Submission on the Proposed Zoning Changes in Waverly West

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When you read Plan Winnipeg, there is a tremendous emphasis on more compact development that works with previously existing infrastructure, greater density and a focus on integration with downtown, especially infill developments. Under the existing Plan Winnipeg, the city should be better planned, more vibrant, compact and in my opinion, more exciting.

Now, only five years into a twenty-year plan, we are considering amendments that run completely contrary to its spirit.

We are being told that there is a housing crisis in Winnipeg, and rezoning a huge parcel of agricultural land in the southwest of the city to build a development called Waverly West is being touted as the only solution.

Waverly West is not a solution: it is a symptom of bigger problems.

The consultant's report by ND Lea makes it clear that there are a number of other possible solutions –which I consider to be better solutions: building multi-unit condos and apartment buildings, as well as infill developments and gentrification. These are considered impractical or economically unviable. Many of these options, like infill development and densification are ones that are emphasized by Plan Winnipeg 2020.

It is worth noting, however that this is happening in large part because of problems created at by the provincial and federal governments which make them uneconomic to pursue, and further, a lack of political will on the part of the City to enforce its own plan.

Winnipeg needs good city planning, good development and smart growth. For that to happen, the Federal and Provincial Governments both need to act to create a policy and regulatory regime that makes good city planning economical.

This is especially true of the Province of Manitoba. The provincial cabinet had to sign off on Plan Winnipeg as well, but they need to reflect the goals of the document in their own municipal policy, and that is not happening. The fact that the Province is a co-developer of this project makes this all the more troubling.

What Winnipeg Needs

I've lived in Toronto and Ottawa and briefly in Montreal, and I have spent a lot of time in those cities defending Winnipeg against people who've never even been here. We need to do a better job of marketing this City, but we also need Winnipeg to be a better product.

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People do not evaluate cities based on their suburbs. People do not admire cities whose urban sprawl is second to none. Much of their judgment on whether a city works or not is based on their downtown. If you look at the dynamic downtown scene that exists in parts of Toronto – Queen Street West, for example, you can see a model for the kind of development we need downtown. It attracts and keeps young people.

We need smart development that promotes density. Density is better for business, better for the environment and better for the city. We need to build multi-family buildings and apartment buildings, we need infill development, and we need to curb the rampant sprawl beyond the perimeter. The most significant improvement for the quality of urban (and economic) life in Winnipeg, would be to get more people living downtown.

Instead, we are proposing building a development bigger than Brandon at the perimeter, and a city that has an infrastructure deficit of $160-million a year is building more infrastructure.

The Problems That Resulted in Waverly West

Why do we need Waverly West? The reasons are enumerated in ND Lea's report:

1) The housing crisis: smaller households and a slight increase in population growth means available housing will dry up sooner than expected.
2) Despite the fact that there is an effective 0% vacancy rate in many parts of the city, there have been no new apartments built since the early 1990's, 1500 units need to come on to the market within the next three years in order for vacancy rates to reach 4%. This is due in part to the current rent control regime.
3) If we don't develop in Winnipeg, the development will take place outside of the city in bedroom communities – this is because there is still no workable agreement on development in the Capital City Region.
4) Retrofitting existing housing doesn't solve the problem, because of the "market gap" that makes it uneconomical.
5) If we don't build Waverly West, demand will so outstrip supply that house prices will skyrocket

While population and household size (the housing crisis) are the hard reality, the other issues are often political, and most of them are failures of leadership or policy at the provincial level.

One of the most significant of these is the lack of multi-unit and rental accommodations.

The Provincial Role Part I – Rent Control

The shortage of affordable housing, as well as multi-unit residential buildings is due to policy at both the provincial and federal levels. The federal government slashed support for affordable housing in a bid to get the deficit under control. But the current rent control

regime in Manitoba, which is a relic of 1970's inflation controls, makes it difficult for developers to recover their investments. It is worth noting that the Provincial Government does **not** apply rent control to some the buildings it owns and runs itself.

There are additional barriers to a return on investment – so much so that TD Economics recommended that the Federal Government create a program of direct capital grants to create more affordable housing.

I urge the EPC to lobby the federal government for changes of this kind, but without the cooperation of the Provincial government – which, it is worth mentioning has in the recent past exempted its own buildings from rent controls – the kind of development of multi-unit and apartment buildings that is required may not materialize.

The issue of rent control must be addressed, but will likely be ignored as it is considered a political hot potato.

The Provincial Role Part II: Planning Beyond the Perimeter

One of the major arguments for why Waverly West should be built is that if it doesn't take place in Winnipeg, it will take place in communities beyond the perimeter, and that tax revenues will therefore be lost.

Here again we have a situation where a lack of provincial leadership in planning in the capital region has meant uncoordinated development to the detriment of the City of Winnipeg. Successive provincial governments have taken a laissez-faire approach to planning and the result is a dog's breakfast.

Again, the provincial government has to step in and play a leadership role in bringing together the municipalities and the City of Winnipeg so that a coherent plan that mutually benefits the parties can be developed.

The Housing Shortage: Increasing Values and the Market Gap

Another argument is that if we fail to develop Waverley West, house prices in Winnipeg will rise dramatically. The danger, we are told is twofold: cheap real estate is one of Winnipeg's selling points, and that it will take housing out of the reach of the poor. And infill developments are not cost-effective because they typically have a "Market Gap"of $30,000

Affordable housing is not enough to attract young people to stay in Winnipeg. Houses are cheap in Winnipeg because until recently, people didn't want to buy them here.

In the recession of the early and mid 90s when unemployment for people my age was running at 17%, we left Winnipeg by the thousands for Calgary, Vancouver, Toronto or the States. We weren't moving to Toronto for the cheap housing. People are attracted by opportunity, not just a cheap place to live.

Waverly West is not being built as affordable housing. There is a saying that "You cannot strengthen the weak by weakening the strong." If developers, or governments, are really concerned about affordable housing, they should build some, rather than counting on their new developments to depress the value of older housing stock to provide housing for the poor.

There is an excellent program in Toronto called Cityhome, which offers 85% of a building's units at market rents while 15% of the units have subsidized rates for the disadvantaged. It therefore provides shelter in a mixed social setting that mitigates against the development of slums.

Self-Interest and Home Ownership

I will state the obvious: my home is my biggest investment, and from a self-interested point of view, I welcome the idea of it appreciating in value. In fact, the argument that has been advanced seems to suggest that if Waverley West is *approved*, my home's value – along with that of my neighbours - will be *reduced* from its potential sale price by tens of thousands, if not hundreds of thousands of dollars.

Will the sky fall if prices rise?

Isn't it possible that an increase in real estate prices might help close the "Market Gap" and make infill developments economically viable? Is it likewise possible that a shortage of land might persuade developers to be more efficient in their land usage? Or to make gentrification worthwhile?

The plan for Waverly West sounds very nice: higher density than River Heights, bike paths, an emphasis on pedestrian accessibility and community "nodes". These are all positive elements in urban planning – in fact, it would be nice to see them applied elsewhere – like down the block, where I can't even walk straight across Main Street to get to my Bank. The claim of increased density of development, however, is at odds with Waverly West's location next to the perimeter highway.

I keep returning to the issue of downtown because I think it is essential to the right kind of growth for this city. I am concerned, however, because there the ND Lea report claims that Waverley West fulfills Plan Winnipeg's demands for support and close connection to downtown. In fact the report seems to suggest that downtown development will take care of itself.

There are additional concerns as well, which also relate to the infrastructure for this community: the provincial government is strapped for cash and has not committed to building schools for the community; the city itself is strapped for cash, with a $160 million annual infrastructure deficit, yet we are building more infrastructure, much of it at the expense of the general taxpayer. It will require extending city services, transit and maintenance all of which are tightly stretched as it is.

We are assured by the consultant's report that Waverley West will be beneficial to the city. But this is a report written for the developers – Ladco and the Province of Manitoba. So we have developers saying that what Winnipeg really needs is more development. It seems to me that this is a bit like a report written for a car salesman saying that what we really need is more cars.

Finally, the suggestion that this development must take place because single-family homes are what people want ignores the fact that that is the only option they have been provided. Where is the choice for consumers in this market?

Conclusion

I said at the outset that Waverly West is a symptom of bigger problems, and many of those problems cannot be addressed at the municipal level. Only one major element of a housing strategy requires a major change at the Federal level.

Most of the other changes can and should take place at the provincial level. One of the most important is how municipalities get their revenue. Cash-strapped municipalities are eager to expand their tax base with massive new developments. In other words, the system is set up to encourage bad growth.

If there was a better way of funding municipal services than with property taxes (and there are) or if the Province provided funding adequate to cover Winnipeg's infrastructure deficit (which it doesn't), we wouldn't be faced with yet more sprawl, spreading the same population thinner and thinner over an ever-increasing area.

However, a large number of Winnipeg's housing problems can be addressed at the provincial level. Winnipeg needs better revenue streams so that it can handle its own affairs; the province needs to stop interfering with the way the City is run. And we need to address the real housing crisis in Winnipeg, which is the dearth of private investment – and private investment in general in the province, but especially in the construction of apartment buildings and multi-unit dwellings.

We need a better city, and I don't think that Waverly West will make Winnipeg any better.

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