guiding principles of the Capital Plans are to **Expand** Metro Vancouver Housing’s portfolio through redevelopment and partnerships with member jurisdictions and other levels of government, **Preserve** Metro Vancouver Housing’s existing portfolio through capital maintenance to support affordability and improve sustainability and accessibility, and continue to **Provide** safe, inclusive and diverse homes and communities throughout the region. The Capital Development and Maintenance Plans have been developed to advance MVH’s efforts to actively achieve these three core principles.

The presentation of the draft 2024 - 2028 Capital Development and Capital Maintenance Plans for Metro Vancouver Housing provides the opportunity for the Housing Committee to provide input and feedback which will then be incorporated into the Fall Budget budget presentations to the Committees and the Boards.

**Attachments**

1. MVHC Capital Portfolio Housing Development – Draft 2024 Capital Budget and 2024 - 2028 Capital Plan



2. Presentation re: Draft Metro Vancouver Housing 2024 - 2028 Capital Development and Capital Maintenance Plans

60320662

	CAPITAL BUDGET FOR APPROVAL	2024 CAPITAL CASH FLOW	2025 CAPITAL CASH FLOW	2026 CAPITAL CASH FLOW	2027 CAPITAL CASH FLOW	2028 CAPITAL CASH FLOW	2024 TO 2028 TOTAL CAPITAL CASH FLOW	ACTIVE PHASE	PRIMARY DRIVER
<b>CAPITAL EXPENDITURES</b>									
<b>Capital Development</b>									
Heather Place - Building B	\$ 55,800,000	\$ 19,000,000	\$ 19,000,000	\$ 10,200,000	\$ -	\$ -	\$ 48,200,000	Construction	Expand/Re-develop
Kingston Gardens - Phase 1	44,700,000	14,000,000	-	-	-	-	14,000,000	Construction	Expand/Re-develop
Salal Landing	36,100,000	15,700,000	2,600,000	-	-	-	18,300,000	Construction	Expand/Re-develop
The Connection	104,200,000	20,000,000	36,000,000	36,000,000	9,150,000	-	101,150,000	Detailed Design	Expand/Re-develop
Malaspina	117,900,000	2,000,000	4,000,000	30,000,000	40,000,000	39,050,000	115,050,000	Detailed Design	Expand/Re-develop
Heron's Nest	74,300,000	25,000,000	32,500,000	14,800,000	-	-	72,300,000	Construction	Expand/Member Partnerships
The Stellar	75,000,000	10,000,000	29,500,000	29,500,000	4,550,000	-	73,550,000	Detailed Design	Expand/Member Partnerships
Projects in Planning	540,000,000	2,500,000	2,500,000	20,000,000	30,000,000	43,750,000	98,750,000	Planned	Expand/Re-develop
Partnerships in Planning	-	-	-	3,000,000	3,000,000	3,000,000	9,000,000	Planned	Expand/Member Partnerships
<b>Total Capital Development</b>	<b>\$ 1,048,000,000</b>	<b>\$ 108,200,000</b>	<b>\$ 126,100,000</b>	<b>\$ 143,500,000</b>	<b>\$ 86,700,000</b>	<b>\$ 85,800,000</b>	<b>\$ 550,300,000</b>		
<b>Building Rehabilitation</b>									
Strathearn Court	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -	\$ -	10,000,000	Detailed Design	Preserve
Le Chateau Place	5,600,000	846,400	4,130,800	-	-	-	4,977,200	Schematic Design	Preserve
Crown Manor	4,800,000	350,000	3,540,000	-	-	-	3,890,000	Detailed Design	Preserve
Manor House	11,000,000	11,000,000	-	-	-	-	11,000,000	Detailed Design	Preserve
Minato West	11,776,000	5,888,000	5,888,000	-	-	-	11,776,000	Detailed Design	Preserve
Somerset Gardens	25,100,000	50,000	150,000	8,300,000	8,300,000	8,300,000	25,100,000	Planned	Preserve
Knightsbridge I	-	-	-	-	-	5,000,000	5,000,000	Planned	Preserve
Meridian Village	-	-	-	3,000,000	1,500,000	-	4,500,000	Planned	Preserve
<b>Total Building Rehabilitation</b>	<b>\$ 68,276,000</b>	<b>\$ 23,134,400</b>	<b>\$ 18,708,800</b>	<b>\$ 11,300,000</b>	<b>\$ 9,800,000</b>	<b>\$ 13,300,000</b>	<b>\$ 76,243,200</b>		
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 1,116,276,000</b>	<b>\$ 131,334,400</b>	<b>\$ 144,808,800</b>	<b>\$ 154,800,000</b>	<b>\$ 96,500,000</b>	<b>\$ 99,100,000</b>	<b>\$ 626,543,200</b>		
<b>CAPITAL FUNDING</b>									
Grants	\$ 429,967,181	\$ 69,765,235	\$ 84,408,434	\$ 53,620,000	\$ 29,150,000	\$ -	236,943,669		
External Borrowing	536,875,272	42,634,400	44,720,366	92,680,000	52,850,000	34,500,000	267,384,766		
Reserve	149,433,547	18,934,765	15,680,000	8,500,000	14,500,000	64,600,000	122,214,765		
<b>Total</b>	<b>\$ 1,116,276,000</b>	<b>\$ 131,334,400</b>	<b>\$ 144,808,800</b>	<b>\$ 154,800,000</b>	<b>\$ 96,500,000</b>	<b>\$ 99,100,000</b>	<b>\$ 626,543,200</b>		
<b>SUMMARY BY DRIVER</b>									
Expand/Re-develop	\$ 898,700,000	\$ 73,200,000	\$ 64,100,000	\$ 96,200,000	\$ 79,150,000	\$ 82,800,000	\$ 395,450,000		
Expand/Member Partnerships	149,300,000	35,000,000	62,000,000	47,300,000	7,550,000	3,000,000	154,850,000		
Preserve	68,276,000	23,134,400	18,708,800	11,300,000	9,800,000	13,300,000	76,243,200		
<b>Total</b>	<b>\$ 1,116,276,000</b>	<b>\$ 131,334,400</b>	<b>\$ 144,808,800</b>	<b>\$ 154,800,000</b>	<b>\$ 96,500,000</b>	<b>\$ 99,100,000</b>	<b>\$ 626,543,200</b>		



Heather Place – Building A

# METRO VANCOUVER HOUSING

2024 - 2028 DRAFT CAPITAL PLAN

# CUSTOMER LEVEL OF SERVICE OBJECTIVES

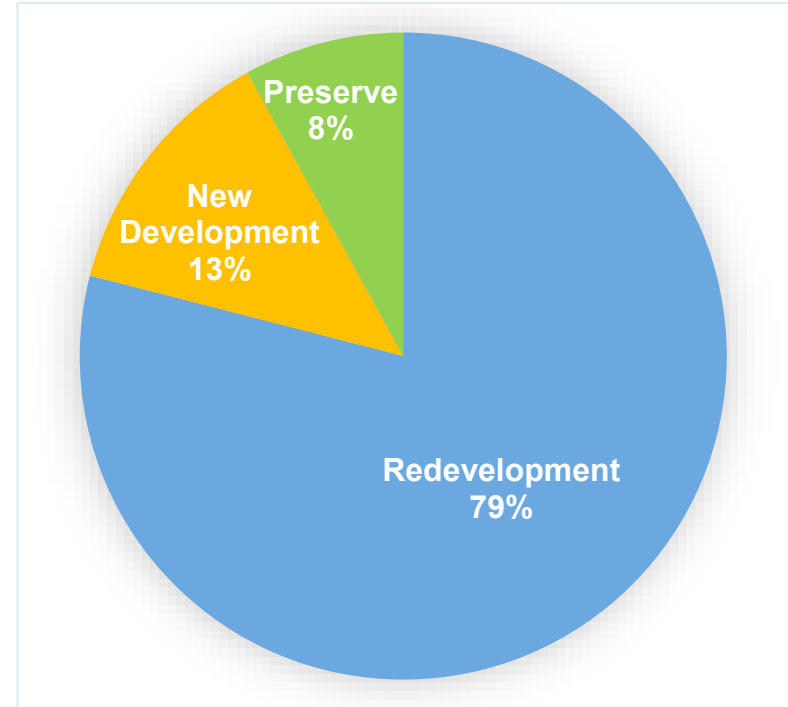
Metro Vancouver Housing 10 Year Plan:

- 1. Provide:** Support diverse, livable and inclusive communities; Tenant Programs
- 2. Preserve:** Renew and revitalize our existing portfolio through capital maintenance  
Operationally Sustainable
  - a) 93% of revenue from Tenant Rents
  - b) 5% of revenue from BC Housing operating subsidies
  - c) 2% of revenue from services
- 3. Expand:** Strategic growth through redevelopment, new sites and partnerships



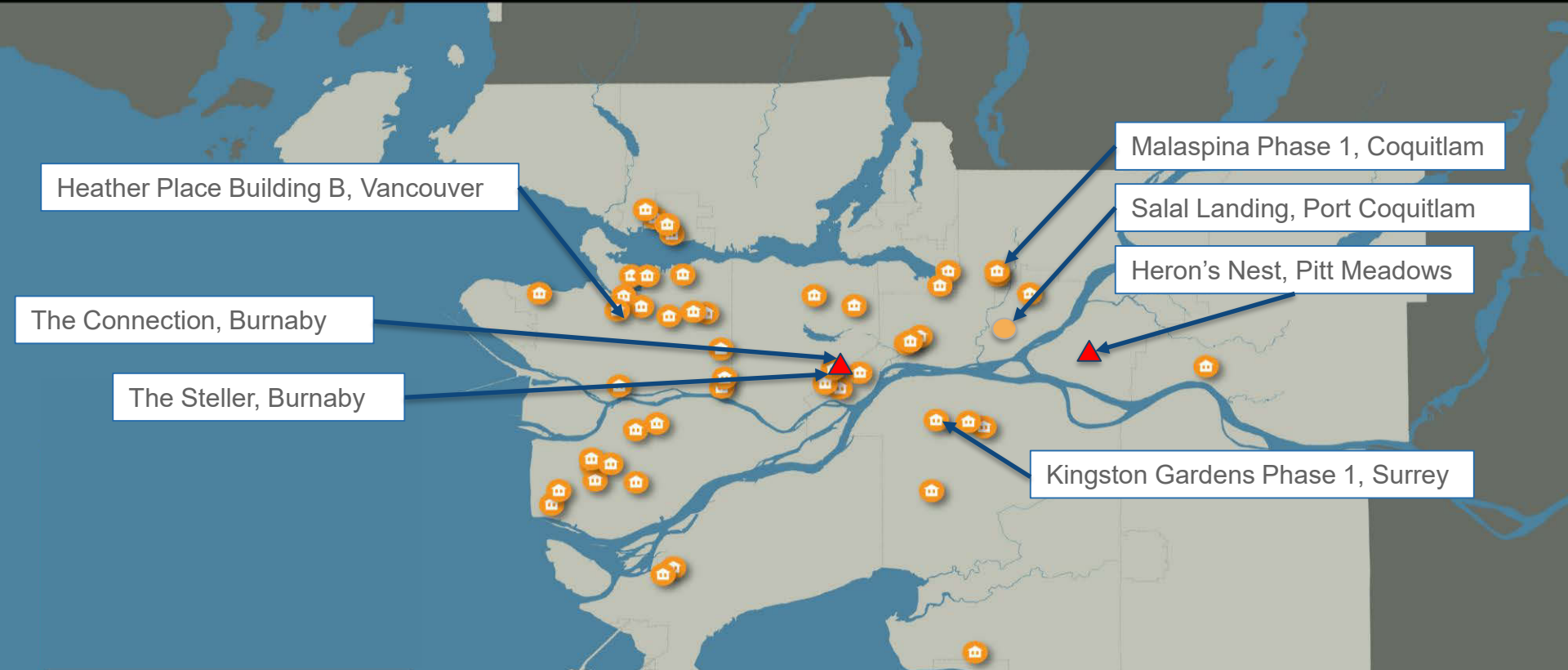
# CAPITAL PLAN DRIVERS

Driver	Outcome
Expand	Redevelopment of 5 existing affordable housing sites
Expand	Development of 2 <i>new</i> affordable housing sites through Member Partnerships
Preserve	Preserve a portfolio Facility Condition Index = or < 20% over next 10 years
Environment and Sustainability	Reduce energy consumption by a minimum of 25% for new construction (from 2015 National Energy Code for Buildings) and Reduction of GHG emissions by 45% (from 2010 levels) by 2030 (CO2 /m <sup>2</sup> )
Accessibility/ Adaptability	Units are adaptable or fully accessible to support age-friendly and inclusive communities



# CAPITAL DEVELOPMENT PROJECTS

## Metro Vancouver Assets: Housing



# HOUSING DEVELOPMENT

## 2024 - 2028 CAPITAL DEVELOPMENT PLAN EXPENDITURES

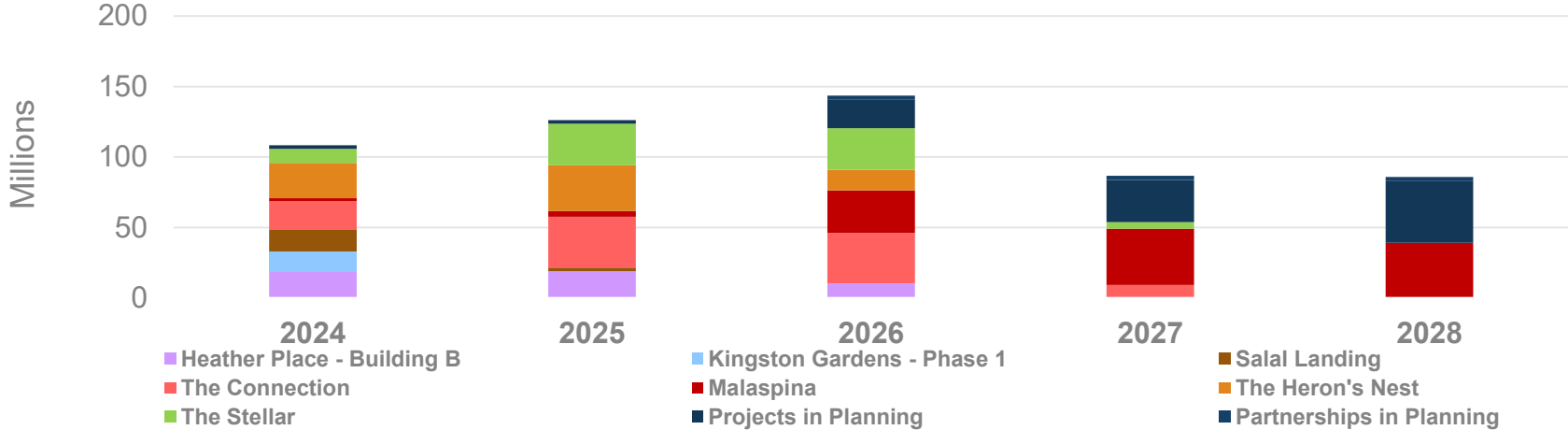
### Overview:

- 2024 - 2028 Capital Plan: \$550.3M
- 2024 Cash Flow: \$108.2M

### Drivers:

- Support the critical need for affordable housing in the region through redevelopment of existing sites to create additional homes
- Partnerships at the Municipal, Provincial and Federal level to deliver additional affordable housing sites across the region

2024 – 2028 Housing Capital Development Plan



# HOUSING CAPITAL DEVELOPMENT PROPOSED

## 2024 - 2028 CASH FLOWS

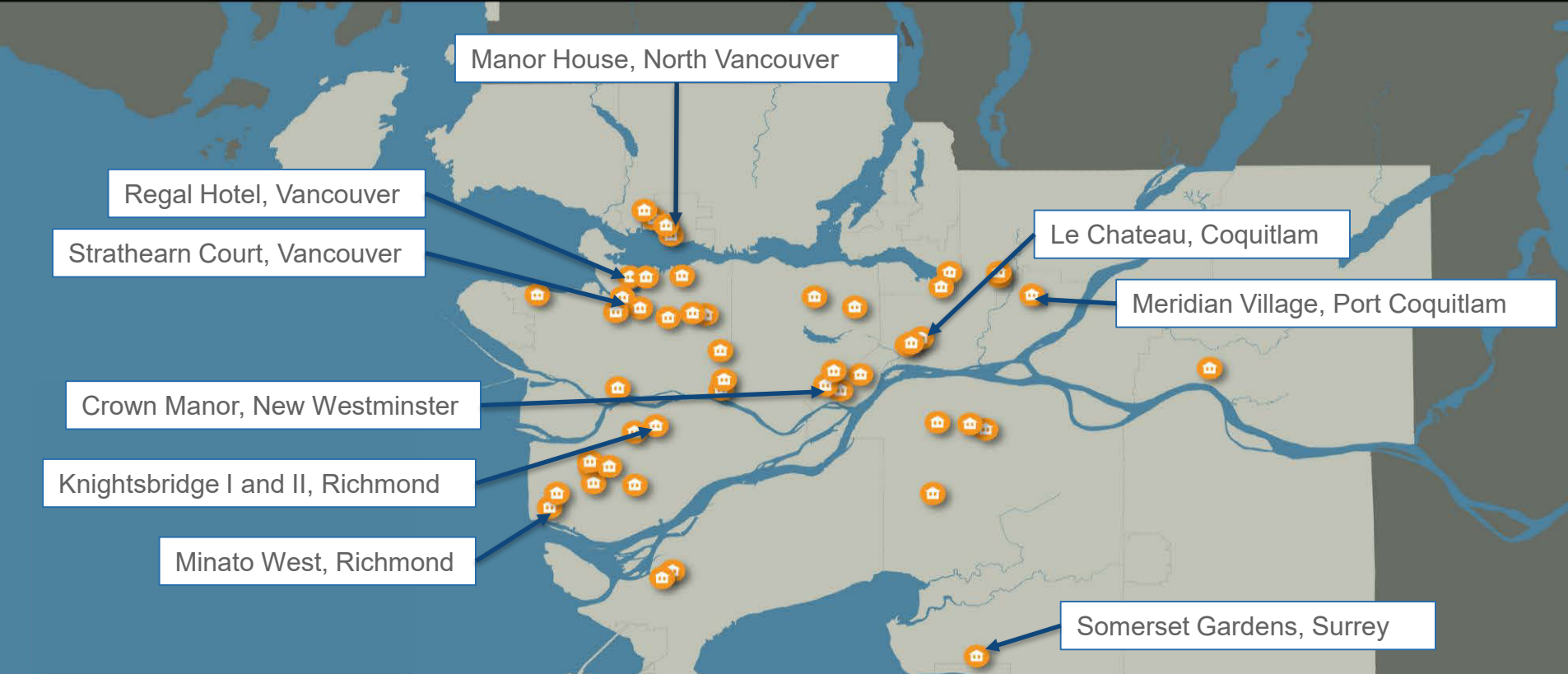
Prior Cycle Capital Development Plan 2023 - 2027	Cash Flow 2023	Adjustments to 2024 - 2027 Capital Development Plan Cash Flows					Cash Flow 2028	Draft Capital Development Plan 2024 - 2028
		Carry-Forward*	Deferrals/ Accel.	Risk	Scope	Total		
\$387.0M	(\$62.2M)	-	-	\$31.9M	\$107.8M	<u>\$139.7M</u>	\$85.8M	\$550.3M

\* Carry forward underspend from 2021/2022



# CAPITAL MAINTENANCE PROJECTS

## Metro Vancouver Assets: Housing



# HOUSING CAPITAL MAINTENANCE

## 2024 - 2028 CAPITAL MAINTENANCE PLAN EXPENDITURES

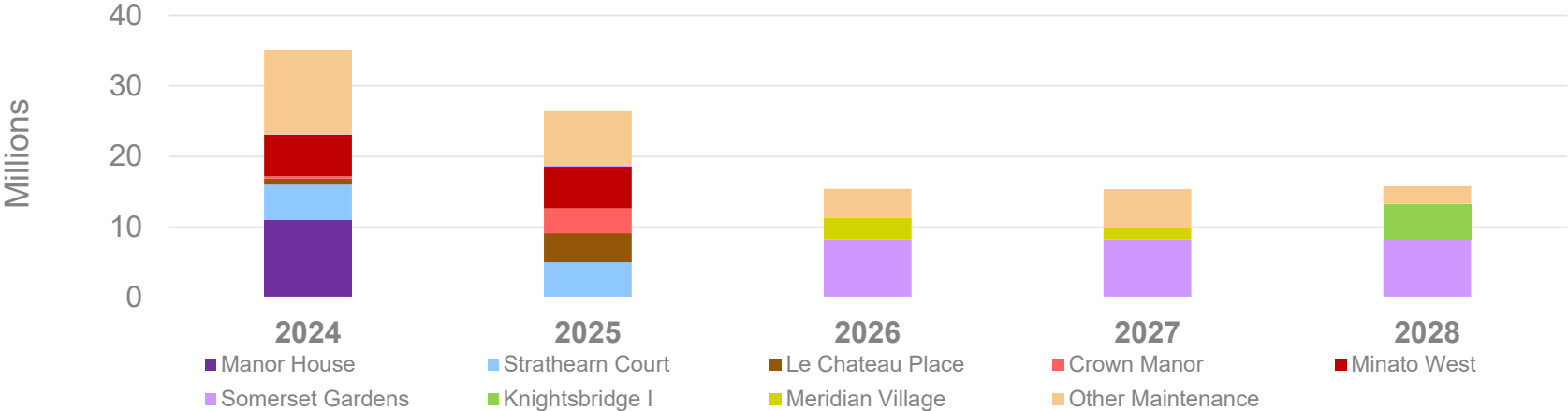
### Overview:

- 2024 - 2028 Maintenance Plan: \$108.2M
- 2024 Maintenance Cash Flow: \$35.2M

### Drivers:

- Asset Facility Condition Index
- Preservation and revitalization of existing affordable housing
- Reduce GHG emissions by 45% (from 2010 levels) by 2030

2024 – 2028 Housing Capital Maintenance Plan



# HOUSING CAPITAL MAINTENANCE PROPOSED

## 2024 - 2028 CASH FLOWS

Prior Cycle Capital Maintenance Plan 2023 - 2027	Cash Flow 2023	Adjustments to 2024 - 2027 Capital Maintenance Plan Cash Flows					Cash Flow 2028	Draft Capital Maintenance Plan 2024 - 2028
		Carry-Forward	Deferrals/Accel.	Risk	Scope	Total		
\$88.1M	(\$14.3M)	-	-	-	\$18.6M	<u>\$18.6M</u>	\$15.8M	108.2M

## CONTINUE TO:

- Provide safe and affordable homes in livable communities
- Expand through redevelopment of existing sites to create additional affordable homes
- Explore partnerships with member jurisdictions, not-for-profit entities and developers to provide additional affordable housing communities in the region
- Explore partnerships with Provincial and Federal Governments and pursue available funding programs (BCH, CMHC)
- Reduce energy consumption by 25% for new construction (from 2015 National Energy Code for Buildings) and reduce GHG emissions by 45% (from 2010 levels) by 2030



**TOGETHER**  
WE MAKE OUR REGION  
**STRONG**

First Nation Drum – Heather Place Opening

Thank you

**metro**vancouver

To: Housing Committee

From: Heather McNell, Deputy Chief Administrative Officer, Policy and Planning

Date: June 29, 2023

Meeting Date: July 7, 2023

Subject: **Manager's Report**

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### **RECOMMENDATION**

That the Housing Committee receive for information the report dated June 29, 2023, titled "Manager's Report".

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### **HOUSING COMMITTEE 2023 WORK PLAN**

The Housing Committee's Work Plan for 2023 is attached to this report (Attachment 1). The status of work program elements is indicated as pending, in progress, ongoing or complete. The listing is updated as needed to include new issues that arise, items requested by the Committee, and changes to the schedule.

### **CMHC HOUSING ACCELERATOR FUND**

As part of Budget 2022, the Federal Government announced a \$4 billion Housing Accelerator Fund (HAF) to provide incentive funding to local governments to encourage initiatives that lead to new housing supply, and requires that applicants prepare action plans that include supply growth targets and speed up housing approvals. Eligible applicants are local governments in Canada with delegated authority over land use planning and development approvals, including First Nations, Métis and Inuit governments. Metro Vancouver member jurisdictions have been working closely with the Canada Mortgage and Housing Corporation (CMHC) to prepare these action plans, as some have been preselected as part of the first wave of applicants for larger urban centres, with action plans due June 14, 2023. The second wave of applications is for the majority of municipalities across Canada with a summer 2023 deadline (exact date to be confirmed).

Although Metro Vancouver Housing (MVH) is not eligible to apply to the HAF program directly, there may be opportunities for Metro Vancouver jurisdictions to include MVH housing supply in their housing growth targets, as municipalities can apply for capital funding to deliver the units targeted in their action plans. To this end, MVH staff have written to Planning Directors in the municipalities where there are active MVH projects, and where there could be opportunities for collaboration to accelerate housing supply. This could include exploring innovations such as rezoning MVH and other non-profit housing sites to expedite delivery. MVH staff welcome the opportunity to discuss opportunities for regional collaboration and finding efficiencies in HAF applications at any time.

### **DEVELOPMENT COST CHARGE UPDATE**

As part of this year's budget process the Financial Plan Task Force has made a number of recommendations for the DCC program at Metro Vancouver. The proposed recommendations were endorsed by the Metro Vancouver Board during the Board Budget Workshop held on April 19<sup>th</sup>,

2023. In response to these proposed changes, a number of developers have submitted letters to Metro Vancouver expressing concerns about these changes and its impact on housing development in the region. At the request of Housing Committee members, the letters and the Metro Vancouver staff response are attached to this report (Attachment 2).

### **HOUSING OPERATIONS & TENANT PROGRAMS UPDATE**

Housing Operations staff hosted a very successful Makeover Day at Epsom Downs in June. Epsom Downs is a 108 unit, 2 & 3 bedroom townhouse complex in the Newton area of Surrey.

Approximately 60 staff from across Housing came together to show some TLC to this community. Flowers were planted, fences constructed, a fresh coat of paint added to curbs and trims, and gutters and downspouts were replaced where needed. The impact of the staff's hard work, dedication and collaboration was clearly evident by the end of the day, both in the surroundings and on the faces of our tenants.

Annual unit inspections are on-going throughout the housing portfolio and staff are busy with regular maintenance. Summer is a very busy time for Operations as staff tackle larger outdoor projects to take advantage of the dry weather.

Tenant Programs and Services has had a very successful start to the summer. Senior's Day events were hosted at both Inlet Centre in Coquitlam and Cedarwood Place in Richmond, spring flowers were distributed across the portfolio brightening outdoor spaces, and field trips to our regional parks are scheduled. Staff have a full calendar of events planned for the summer.

### **Attachments**

1. Housing Committee 2023 Work Plan
2. Correspondence regarding Metro Vancouver's Development Cost Charge Program Updates

### **Reference**

[Housing Accelerator Fund | CMHC \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca)

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**Housing Committee 2023 Work Plan**

Report Date: June 14, 2023

**Priorities**

<b>1<sup>st</sup> Quarter</b>	<b>Status</b>
Housing 2023 Work Plan Adoption	Complete
Housing Site Naming - Update	Complete
Metro Vancouver Housing Cost Estimating Framework	Complete
RPAC Housing Subcommittee Annual Work Plan - Update	Complete
MVHC Subsidy Program - Update	Complete
Tenant Programs & Services - Update	Complete
Capital Rehabilitation Projects - Update	Complete
Capital Development & Redevelopment Projects - Update	Complete
Funding Progress - Update	Complete
Development Partnership Sites - Update	Complete
<b>2<sup>nd</sup> Quarter</b>	<b>Status</b>
MVHC Subsidy Program - Update	Complete
Tenant Programs & Services - Update	Complete
Capital Rehabilitation Projects - Update	Complete
Capital Development & Redevelopment Projects - Update	Complete
Development Partnership Sites - Update	Complete
Housing Policy Learnings & Best Practices	Complete
<b>3<sup>rd</sup> Quarter</b>	<b>Status</b>
MVHC Subsidy Program - Update	Pending
Tenant Programs & Services - Update	Pending
Capital Rehabilitation Projects - Update	Pending
Capital Development & Redevelopment Projects - Update	Pending
Funding Progress - Update	Pending
Development Partnership Sites - Update	Pending
Housing Policy Learnings & Best Practices	Pending
<b>4<sup>th</sup> Quarter</b>	<b>Status</b>
2024 Budget and 5-year Financial Plan – Approve	Pending
MVHC Subsidy Program - Update	Pending
Tenant Programs & Services - Update	Pending
Capital Rehabilitation Projects - Update	Pending
Capital Development & Redevelopment Projects - Update	Pending
Development Partnership Sites – Update	Pending
Housing Policy Learnings & Best Practices	Pending





April 27, 2023

Metro Vancouver Board of Directors  
Metrotower III  
4515 Central Boulevard  
Burnaby, B.C.  
V5H 0C6

Dear Directors,

**Re: Financial Plan Task Force Recommendations (2024 – 2028 Financial Plan)**

As one of Metro Vancouver’s largest developers, we wanted to express our concerns about the Financial Plan Task Force Recommendations which were recently reviewed at your April 19<sup>th</sup> workshop. As we work around a housing affordability crisis in British Columbia, with significant support at the Provincial level, we feel that the proposed increases to regional Development Cost Charges (“DCC”) will have a significant negative impact on housing affordability in the Metro Vancouver region.

The recent introduction of the Metro Vancouver Water DCC, at rates which were five times higher than originally proposed by Metro Vancouver staff, will lead to over \$25 million in additional costs for our existing development portfolio. When this is combined with record construction costs and the recent rapid increase in interest rates, many of our developments will require higher sales prices to be financially feasible. This contradicts the Provincial Government target of producing more affordable housing supply for the people of British Columbia.

It is disheartening to see these recommendations presented without a comprehensive financial analysis, proper consultation with industry stakeholders, and seemingly without recognition of the ongoing housing crisis. These fees are being introduced at a time when many municipalities have significantly increased, or are in the process of increasing, their respective DCC and local area charges.

Recent studies, such as the Taxing Growth report by the Urban Development Institute (released February 2023) and the Housing Market Insight Report on Government Charges by CMHC (released July 2022), highlight the increasing proportion of government fees in housing costs. Intentionally or unintentionally, many of the elected officials on the Metro Vancouver board have voted in favour of significantly increasing the cost of new housing in their municipalities. This is seemingly being justified by the fact that existing property owners will benefit from lower increases in property taxes than would otherwise be required. Unfortunately, these fees

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either increase the price of new homes or make certain developments no longer financially feasible. As a result, our ability to meet the growth targets and affordability goals being set by the Province is diminished.

In major Canadian cities, government fees can account for more than 20% of the cost of building a home with Metro Vancouver having some of the highest fees. For example, these fees can constitute up to 34% of the rent, and almost 30% of the purchase price, of a wood-frame condominium in the City of Vancouver. UDI reports that in the City of Vancouver, the combined Municipal, Regional, Provincial, and Federal government fees and charges amount to over \$327,500 for a two-bedroom unit in fees and charges. The contemplated Metro Vancouver Water DCC will increase this figure and will only further exacerbate the financial burden on homebuyers and renters.

Many third parties report that increasing fees result in a reduction in land price. While we have seen adjustments in some situations where a landowner is motivated to sell, this is often not the case. Instead, they hold firm on their land price or simply choose not to sell, which leads to higher costs for prospective homeowners. It could be argued that the burden of these additional charges is being shifted from existing homeowners, many of whom have already greatly benefited from higher home prices, to young buyer and new immigrants already struggling to afford a new home in your community. This may lead to fewer homes being built, which will only worsen the current housing crisis in Metro Vancouver.

We urge the Metro Vancouver Board to reconsider its position on the Financial Plan Task Force Recommendations to ensure fairness and transparency. It is vital to collaborate with members of the development industry and potential homeowners before your meeting. In addition, we strongly believe that a third-party review should be part of the decision-making process of the Board. This will provide further clarity on the cumulative impact of the fees, levies, taxes and other policies set by various levels of government on new housing. We also need to engage in an open dialogue with the Provincial and Federal Governments to align goals and objectives related to housing delivery.

If housing supply is a critical concern, we must question why it is being taxed so heavily. According to the 2022 CMHC study, the region would need to construct over 500,000 homes by 2030 to achieve housing affordability goals. This was already a challenging task based on historical housing starts and completions, and additional costs will only make meeting this target more difficult. A recent study by the Canadian Centre for Economic Analysis was recently provided to us. This study found that new housing is taxed at higher rates than any other industry sector, including oil and gas production, alcohol, cannabis, and gambling. This tax burden is unacceptable in an industry which already struggles to produce adequate supply to meet population growth and one where affordability is considered of national concern.

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Metro Vancouver Board of Directors  
April 27, 2023  
Page 3

Thank you for taking the time to read this letter. We, and our colleagues in the development industry, look forward to working together to deal with this matter. We all benefit from increased dialogue as we struggle to balance the growing needs of our region and the affordability crisis. Housing supply is critical to our region and we believe the best way forward is to work collaboratively with all level of Government.

Sincerely,

**POLYGON HOMES LTD.**



Robert Bruner  
Executive Vice President

cc: The Honourable David Eby, Premier  
The Honourable Ravi Kahlon, Minister of Housing

June 8, 2023

File: FA-22-06

Robert Bruno, Executive Vice President  
Polygon Homes Ltd.  
900 - 1333 West Broadway  
Vancouver, BC V6H 4C2  
**VIA EMAIL:** [rbruno@polyhomes.com](mailto:rbruno@polyhomes.com)

Dear Robert Bruno:

### Development Cost Charge Updates

Thank you for your letter expressing your concerns regarding the Financial Plan Task Force recommendations for the 2024 - 2028 Financial Plan to the Metro Vancouver Board. One of the recommendations endorsed by the Metro Vancouver Board at the Board Budget Workshop on April 19, 2023 was to direct staff to prepare the 2024 - 2028 Financial Plan with the following assumptions:

- Liquid Waste Development Cost Charges moving to a 1% assist factor with interest.
- Water Development Cost Charges moving to a 1% assist factor with interest.
- Implementation of a Development Cost Charge for Regional Parks and move to a 1% assist factor.

Metro Vancouver is a growing region, which requires infrastructure expansion to keep up with the growing population. Nearly 60% of Water's capital program and almost 40% of Liquid Waste's capital program over the next 5 years is related to system expansion to ensure adequate services can be provided to the growing population, which includes the provision of drinking water and wastewater services. The significant costs of the growth related capital infrastructure program has necessitated the examination of DCCs as a key funding source to commit to the principle that growth pays for growth.

In order to implement the DCC rate changes within the timeframe of the 2024 - 2028 Financial Plan, Metro Vancouver is committed to working with the development community to ensure a robust and rigorous consultation and engagement process in accordance with the Provincial DCC Best Practices guide, as well as meeting the requirements of the Inspector of Municipalities. This will involve completing a financial and economic impact analysis on prospective DCC increases to test

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how the approach would impact development given the context of multiple DCCs program, and providing opportunities to meet and discuss questions and concerns throughout the process.

The recommendation that was adopted by the Metro Vancouver Boards on April 19, 2023 was direction for staff to utilize the DCC assumptions when putting together the 5-year plan. However, over the course of engagement and based on the financial and economic impact analysis, there may be adjustments to the timing. There is an understanding that the development community appreciates clarity in terms of timing and implementation plans. Therefore, the intent is to commence engagement sessions in 2023, which will include the proposed rate increases and the results of the financial and economic impact analysis. Metro Vancouver is committed to being proactive in communicating the schedule of these engagement sessions and will provide opportunities to the development community to communicate their questions and concerns to Metro Vancouver through its DCC email address at [dccs@metrovancover.org](mailto:dccs@metrovancover.org).

Metro Vancouver recognizes the issues related to housing affordability and housing supply, as well as the infrastructure needs to service the growing population, and is committed to working with the development community throughout this process to ensure a collaborative approach.

Yours sincerely,



Jerry W. Dobrovolny, P.Eng., MBA  
Commissioner/Chief Administrative Officer

JWD/DR/td

cc: The Honourable David Eby, Premier  
The Honourable Ravi Kahlon, Minister of Housing  
Anne McMullin, President & CEO, Urban Development Institute

60269723

April 27, 2023

Metro Vancouver  
Metrotower III, 4515 Central Boulevard  
Burnaby, BC V5H 0C6

Attention: Metro Vancouver Board of Directors

Re: Financial Plan Task Force Recommendations for the 2024 – 2028 Financial Plan

I am writing to express significant concerns regarding the Metro Vancouver Board Workshop from April 19. The proposed increases to Regional Development Cost Charges have the potential to adversely affect housing affordability in the Metro Vancouver region. It is disconcerting that these recommendations are being presented without consultation with industry stakeholders and acknowledgement of the ongoing housing crisis. I am also concerned that a motion was defeated to have these changes be subject to financial analysis and economic testing.

Recent studies, including the Housing Market Insight report on Government Charges by CMHC (July 2022) and the Taxing Growth report by the Urban Development Institute (February 2023), have emphasized the escalating proportion of government fees in housing costs. These fees can account for more than 20% of the cost of building a home in major Canadian cities, particularly in Metro Vancouver, where they constitute up to 33.96% of the rent for a wood-frame rental or 29.6% of the purchase price of a wood-frame condo in the City of Vancouver. Between the Municipal, Regional, Provincial, and Federal governments, this amounts to \$327,565.53 for a two-bedroom unit in fees and charges. The financial burden on homebuyers and renters will only increase with the additional fees from the contemplated Metro Vancouver Water DCC.

Contrary to popular belief, increasing fees are not necessarily absorbed by land price adjustments; instead, they place a greater burden on new homeowners. It is crucial to understand that when these costs are passed on to a new homeowner, the burden is shifted from existing property taxpayers to someone attempting to afford a new home in your community. It is vital to consider whether this is an equitable approach, as it may result in fewer homes being built, thus exacerbating the housing crisis in Metro Vancouver. The 2022 CMHC study suggests that the region would need to construct 523,530 units by 2030 to achieve housing affordability goals, a task that would take 26 years based on historical housing completion rates.

I must respectfully convey my general concerns regarding the integrity of this process. The Metro Vancouver Board of Directors consists of elected officials from various municipalities and regional districts, all of whom potentially have an interest in not increasing property taxes for their existing constituents. To ensure fairness and transparency, would it not be prudent to consult with members of the development industry before your meeting or, at the very least, invite them to speak at your meeting? Additional considerations include inviting potential new homeowners to speak at your meeting, to hear their perspective as entrants to the highly-taxed housing market. We also fundamentally believe that third-party analysis should be part of the decision-making process of the board to understand the cumulative impact of what are currently uncoordinated fees, levies and taxes on new housing. When considering updates to fees and charges on new housing, we believe that all government bodies should be referencing the Provincial Development Cost Charge Best Practices Guide and applying the principles of integration, fairness, equity, accountability, certainty, and consultative input.

Given these concerns, we urge the Metro Vancouver Board to reconsider the proposed recommendations and reconsider the motion to conduct financial analysis and economic testing of the fees and charges by all levels of government. It is essential for Metro Vancouver municipalities to collaborate with the Provincial and Federal Government and engage in an open dialogue to align goals and objectives related to housing delivery. To cite another recent study by the Canadian Centre for Economic Analysis on the taxation of housing construction, new housing is subject to twice the tax burden compared to the rest of the economy when accounting for sales tax, production tax,



Accountability



Adaptability



Relationships



The Golden Rule





and transfer taxes. This study discovered that new housing is taxed at higher rates than oil and gas production, power generation, alcohol, cannabis, and gambling, in addition to every other industry sector. If housing supply is a critical concern in our region, we must question why it is being taxed so heavily.

For years, housing delivery in Metro Vancouver has struggled to keep up with population growth, and the current trajectory will only worsen the problem. The only way to ensure affordable housing and reasonable rent in the future is to build enough housing today. We must collaborate to find solutions that consider taxation and levies on housing, infrastructure burden/renewal due to housing, and housing affordability, ensuring a better future for all residents of our region.

Thank you for your attention to this pressing matter. I look forward to a constructive dialogue that forms part of an overall strategy of fees, taxes and levies on new housing and their relationship with housing supply in Metro Vancouver.

Sincerely,



Beau Jarvis  
President  
Wesgroup Properties

cc: Metro Vancouver CAO Jerry Dobrovoiny  
Metro Vancouver CFO Dean Rear  
Metro Vancouver Deputy CAO Ravi Chhina  
Premier David Eby  
MLA Hon. Ravi Kahlon, Minister of Housing  
Teri Collins, Deputy Minister of Housing  
Lisa Helps, Housing Solutions Advisor for BC Builds

Sources:

CANCEA Report "Will Feds Answer the Call? Infrastructure Investment Lags Amidst Highly Taxed Housing Construction", Commissioned by RCCAO, 2023

CMHC Report "Government Charges on Residential Development in Canada's Largest Metropolitan Areas, July 2023

UDI Report "Taxing Growth: Analysing the Taxes and Fees on New Housing Development", February 2023

June 8, 2023

File: FA-22-06

Beau Jarvis, President  
Wesgroup Properties  
Suite 2000, Three Bentall Centre  
595 Burrard Street. Box 49287  
Vancouver, BC V6C 0E4  
VIA EMAIL: [bjarvis@wesgroup.ca](mailto:bjarvis@wesgroup.ca)

Dear Beau Jarvis:

### Development Cost Charge Updates

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In order to implement the DCC rate changes within the timeframe of the 2024 - 2028 Financial Plan, Metro Vancouver is committed to working with the development community to ensure a robust and rigorous consultation and engagement process in accordance with the Provincial DCC Best Practices guide, as well as meeting the requirements of the Inspector of Municipalities. This will involve completing a financial and economic impact analysis on prospective DCC increases to test

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how the approach would impact development given the context of multiple DCCs program and providing opportunities to meet and discuss questions and concerns throughout the process.

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Metro Vancouver recognizes the issues related to housing affordability and housing supply, as well as the infrastructure needs to service the growing population, and is committed to working with the development community throughout this process to ensure a collaborative approach.

Yours sincerely,



Jerry W. Dobrovolny, P.Eng., MBA  
Commissioner/Chief Administrative Officer

JWD/DR/td

cc: The Honourable David Eby, Premier  
The Honourable Ravi Kahlon, Minister of Housing  
Teri Collin, Deputy Minister of Housing  
Anne McMullin, President & CEO, Urban Development Institute  
Lisa Helps, Housing Solutions Advisor, BC Builds