

DE JONG TARGETS CLOGS IN METRO'S HOUSING SUPPLY

Finance minister says thousands of units are stuck in the pipeline

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While housing prices soar in Metro Vancouver and elsewhere, Finance Minister Mike de Jong continues to argue that the best bet for improving affordability is a dramatic increase in the supply of units.

“There are thousands of private-sector housing proposals in the pipeline,” says de Jong. “Thousands of units that are stuck.

“We have to get on with building this stuff,” the finance minister told me during an interview on Voice of B.C. on Shaw TV Thursday. “That is, I believe, perhaps not the only instrument, but I think a key part of the response we need to make to the housing challenges we have.”

The finance ministry has been compiling data from local governments on what is in the pipe with a view to releasing a report “in a month or so” on the potential for increasing the housing supply.

“If it’s taking five years to approve a low-rise 30-unit development, well, that’s 30 units that aren’t available,” said de Jong. “I saw a situation where in one of the Metro communities a developer wanted to add two more floors. It was consistent with the community plan. The recommendation from the planning department was to proceed. (But) council responded to concerns from some neighbours about a view corridor. “

His point being that the public and local governments can’t have it both ways: “We can’t on the one hand all wring our hands in despair and say we have a housing issue, and then frustrate those who are prepared to address that by building housing.”

Or as he put it during debate in the legislature this week: “At a time when there are only 2,000 housing units on the market, I wonder what the impact would be if, in the span of a number of months, we could double or triple that. The private sector wishes to build them. The proposals are there.”

The Liberals recently announced an incentive to increase supply by exempting newly constructed homes valued at up to \$750,000 from paying the property transfer tax. Plus there’s the \$355 million in this year’s budget and fiscal plan for social and other government-supported housing. But de Jong and the Liberals are also linking provincial support for transit expansion to the need to increase “densification” — the concentration of housing units — along transit lines.

“I mean, these are decisions that we have to make,” he told me. “They impact on our ability to provide transit services. You cannot build SkyTrain past a picket fence. You can’t. You can’t afford it. You have to develop.”

That bit about building SkyTrain past a picket fence is a reference to how when the original Expo line was constructed, some of the stations were in single-family residential neighbourhoods, with low-rise construction all around.

“You see the changes now that have taken place along most of those existing lines,” he continued. “They have densified. And actually we can use that process to help offset the costs associated with the construction of infrastructure. But that’s a conversation that, again, we have to have.”

More than a conversation, it turns out. **The province is already working on ways to use the potential for increased density around transit lines as a way to help finance the cost of building them.**

“That’s under active consideration,” says de Jong, “because it accomplishes two things: It helps offset some of the cost, and, again, it goes to the issue of housing supply and therefore housing affordability. So there’s actually an intersection of interests here.”

But as with the provincial response to demands for more housing, he thinks governments have to spell out the implications for neighbourhoods along transit lines and around transit stations.

“People like me are obliged to be straight-up with folks who will come and say, ‘I want a transit line. I want a SkyTrain. But I don’t want my neighbourhood to change from what it looks like today, which is a row of 20 single detached homes.’ The two do not coexist. The two cannot coexist in an affordable way, in a way that is affordable for the taxpayers.”

All this has implications for negotiations among federal, provincial and regional governments about changing the three-way split on funding for transit infrastructure.

Ottawa has lately proposed to boost its share from onethird to 50 per cent. Metro Vancouver, pleading poverty, wants to reduce its one-third obligation. The provincial government is standing pat at a third, leastways as a bargaining position, leaving a potential shortfall in funding.

But the gap might be closed by “cashing in on density,” as the headline on an article in The Vancouver Sun by Kelly Sinowski had it earlier this week. She reported how **the province and Metro Vancouver mayors were “investigating the potential of charging developers additional fees around transit stations,”** a move that could cover as much as half of the estimated \$2 billion cost of extending SkyTrain from Clark Drive along Broadway to Arbutus.

Plus, as de Jong noted, the “densification” drive would also dovetail with the provincial goal of increasing the housing stock.

“That upzoning, that densification, it generates housing supply and it generates value,” he told me. “We want to tap into that value. I think it is entirely legitimate for governments — civic, provincial, federal — to tap into that value for the purpose of developing infrastructure, transit infrastructure, that will service the public.”

But as de Jong himself conceded, increased density can also provoke a public that wants affordable housing and new transit lines without the threat of highrises and apartment complexes in their backyards.