



To: Planning Committee **Date:** September 16, 2021

From: John Hopkins **File:** 08-4057-08/2021-Vol 01
Director, Policy Planning

Kim Somerville
Director, Community Social Development

Re: **Proposed Market Rental Housing Policy Changes and Low End Market Rental (LEMR) Program Updates**

Staff Recommendations

Increase the Low End Market Rental (LEMR) construction contribution for developments inside of the City Centre Area Plan from 10% to 15%

1. That the Low End Market Rental contribution rate be increased from 10% to 15% within the City Centre Area Plan, and that the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10297 be introduced and given first reading;

Update LEMR cash-in-lieu rates to reflect current construction costs and sale prices in Richmond

2. That the following changes to the Low End Market Rental cash-in-lieu rates be approved and updated every two years, and the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10260, be introduced and given first reading:
 - a. \$8 per square foot outside of City Centre and \$12 per square foot inside of City Centre for single-family rezonings;
 - b. \$12 per square foot outside of City Centre and \$18 per square foot inside of City Centre for townhouse developments; and
 - c. \$15 per square foot outside of City Centre and \$25 per square foot inside of City Centre for apartment developments with 60 units or less;

Introduce a mandatory market rental contribution

3. That a mandatory market rental requirement is introduced to secure a minimum of 10% of residential floor area as market rental housing in multi-family projects with more than 60 apartment units, with a cash in lieu option for multi-family projects with five or more units, and that the associated Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, be introduced and given first reading;
4. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, having been considered in conjunction with:
 - a. the City's Financial Plan and Capital Program; and
 - b. the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;

is hereby found to be consistent with said City program and plans, in accordance with Section 477(3)(a) of the *Local Government Act*;


- 5. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, having been considered in accordance with Section 475 of the *Local Government Act* and the City's Official Community Plan Bylaw Preparation Consultation Policy 5043, be found not to require further consultation;
- 6. That amendments are made to the Zoning Bylaw to apply a mandatory market rental requirement to secure market rental housing units in multi-family projects with more than 60 apartment units, with an associated density bonus (0.1 floor area ratio), and that the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10298 be introduced and given first reading;

Provisions for instream applications and monitoring the updates

- 7. That instream rezoning applications received prior to Council's adoption of the proposed recommendations be processed under the existing market rental and Low End Market Rental policies provided that the application achieves first reading within one year of the adoption of the applicable Official Community Plan or Zoning Bylaw amendment;
- 8. That staff report back to Council regarding key findings related to the implementation of updates to the Official Community Plan Market Rental Housing Policy after the program provisions are in place for two years; and

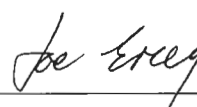

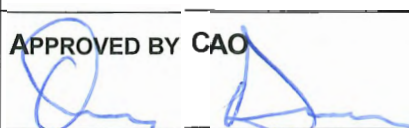
Incentives for rental housing

- 9. That staff be directed to review the feasibility of reducing or waiving Development Cost Charges (DCC) for purpose built affordable housing developments with rental rates established below standard Low End Market Rental rates.


 John Hopkins
 Director, Policy Planning
 (604-276-4279)


 Kim Somerville
 Director, Community Social Development
 (604-276-4671)

JH:dn
 Att. 6

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Finance	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

The following referral was approved at the June 23, 2021 Planning Committee meeting:

That the following staff reports titled:

- (a) *“Options to Secure Market Rental Housing in New Development and Options to Increase Low End Market Rental (LEMR) Contributions,” dated April 19, 2021, from the Director, Policy Planning;*
- (b) *“Low End Market Rental Contribution Rate Review,” dated April 19, 2021, from the Director, Community Social Development; and*
- (c) *“Supplementary Information: Options to Secure Market Rental Housing in New Development and Options to Increase Low End Market Rental (LEMR) Contributions,” dated June 7, 2021, from the Director, Policy Planning;*

be referred back to staff. (Complete reports are available at the following web address: https://www.richmond.ca/agendafiles/Open_Spec_Planning_6-23-2021.pdf).

The companion reports listed above were in response to the following referrals to staff:

- *That staff provide suggestions and options for a market rental policy and report back.*
- *That staff explore options to increase the affordable housing requirement to above 10%.*

In response to the Council referrals above, this report includes proposed policy, bylaw and program amendments, as well as supporting recommendations, which are summarized in Attachment 1. The list of proposed recommendations includes the following, which may be supported as a package or as separate items:

1. Amendments to the Low End Market Rental (LEMR) Program
 - Increase the Low End Market Rental (LEMR) construction contribution for developments inside of the City Centre Area Plan (staff recommendation #1).
 - Update LEMR cash-in-lieu provisions in alignment with current construction costs and sale prices in Richmond (staff recommendation #2).
2. Amendments to the Market Rental Housing Policy
 - Introduce a mandatory approach to securing market rental housing units in apartment developments with more than 60 units (staff recommendations #3-5).
 - Accept cash-in-lieu of constructed market rental units from townhouse and small apartment developments (staff recommendation #6).
3. Provisions for Instream Applications and Monitoring
 - Introduce provisions for instream development applications and monitor implementation of the policy and program amendments (staff recommendations #7, 8).

4. Incentives for Rental Housing

- Review the feasibility of reducing/waiving Development Cost Charges (DCC) for purpose built affordable housing developments with rental rates established below standard LEMR rates (staff recommendation #9).

The recommendations included in this report would maximize the number of rental housing units secured through development, without creating significant financial risks for private developers. Postponing updates to the City's rental housing approach would permit new applications to be reviewed under existing policy and program provisions, and would secure fewer rental housing units than determined to be financially feasible by an independent economic analysis.

This report supports Council's Strategic Plan 2018–2022 Strategy #6 Strategic and Well-Planned Growth:

Leadership in effective and sustainable growth that supports Richmond's physical and social needs.

6.1 Ensure an effective OCP and ensure development aligns with it.

6.5 Ensure diverse housing options are available and accessible across the housing continuum.

Analysis

Richmond Housing Policy Context

Rental housing is an important component of the housing continuum in the City of Richmond with approximately 26% of Richmond households residing in a rental unit. Rental housing accommodates a diverse range of households, including all income groups, age groups and family types.

For several decades, the City of Richmond has played a leadership role in securing rental housing for Richmond households. For example, since the first Affordable Housing Strategy was adopted in 2007, the City has secured more than 1,500 affordable housing units and \$45 million in cash-in-lieu contributions. More recently, the Official Community Plan (OCP) Market Rental Housing Policy was adopted, which has secured approximately 568 market rental units since 2018. Attachment 2 includes additional information about the City's current housing initiatives.

Rental Housing Demand and Projections

While the City's housing programs and policies have achieved much success, there is significant demand for additional affordable and market rental housing units in Richmond. Based on Federal Census data and housing demand estimates from Metro Vancouver, City staff estimate that there is an annual demand for approximately 270 Low End Market Rental (LEMUR) units and 190 market rental units in Richmond (Attachment 3).

Between January 2018 and August 2021, the City secured an average of 118 LEMUR housing units annually. During the same period of time, an average of 142 market rental units were secured annually using existing OCP density bonusing provisions. Based on the proposed policy updates

described in this report, staff estimate that approximately 180 LEMR units and 125 secured market rental units would be secured annually, in addition to market rental units that are secured using density bonusing provisions that apply to voluntary purpose built rental developments (e.g. 100% purpose built rental housing).

In addition to securing constructed LEMR and market rental units, the City's housing programs and policies collect cash-in-lieu of constructed units through the rezoning process to support affordable housing projects that target low and moderate income households. The funds are directed to the Affordable Housing Reserve and can be used to support standalone non-market housing developments which provide rents below the standard LEMR rates. Examples of non-market housing include the Storeys development and future Pathways Affordable Housing development.

While the City has achieved significant success, housing affordability is a complex issue that cannot be solved by one program or level of government alone. As such, the City's housing policies are informed by the principles of collaboration and shared funding responsibility with a range of stakeholders. In particular, increasing the supply of affordable housing requires dedicated, sustained sources of funding from the provincial and federal governments.

The proposed policy updates outlined below would play a critical role in meeting housing needs, but are not the only source of rental housing units in Richmond. The proposed policy updates would complement rental housing units provided through the following sources:

- Standalone affordable housing projects funded by BC Housing and Canada Mortgage and Housing Corporation;
- Standalone market rental buildings enabled by the incentives provided by the current Market Rental Policy; and
- Houses and apartments owned and rented by individual owners (the secondary rental market).

Policy Recommendations

The policy and program recommendations included in this report are based on the findings of an economic analysis that was undertaken by an experienced economic development consultant, G.P. Rollo & Associates. The consultant's analysis showed that the proposed contribution rates are financially feasible for the majority of developments. The proposed recommendations represent a balanced approach that would achieve a significant amount of rental housing without creating significant financial risks for developments. Overall, the proposed changes would allow Richmond to remain a regional leader in rental housing, and creation of a more diverse and inclusive community for the benefit of all Richmond residents.

The proposed policy updates, outlined below, complement the current direction in the OCP and the City's Affordable Housing Strategy, and are customized for both low density and higher density developments. Attachment 1 summarizes of the following proposed changes and supporting recommendations.

1. Amendments to the Low End Market Rental (LEMR) Program

Staff Recommendation #1: Increase the LEMR floor area contribution rate for properties inside of the City Centre Area Plan from 10% to 15%

Introduced in 2007, the LEMR program has achieved significant success. Updating the LEMR program to reflect current economic conditions is consistent with past practice. For example, from 2007 until 2017, the LEMR program secured a 5% floor area contribution rate for developments with more than 60 units. The program was last updated in 2017 to increase the floor area contribution rate from 5% to 10% of residential floor area in line with changing market conditions.

The economic analysis completed by G.P. Rollo & Associates tested various floor area contribution rates for the LEMR program. As land and development costs are variable, there is no single maximum contribution rate that applies for all developments. However, based on the economic analysis, 15% was determined to be appropriate for a wide range of developments inside of the City Centre Area Plan. Accordingly, staff recommend increasing the LEMR built unit contribution rate to 15% for development inside of the City Centre Area Plan with more than 60 units as it maximizes the number of affordable housing units that can be secured without creating significant financial risks for developments.

While the economic analysis indicated that a higher contribution rate of up to 20% may be financially feasible for some developments within the City Centre Area Plan, a higher rate would introduce moderate to significant financial risk for other developments, and may limit the City's ability to negotiate additional community amenities. As such, G.P. Rollo & Associates recommended a balanced approach and a LEMR contribution rate of 15% inside of the City Centre Area Plan.

No change is proposed to the LEMR floor area requirement outside of the area included in the City Centre Area Plan based on consideration of land values and associated achievable building densities. Additionally, no change is proposed to the current policy option of considering additional density exclusively for LEMR units on sites that are subject to the Arterial Road Land Use Policy. As directed by this policy, the City generally secures any additional density on certain arterial roads as affordable housing. On occasion, the Arterial Road Land Use Policy results in a LEMR contribution outside of the City Centre Area Plan that is greater than the 10% rate outlined in the Affordable Housing Strategy.

G.P. Rollo & Associate advises that the proposed clearly defined policy and program amendments would not increase sale prices for home buyers.

As referenced above, there is a significant need for additional affordable housing units in Richmond. The proposed policy change is consistent with past practice, would secure a greater number of units, and ensure a wide range of Richmond households can access housing that meets their financial needs.

Alternative Approach

An alternative approach regarding the LEMR floor area construction rate includes the following:

- Implement a phased approach by which the LEMR floor area contribution rate inside of the City Centre Area Plan is increased from 10% to 12.5% for a period of 12 months, and increased to 15% after this initial 12 month period.

This approach is not recommended as the proposal to increase floor area contribution rates inside of the City Centre Area Plan is feasible for the majority of developments.

Staff Recommendation #2: Update LEMR cash-in-lieu rates to reflect current construction costs and sale prices in Richmond

The second staff recommendation related to the Low End Market Rental program is to update the cash-in-lieu rates. The recommended rates correspond with the proposed increase in residential floor area to be secured as LEMR units and reflects updated construction costs and sale prices in Richmond.

Given that the LEMR cash-in-lieu rates have not been updated since 2017, the current rates are out of date relative to current housing market conditions. For example, both construction costs and average sale prices have increased significantly over the past five years. As a result, the current cash-in-lieu rates are outdated and can be increased as outlined below. Without an update to the LEMR cash-in-lieu rates, the City would leave an important funding source untapped. The economic analysis completed by G.P. Rollo & Associates indicated that the proposed updated rates are appropriate for the majority of developments, including projects developed by small builders. In total, the recommended cash-in-lieu approach would not adversely affect market development, and would secure a crucial source of funding for standalone affordable housing developments. Consistent with the Affordable Housing Strategy, in the future cash-in-lieu rates would be updated every two years to ensure the rates remain relevant and up to date.

Table 1: Recommended LEMR cash-in-lieu rates

Cash-in-lieu rate	Current	Proposed	
		Outside of the City Centre Area Plan (\$/ft ²)**	Inside of the City Centre Area Plan (\$/ft ²)***
Single family	\$4.00	\$8.00	\$12.00
Townhouse	\$8.50	\$12.00	\$18.00
Apartment*	\$10.00 to \$14.00	\$15.00	\$25.00

* Current rates for apartments differentiated between wood and concrete construction. For the updated rates, G.P. Rollo has recommended a single rate for all apartment developments.

**10% LEMR equivalent

***15% LEMR equivalent

Alternative Approach

An alternative approach regarding the LEMR cash-in-lieu rates includes the following:

- Implement a phased approach by which cash-in-lieu rates are increased to the recommended rate by applying 50% of the rate change for a period of 12 months, and applying the recommended rate after this initial 12 month period.

This approach is not recommended as the updated cash-in-lieu rates are feasible for the majority of developments, including projects advanced by small builders.

2. Amendments to the Market Rental Housing Policy

Staff Recommendations #3-6: Introduce a mandatory market rental contribution

The findings of the independent economic analysis completed by G.P. Rollo & Associates support a mandatory approach to secure 10% of residential floor area as market rental units in apartment developments with more than 60 units. While application of an associated density bonus is not required by legislation, the recommended policy amendment includes a 0.1 floor area ratio (FAR) density bonus applied to the site. No change to the existing density bonusing approach for voluntary provision of market rental housing is proposed. Attachment 4 provides a summary of the existing and proposed variable density bonusing approach, which steps up density as additional rental housing is secured.

Staff Recommendations #3-6: Accept cash-in-lieu of constructed market rental units from townhouse and small apartment developments

To ensure cash-in-lieu rates were appropriate for various development types, the feasibility analysis evaluated cash-in-lieu rates for both townhouse developments with five or more units and apartment developments with five to 60 units, which would not be required to construct market rental units. The recommended contribution rates are comparable with requiring 10% of the residential floor area to be secured as market rental housing. The funds would be collected through rezoning and directed to the Affordable Housing Reserve in order to support affordable housing projects that target low and moderate income households.

Table 2: Recommended market rental cash-in-lieu rates

Cash-in-lieu rate	Current	Proposed	
		Inside of the City Centre Area Plan (\$/ft ²)	Outside of the City Centre Area Plan ¹ (\$/ft ²)
Townhouse	Not applicable	\$1.75	
Apartment	Not applicable	\$3.50	\$2.00

Alternative Approach

An alternative approach to securing market rental housing is to continue to rely on the existing policy, which includes incentives for developments that voluntarily secure market rental units. Council may decide to:

- Decline supporting the OCP and Zoning Bylaw amendments (Bylaws 10255 and 10298) that are recommended to both introduce a mandatory market rental contribution and establish

rates for cash-in-lieu of constructed market units from townhouse and small apartment developments.

The alternative approach is not recommended based on the findings of the independent economic analysis, which advises the proposed approach is financially feasible for the majority of developments. While proven to be successful, relying on the existing voluntary incentive based approach to secure rental housing units does not make the most of an identified opportunity to increase the availability of secured rental housing in the City. Further the amount of secured market rental units would fluctuate as the program is voluntary and subject to changes in the market.

3. Provisions for Instream Applications and Monitoring

Staff Recommendations #7,8: Apply grandfathering provisions for instream applications and monitor implementation of the updates

A one year 'grandfathering' period for instream development applications is recommended and includes the following provisions:

- Rezoning applications that are received prior to Council's adoption of the proposed amendment bylaws may be processed under the existing policy and program specifications provided that the application achieves first reading within one year of the adoption of amendment bylaws.
- New applications that are received after Council adoption of the proposed amendment bylaws are subject to the terms in the revised policy and program.

The recommended instream provisions are consistent with the approach that was applied when the LEMR program was previously updated in 2017. The recommended approach is also consistent with provincial legislation that applies to instream applications when DCC rates are increased. In addition, the recommended provisions acknowledge that the development community applies current policies to plan a project's design, programming and funding. Application of provisions for instream projects provides the development community with an opportunity to make adjustments to future projects and for land values to adjust to reflect policy changes. If grandfathering terms are not limited and instream applications are permitted to proceed under current requirements, projects that do not include revised rental housing requirements may continue to be brought forward for Council consideration/approval for years into the future. A defined grandfathering period will encourage timely completion of instream applications.

In addition, staff recommend monitoring the changes and reporting back to Council regarding key findings related to the implementation of updates to the OCP Market Rental Housing Policy and the LEMR program after the program provisions are in place for two years.

Alternative Approach

Alternative approaches to managing instream rezoning applications include the following options:

- Decline to support the recommendation to introduce grandfathering provisions for instream rezoning applications;
- Reduce the duration of the grandfathering term (e.g. from one year to six months); or

- Extend the duration of the grandfathering term (e.g. from one year to 18 months or two years).

4. Incentives for Rental Housing

Both the OCP Market Rental Housing Policy and LEMR program include density bonusing provisions. The variable density bonus approach to securing market rental housing is summarized in Attachment 4. Currently, staff expedite the review of purpose built 100% rental developments and the projects are exempted from providing a public art and community planning contribution. Further, the lowest residential parking rates apply to secured rental housing. The parking rates in Zoning Bylaw 8500 are a starting point for review and parking requirements may be further reduced on a site specific basis, as summarized in Attachment 5. Recently secured and instream rental housing developments have achieved an average 25% parking rate reduction for rental housing units.

Staff Recommendation #9: Further Study (Waiving/Reducing DCCs for Deeply Subsidized Purpose Built Affordable Housing)

Based on a review of existing incentives and the findings of the economic analysis prepared by G.P. Rollo & Associates, which confirms the financial feasibility of the proposed approach, no new incentives are recommended. However, staff recommend undertaking a review of the feasibility of reducing or waiving Development Cost Charges (DCC) for purpose built affordable housing buildings where the rental rates for the majority of units are established below LEMR rates. The DCC review process is currently underway and will include an updated financial analysis and DCC values that inform the analysis. Staff will report back on the findings at a later date.

Alternative Approach

To maintain the existing approach to applying DCCs to affordable housing, Council may decide to:

- Decline supporting the recommendation to further study the feasibility of waiving/reducing DCCs for affordable housing.

Public Consultation

Attachment 6 includes a summary of consultation with respect to the *Local Government Act* and the City's OCP Bylaw Preparation Consultation Policy No. 5043 requirements, as well as consultation with key stakeholders. Should Planning Committee endorse the amendment bylaws, the bylaws will be forwarded to the next open Council meeting for consideration by City Council. Should City Council grant first reading to the amendment bylaws, the amendment bylaws will be forwarded to a Public Hearing. Public notification for the Public Hearing will be provided in accordance with the *Local Government Act*.

Financial Impact

None.

Conclusion

The OCP Market Rental Housing Policy and the Low End Market Rental program are important components of the City's approach to providing residents with rental housing options. The proposed recommendations include increasing the LEMR construction contribution for developments inside of the City Centre Area Plan and introducing a mandatory approach to securing market rental housing units in apartment developments with more than 60 units. The recommendations also include cash-in-lieu provisions to balance a developer's rental housing contribution between developments of various type and size and to reflect construction and sale prices in Richmond. The recommendations are based on the findings of an economic analysis and associated addendum studies that were undertaken by an experienced economic development consultant. The recommended options would maximize the number of rental housing units that can be secured through development without creating significant financial risks for private developments.

The bylaw amendments that are required to implement the recommended approach are attached to this report. It is recommended that Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, and Richmond Zoning Bylaw No. 8500, Amendment Bylaws 10297, 10260 and 10298 be introduced and given first reading.



Diana Nikolic
Program Manager, Policy Planning
(604-276-4040)



Cody Spencer
Program Manager, Affordable Housing
(604-247-4916)

DN:cas

- Attachment 1: Summary of Proposed Changes and Supporting Recommendations
- Attachment 2: Summary of Existing Richmond Housing Policy and Program Context
- Attachment 3: Rental Housing Demand Estimate
- Attachment 4: Market Rental: Variable Density Bonusing (Existing and Proposed)
- Attachment 5: Rental Housing Incentives Summary
- Attachment 6: Public Consultation Summary

Summary of Proposed Changes and Supporting Recommendations

The list of proposed recommendations include the following and may be adopted as a package or as separate items.

Recommendation Description	Rationale
Amendments to the Low End Market Rental (LEMR) Program	
Increase the contribution rate from 10% to 15% for developments inside of the City Centre Area Plan.	<ul style="list-style-type: none"> • Maximizes the number of LEMR units that can be secured without creating significant financial risks for private developments. • No change is proposed to the construction contribution rate applied outside of the City Centre Area Plan where development is characterized by lower densities and smaller projects. • Recommended construction and cash-in-lieu rates reflect current construction and land values, and recognize differences in land values and building densities. • Cash-in-lieu is used to support affordable housing for low and moderate income households.
Update cash-in-lieu contribution rates in alignment with current construction costs and sale prices in Richmond.	
Amendments to the Market Rental Housing Policy	
Mandatory provision of market rental units in development with more than 60 apartment units.	<ul style="list-style-type: none"> • Policy can be implemented without creating a significant financial impact on the developer. • 0.1 floor area ratio (FAR) density bonus is applied to the site when market rental units are constructed in mixed use development. • The <i>Local Government Act</i> supports the use of rental zoning to secure market rental housing without an associated bonus density. • Recommended cash-in-lieu rates are comparable with requiring 10% of the residential floor area to be secured as market rental housing. • Cash-in-lieu is used to support affordable housing projects, including partnerships with senior levels of government.
Accept cash-in-lieu of construction contribution from multi-family development that includes five or more units and is not subject to mandatory provision of market rental units.	
Provisions for Instream Applications and Monitoring	
Introduce provisions for instream development applications.	<ul style="list-style-type: none"> • Recommended approach is consistent with past practice and provincial legislation that applies when DCC rates are increased. • Provides the development community with an opportunity to adjust to the new conditions. • A defined grandfathering period encourages timely completion of instream applications.
Monitor and report key findings related to updates to the Market Rental Housing Policy.	<ul style="list-style-type: none"> • Best practice to inform decision making and make appropriate adjustments. • Ensure long term program success.
Incentives for Rental Housing	
Review reducing/waiving Development Cost Charges (DCC) for purpose built affordable housing with rental rates that are below standard LEMR rates.	<ul style="list-style-type: none"> • DCC rate update review process is underway and current data will be readily available to review eligibility, program duration and anticipated impact.

Summary of Existing Richmond Housing Policy and Program Context

Low End Market Rental (LEMR) Program

The Low End Market Rental (LEMR) program was introduced in 2007. The program currently secures 10% of residential floor area in apartment developments with more than 60 units as LEMR units. Smaller developments that are not required to construct LEMR units provide a cash-in-lieu contribution through the rezoning process to the City's Affordable Housing Reserve. These funds are used to support affordable housing projects that target low and moderate income households in Richmond.

Table 1 summarizes the current cash-in-lieu rates.

Table 1: Current LEMR Cash-in-lieu Rates

Type of Development	Current Citywide Cash-in-lieu Rate
Single family	\$4.00
Townhouse	\$8.50
Apartment	\$10.00 to \$14.00

The LEMR program is unique within the region as it applies to all forms of residential development throughout the city, which contrasts with other municipal programs that generally focus on higher density development in specific areas.

Official Community Plan (OCP) Market Rental Housing Policy

Adopted in 2018, the OCP Market Rental Housing Policy includes provisions to:

- Protect and enhance the existing stock of market rental housing;
- Support tenants at the time existing market rental housing is redeveloped; and
- Encourage the development of new purpose built market rental housing units.

Market rental housing rates are established by the market and while available to all income thresholds, new market rental units are generally rented by households with an annual income that is greater than \$70,000. Since the policy was adopted in 2018, approximately 568 market rental units have been recently secured through zoning and/or housing agreements (i.e. bylaw adopted or at third reading).

Rental Housing Demand Estimate

Based on projected population growth and current demand rates, the estimated annual demand for market rental housing and LEMR units is approximately 190 and 270 units respectively.

The estimates are based on updated population growth demand figures provided by Metro Vancouver. The demand estimate for current residents is based on renter households spending more than 30% of household income on rent based on data from the 2016 Census and considerations related to latent demand.

Housing Type	Household Income Range	Metro Vancouver Demand Estimates – Population Growth (2021-2030)	Demand estimate for current residents	Total Demand (current and future residents) – 10 year total and annual target
Non-Market Housing*	\$0 to \$39,999	2,018 households	2,500 households	4,518 units (451 per year)
LEMUR	\$40,000 to \$69,999	1,175 households	1,500 households	2,675 units (268 per year)
Market Rental	\$70,000+	1,630 households	300 households**	1,930 units (193 per year)
Total Rental Housing	All income groups	4,823 households	4,300 households	9,123 (912 per year)

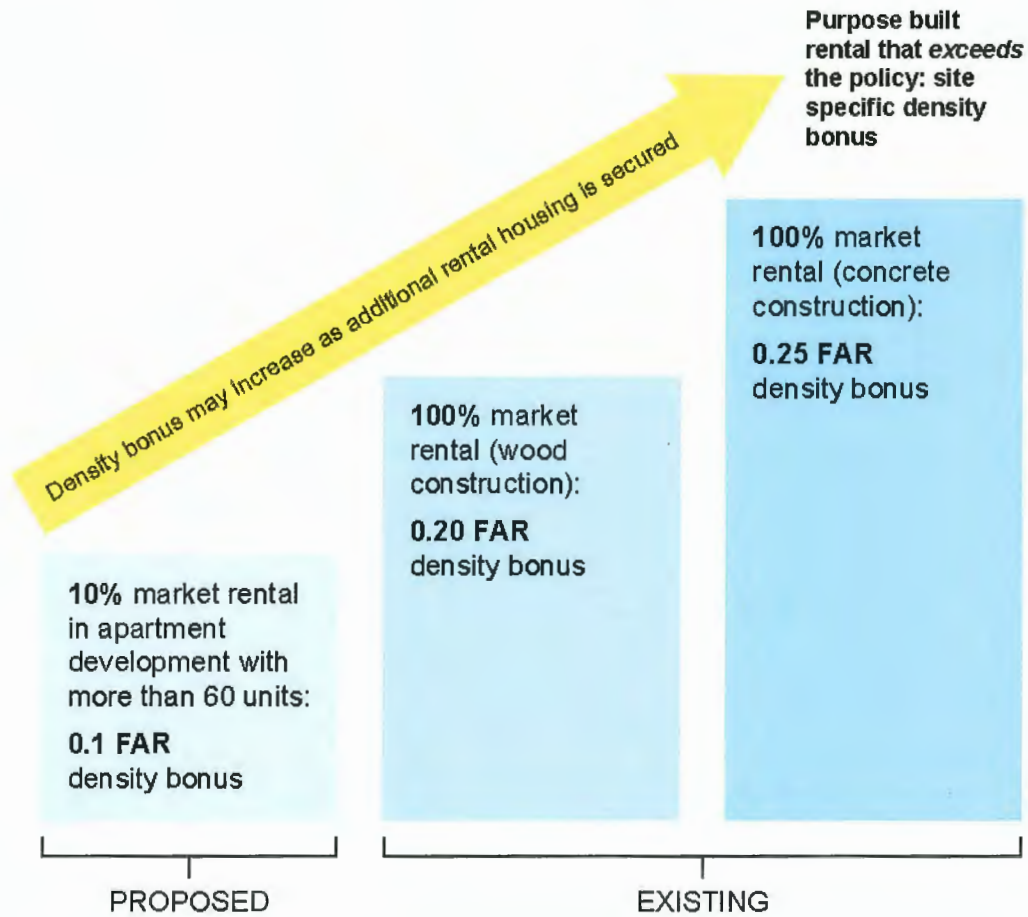
* Cash-in-lieu collected through the rezoning process is directed to the Affordable Housing Reserve, which is used to support affordable housing developments, including non-market housing.

** Latent demand for rental housing may include:

- Households that are not adequately housed and would move to more suitable housing (i.e. households spending more than 30% of household income on housing, housing that requires major repairs and/or inadequate size/composition of bedrooms).
- Households that need flexibility and/or prefer rental housing (e.g. students, contract workers, etc.).
- People who work in Richmond but do not live in Richmond. The City's strong employment market results in a net incoming flow of more than 30,000 workers.
- Households that can afford to purchase housing but choose to rent.

Market Rental: Variable Density Bonusing (Existing and Proposed)







The density bonus for voluntary provision of secured market rental housing units is a starting place for discussion and may be increased based on site specific considerations and supplementary community amenity (e.g. include LEMR units in a 100% market rental development).



Rental Housing Incentives Summary

- **Density bonusing:**
Both the OCP Market Rental Housing Policy and LEMR program include density bonusing provisions. The variable density bonus approach to securing market rental housing is summarized in Attachment 4.
- **Expedited application review process:**
Staff expedite the review of purpose built 100% rental developments.
- **Reduced development related costs:**
Purpose built rental projects are exempt from providing public art and community planning contributions.
- **Application of the lowest residential parking rates:**
The parking rates in Zoning Bylaw 8500 are a starting point for review. Opportunities to further reduce parking requirements include:
 - Shared parking between on-site uses.
 - Application of a 10% parking rate reduction on a site specific basis conditional to a supported transportation demand management (TDM) strategy.
 - An additional parking rate reduction, conditional to the findings of an acceptable traffic impact analysis and TDM strategy.

Image: Potentially Achievable Site Specific Parking Rates for Secured Rental Housing

	City Centre Parking Rates As Low As (per unit)		Outside City Centre Parking Rates As Low As (per unit)	
	Bylaw Rate	Potential Reduced Rate	Bylaw Rate	Potential Reduced Rate
Apartment	 1		 1.50	
Secured Rental (LEMR and/or Market Rental)	 0.8	 0.54	 1.0	 0.75

Public Consultation Summary*OCP Consultation Policy*

Staff have reviewed the proposed OCP amendments, with respect to the *Local Government Act* and the City's OCP Bylaw Preparation Consultation Policy No. 5043 requirements and recommend that this report does not require referral to external stakeholders. The table below clarifies this recommendation as it relates to the proposed OCP amendment.

Stakeholder	Referral Comment (No Referral necessary)
Agricultural Land Commission (ALC)	No referral necessary because the Land Reserve is not affected.
Richmond School Board	No referral necessary; however, staff met with School District staff to discuss the proposed amendments.
The Board of Metro Vancouver	No referral necessary because the Regional District is not affected.
The Councils of adjacent Municipalities	No referral necessary because adjacent municipalities are not affected.
First Nations (e.g. Sto:lo, Tsawwassen, Musqueam)	No referral necessary because First Nations are not affected.
TransLink	No referral necessary because the proposed amendments will not result in road network changes.
Port Authorities (Vancouver Port Authority and Steveston Harbour Authority)	No referral necessary because the Port is not affected.
Vancouver International Airport Authority (VIAA) (Federal Government Agency)	No referral necessary because the proposed amendments do not affect Transport Canada's maximum permitted building height or the OCP Aircraft Noise Sensitive Development (ANSD) Policy.
Richmond Coastal Health Authority	No referral necessary because the Health Authority is not affected.
Community Groups and Neighbours	Key stakeholders were consulted. Further, community groups including the Urban Development Institute and Richmond Community Services Advisory Committee will have the opportunity to comment on the proposed OCP amendment at Planning Committee and at a Public Hearing.
All relevant Federal and Provincial Government Agencies	No referral necessary because Federal and Provincial Government Agencies are not affected.

Summary of Consultation with Key Stakeholders

At the Planning Committee meeting on May 4, 2021, staff were directed to consult with key stakeholders. Comments from key stakeholder groups are summarized below:

- Richmond Community Services Advisory Committee (RCSAC)
 - Support for the existing LEMR program and the proposed amendments to the LEMR program and OCP Market Rental Housing Policy.
- Richmond Small Home Builders Group
 - Encourage parking requirement reductions and support other incentives for construction of rental housing.
 - Support provisions for instream applications.
- Urban Development Institute (UDI) Representatives
 - Encourage the City to be aggressive with parking reductions. Establish a menu/checklist to guide parking relaxations rather than site specific consideration of lower parking rates.
 - Increase density bonus rates.
 - Certainty is critical for the development community. Concern that, in practice, expectations related to amenities and rental housing is greater than outlined in the proposed policy.
 - Consider extending instream provisions from one year to at least two years.



**Richmond Zoning Bylaw 8500
Amendment Bylaw 10297 (Low End Market Rental Housing
Requirements)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 4.2 [Calculation of Density in All Zones] by adding the following as a new Section 4.2.3:

“4.2.3 Habitable area of a dwelling unit shall be measured to the exterior face of the dwelling unit’s exterior wall and the centre line of the partition walls that demise the unit from neighbouring dwelling units and the common corridor and/or space.”.
2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.11 [Medium Density Low Rise Apartments (RAM1, RAM2, RAM3)] by:
 - a) “at Section 8.11.4.3(b)(i), deleting the text “10%” and replacing it with “15%”, and inserting the following at the end of the first bullet, “for development in the **City Centre** and 10% elsewhere;”.
3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.12 [High Density Low Rise Apartments (RAH1,RAH2)] by:
 - a) at Section 8.12.4.2(b)(i), deleting the reference to “10%” and replacing it with “15%”, and inserting the following to the end of the first bullet, “for development in the **City Centre** and 10% elsewhere;”.
4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.3 [Downtown Commercial (CDT1, CDT2, CDT3)] by:
 - a) at Section 9.3.4.4, deleting the reference to “July 24th, 2017” and replacing it with “November 22nd, 2022”, and deleting the reference to “3.15” and replacing it with “3.3”;
 - b) at Section 9.3.4.4(a), deleting the reference to “5%” and replacing it with “10%”;
 - c) at Section 9.3.4.5, deleting the reference to “3.30” and replacing it with “3.45”;
 - d) at Section 9.3.4.5(a), deleting the reference to “10%” and replacing it with “15%”;
 - e) at Section 9.3.4.6 deleting the reference to “3.15” and replacing it with “3.3”, and replacing the reference to “3.18” and replacing it with “3.33”;

- f) at Section 9.3.4.7 removing the reference to “3.30” and replacing it with “3.45”, and replacing the reference to “3.33” and replacing it with “3.48”;
- g) at Section 9.3.4.8 adding the following new text after CDT2, “and CDT3”;
- h) at Section 9.3.4.8(a), deleting the reference to “80 or less **apartment housing dwelling units**” and replacing it with “60 or less **dwelling units**”, and adding the following new text after CDT2, “and CDT3”;
- i) at Section 9.3.4.8(b), deleting the reference to “60 **apartment housing dwelling units**” and replacing it with “60 **dwelling units**”;
- j) at Section 9.3.4.8(b)(i), deleting the reference to “5%” and replacing it with “15%”;
- k) at Section 9.3.5.9, deleting the reference to “Section 9.3.4.6” and replacing it with “Section 9.3.4.8”; and
- l) at Section 9.3.4.10, deleting the reference to “Section 9.3.4.7(a)” and replacing it with “Section 9.3.4.9 (a)”.

5. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.4 [Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5)] by:

- a) at Section 9.4.4.3(b)(i), deleting the reference to “10%” and replacing with “15%”; and
- b) at Section 9.4.4.4(d)(ii), deleting reference to “10%” from the first bullet and replacing it with “15%”.

6. This Bylaw may be cited as “**Richmond Zoning Bylaw 8500, Amendment Bylaw 10297**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED



MAYOR

CORPORATE OFFICER



Richmond Zoning Bylaw 8500
Amendment Bylaw 10260 (Low End Market Rental Program Requirements)

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

- 1. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 5.15 [Affordable Housing] by deleting Section 5.15.1 in its entirety and replacing it with new Section 5.15.1 as set out in Schedule "A" attached hereto and forming part of this Bylaw 10260.
2. This Bylaw may be cited as "Richmond Zoning Bylaw 8500, Amendment Bylaw 10260".

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

Five horizontal lines for signatures corresponding to the reading stages.

CITY OF RICHMOND
APPROVED by [Signature]
APPROVED by Director or Solicitor [Signature]

MAYOR

CORPORATE OFFICER

Schedule A to Bylaw 10260

"5.15.1 Where an **owner** pays into the **affordable housing reserve** in accordance with this bylaw, as amended or replaced from time to time, the sum shall be determined as listed below:

- a) Where an amendment to this bylaw was considered by **Council** on or before September 24, 2016, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$1.00
RC2	\$1.00
ZS21	\$1.00
ZS22	\$1.00
RI2	\$2.00
RTL2	\$2.00
RTL4	\$2.00
RTM2	\$2.00
RTM3	\$2.00
RTH1	\$2.00
RTH2	\$2.00
RTH3	\$2.00
RTH4	\$2.00
RTP1	\$2.00
RTP2	\$2.00
RTP3	\$2.00
RTP4	\$2.00
RAL2	\$4.00
RAM2	\$4.00
RAM3	\$4.00
RAH1	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RAH2	\$4.00
CDT2	\$4.00
RCL2	\$4.00
ZHR6	\$4.00
ZR7	\$2.00
ZMU19	\$4.00
ZMU20	\$4.00
ZMU21	\$4.00
ZMU22	\$4.00
ZMU24	\$4.00
ZMU26	\$4.00
ZMU32	\$4.00
ZT70	\$2.00
ZS23	\$1.00
ZLR26	\$2.00 for housing, town , \$4.00 for housing, apartment
ZD5	\$2.00 <i>[Bylaw 9551, Nov 13/18]</i>
ZT80	\$2.00 <i>[Bylaw 9563, Jul 27/20]</i>

- b) Where an amendment to this bylaw is considered by **Council** after September 24, 2016 and on or before July 24, 2017, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$2.00
RC2	\$2.00
ZS21	\$2.00
ZS22	\$2.00
RI2	\$4.00
RTL2	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RTL4	\$4.00
RTM2	\$4.00
RTM3	\$4.00
RTH1	\$4.00
RTH2	\$4.00
RTH3	\$4.00
RTH4	\$4.00
RTP1	\$4.00
RTP2	\$4.00
RTP3	\$4.00
RTP4	\$4.00
RAL2	\$6.00
RAM2	\$6.00
RAM3	\$6.00
RAH1	\$6.00
RAH2	\$6.00
CDT2	\$6.00
RCL2	\$6.00
ZHR6	\$6.00
ZR7	\$4.00
ZMU19	\$6.00
ZMU20	\$6.00
ZMU21	\$6.00
ZMU22	\$6.00
ZMU24	\$6.00
ZMU26	\$6.00
ZT70	\$4.00
ZS23	\$4.00
ZLR26	\$4.00 for housing, town, \$6.00 for housing, apartment

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
ZS28	\$2.00 <i>[Bylaw 9661, Mar 26/18]</i>
ZT82	\$4.00 <i>[Bylaw 9731, Feb 8/21]</i>

- c) Where an amendment to this bylaw is considered by **Council** after July 24, 2017 and on or before November 15, 2021, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$4.00
RC2	\$4.00
ZS21	\$4.00
ZS22	\$4.00
RI2	\$8.50
RTL2	\$8.50
RTL4	\$8.50
RTM2	\$8.50
RTM3	\$8.50
RTH1	\$8.50
RTH2	\$8.50
RTH3	\$8.50
RTH4	\$8.50
RTP1	\$8.50
RTP2	\$8.50
RTP3	\$8.50
RTP4	\$8.50
RDA	\$8.50 <i>[Bylaw 9975, Feb 19/19]</i>
RTA	\$8.50 <i>[Bylaw 9976, Feb 19/19]</i>
RAL2	\$10.00 for wood frame construction \$14.00 for concrete construction
RAM2	\$10.00 for wood frame construction \$14.00 for concrete construction

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RAM3	\$10.00 for wood frame construction \$14.00 for concrete construction
RAH1	\$10.00 for wood frame construction \$14.00 for concrete construction
RAH2	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT2	\$10.00 for wood frame construction \$14.00 for concrete construction
RCL2	\$14.00
ZHR6	\$14.00
ZR7	\$8.50
ZMU19	\$8.50 for housing, town \$10.00 for housing, apartment
ZMU20	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU21	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU22	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU24	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU26	\$10.00 for wood frame construction \$14.00 for concrete construction
ZT70	\$8.50
ZS23	\$4.00
ZLR26	\$8.00 for housing, town \$10.00 for housing, apartment
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$8.00 for housing, town \$14.00 for housing, apartment
ZT87	\$4.00 <i>[Bylaw 10152, Dec 14/20]</i>

- d) Where an amendment to this bylaw is considered by **Council** after November 15, 2021, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

i) Inside City Centre:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$12.00
RC2	\$12.00
RI2	\$18.00
RTL2	\$18.00
RTL4	\$18.00
RTM2	\$18.00
RTM3	\$18.00
RTH1	\$18.00
RTH2	\$18.00
RTH3	\$18.00
RTH4	\$18.00
RTP1	\$18.00
RTP2	\$18.00
RTP3	\$18.00
RTP4	\$18.00
RDA	\$18.00
RTA	\$18.00
RAL2	\$25.00
RAM2	\$25.00
RAM3	\$25.00
RAH1	\$25.00
RAH2	\$25.00
CDT2	\$25.00
RCL2	\$25.00
ZHR6	\$14.00
ZR7	\$8.50
ZMU19	\$8.50 for housing, town \$10.00 for housing, apartment

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
ZMU20	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU21	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU22	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU24	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU26	\$10.00 for wood frame construction \$14.00 for concrete construction
ZT70	\$8.50
ZS23	\$4.00
ZLR26	\$8.00 for housing, town \$10.00 for housing, apartment
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$25.00
ZT87	\$4.00

ii) Outside City Centre:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$8.00
RC2	\$8.00
ZS21	\$8.00
ZS22	\$8.00
RI2	\$12.00
RTL2	\$12.00
RTL4	\$12.00
RTM2	\$12.00
RTM3	\$12.00
RTH1	\$12.00
RTH2	\$12.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RTH3	\$12.00
RTH4	\$12.00
RTP1	\$12.00
RTP2	\$12.00
RTP3	\$12.00
RTP4	\$12.00
RDA	\$12.00
RTA	\$12.00
RAL2	\$15.00
RAM2	\$15.00
RAM3	\$15.00
RAH1	\$15.00
RAH2	\$15.00
CDT2	\$15.00
RCL2	\$15.00
ZHR6	\$14.00
ZR7	\$8.50
ZMU19	\$8.50 for housing, town \$10.00 for housing, apartment
ZMU20	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU21	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU22	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU24	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU26	\$10.00 for wood frame construction \$14.00 for concrete construction
ZT70	\$8.50
ZS23	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
ZLR26	\$8.00 for housing, town \$10.00 for housing, apartment
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU40	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$15.00
ZT87	\$4.00

For the purposes of Section 5.15.1, buildable square foot means the maximum **floor area ratio** and excludes the items not included in the calculation of **density** (e.g., **enclosed parking**; unenclosed **balconies**; common stairwells and common elevator shafts; etc.).

For the purposes of Section 5.15.1(c) and (d), concrete construction includes steel construction.”



**Richmond Official Community Plan Bylaw 7100 and 9000,
Amendment Bylaw 10255
(Market Rental and Low End Market Rental Housing Amendments)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 1 (Official Community Plan), Section 3.3, Objective 4 [Encourage the development of new purpose-built market rental housing units] by:
 - a) Deleting subsection a) and replacing it with the following:
 - “a) support the provision of new market rental housing units and replacement market rental housing units, where relevant, and secure all rental units in perpetuity by utilizing residential rental tenure zoning, where applicable, one or more legal agreements, and/or an alternative approach to the satisfaction of the City;”;
 - b) Deleting subsections c), d), e) and f) and replacing them with the following:
 - “c) a minimum of 40% of market rental housing units in a development should include two or more bedrooms that are suitable for families with children and market rental housing units should incorporate basic universal housing features;
 - d) for new development, citywide market rental provisions include the following:
 - for new development that includes more than 60 apartment units, the owner shall provide purpose-built market rental housing units in the building. The combined habitable space of the market rental housing units will comprise at least 10% of the total residential floor area ratio in the building and will be secured by utilising residential rental tenure zoning, where applicable. The associated density bonus is 0.1 floor area ratio above the base density set out in the OCP or Area Plan, which is applied to the site;
 - for new townhouse development with five or more townhouse units, and for new apartment development with five to 60 units:
 - a community amenity contribution may be accepted through a rezoning application. Community amenity contributions will

be collected in the Affordable Housing Reserve Fund and calculated on the total residential floor area of the development, excluding residential floor area secured as affordable housing, as follows:

- for townhouse development: \$18.84 per m² (\$1.75 per ft²);
 - for apartment development inside of the City Centre Area Plan: \$37.67 per m² (\$3.50 per ft²); and
 - for apartment development outside of the City Centre Area Plan: \$21.53 per m² (\$2.00 per ft²); or
 - the owner will provide purpose-built market rental housing units in the building. The combined habitable space of the market rental housing units will comprise at least 10% of the total residential floor area ratio in the building and will be secured by utilising residential rental tenure zoning, where applicable. The associated density bonus is 0.1 floor area ratio above the base density set out in the OCP or Area Plan, which is applied to the site;
 - by February 28, 2023, and then every two years thereafter, the community amenity contribution rates are to be revised by adding the annual inflation for the preceding two calendar years by using the Statistics Canada *Vancouver Consumer Price Index – All Items* inflation rate; with revised rates published in a City Bulletin;
 - for new mixed tenure development that provides additional rental housing to address community need, the density bonus may be increased on a site-specific basis;
 - the secured market rental housing component in the development is eligible for the following incentives:
 - reduced parking requirements; and
 - exemption from public art and community planning contributions;
- e) for new development that provides 100% of the residential use at the site as secured market rental housing, the following considerations apply:
- the following density bonusing provisions may apply:
 - for ground oriented townhouses and wood frame apartment (inside or outside of the City Centre Area Plan): 0.20 FAR above the base density set out in the OCP or Area Plan;
 - for concrete buildings (inside or outside of the City Centre Area Plan): 0.25 above the base density set out in the OCP or Area Plan;
 - for new development that provides additional rental housing to address community need, the density bonus may be increased on a site-specific basis.
 - new developments are subject to the following:

- priority locations include sites that are located inside of the City Centre Area Plan or within the neighbourhood centres identified in the OCP. Other locations that are within 400 m of a Frequent Transit Network (key transit corridors with higher levels of all day demand in both directions) may also be considered;
 - developments meet or exceed the City’s sustainability objectives related to building energy and emissions performance;
 - proposed developments demonstrate that they would integrate well with the neighbourhood and comply with OCP Development Permit Guidelines;
 - community consultation is undertaken.
 - new developments are eligible for the following incentives:
 - reduced parking requirements;
 - exemption from affordable housing requirements in recognition of the significant community benefit provided by the market rental housing units;
 - exemption from public art and community planning contributions;
 - expedited rezoning and development permit application review ahead of in-stream applications.”
2. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 1 (Official Community Plan), Section 3.6.1 [Arterial Road Land Use Policy], Arterial Road Townhouse Development Requirements, by inserting the following as a new Section 12 and Section 13 under the heading “Additional Density” and renumbering the subsequent section accordingly:
- “12. Additional density along arterial roads may also be considered for the provision of secured market rental housing units provided that:
- a) the additional density is used for the provision of built market rental housing units secured by utilizing residential rental tenure zoning, where applicable. The built market rental housing units comprise at least 10% of the total residential floor area ratio in the development. The associated density bonus is 0.1 floor area ratio above the base density, which is applied to the site;
 - b) the proposed development demonstrates it integrates well with the neighbourhood and complies with OCP policies for the provision of market rental housing units;
13. The secured market rental housing component in a townhouse development is eligible for the following incentives:
- reduced parking requirements; and
 - exemption from public art contributions.”

3. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 2.14 (Hamilton Area Plan) by:
- a) At Section 3.3, Objective 12: Density Bonusing and Community Amenities, Provision of Community Amenities at the second bullet under Section a) deleting the words “5% of the gross residential floor area of apartment and mixed-use developments with over 80 units” and replacing them with “10% of the gross residential floor area of apartment and mixed-use developments with over 60 units”;
 - b) At Section 3.3, Objective 12: Density Bonusing and Community Amenities, Provision of Community Amenities adding the following as a new bullet under subsection a):
 - “ • A density bonus approach will apply to new development that includes market rental housing that satisfies the requirements of the OCP market rental housing density bonus provisions, over and above that permitted by the development site’s designation in the Land Use Map.”; and
 - c) Deleting the notation that is included in the Land Use Map on page 12-4, “The densities (in FAR) for each land use designation below are the maximums permitted based on the net parcel area and including any density bonus that may be permitted under the Plan’s policies.”, and replacing it with the following text:

“The densities (in FAR) for each land use designation below are the maximums permitted based on the net parcel area including any density bonus that may be permitted under the Plan’s policies, except any density bonus for market rental housing in a new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.
4. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.10 (City Centre Area Plan), Section 4.0 [Implementation & Phasing Strategies] by deleting policy 4.1(n) and replacing it with the following:
- “n) Density Bonusing- Affordable Housing & Market Rental Housing
The density bonus approach will be used for rezoning applications in the City Centre that satisfy the requirements of the:
- Richmond Affordable Housing Strategy (i.e. permitting use of the CCAP Affordable Housing Bonus application to the development site); or
 - OCP market rental housing density bonus provisions (i.e. permitting use of additional density, as specified in the OCP, over and above that permitted by the development site’s CCAP Land Use Map Designation).
- Furthermore, as determined to the satisfaction of the City, the applicable density bonus may be increased on a site-specific basis for rezoning applications that provide additional affordable housing and/or market rental housing to address community need.”.
5. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.2A (Thompson Area Dover Crossing Sub-Area Plan) by inserting the following footnote on the Land Use Map on page 21:

“A density bonus approach will apply to new development that includes market rental housing that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 6. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.4 (Steveston Area Plan) by inserting the following footnote on the Steveston Village Land Use Density and Building Height Map on page 9-69:

“A density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 7. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.10C (McLennan North Sub-Area Plan) by inserting the following footnote on the Land Use Map on page 23:

“A density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 8. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.12 (Bridgeport Area Plan) by inserting the following footnote on the Land Use Map – Bridgeport on page 27:

“For area designated Residential Mixed-Use, a density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 9. This Bylaw may be cited as “**Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED



MAYOR

CORPORATE OFFICER



**Richmond Zoning Bylaw 8500
Amendment Bylaw 10298 (Market Rental Housing Requirements)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 3.4 [Use and Term Definitions] by adding the following new definitions in the correct alphabetical order:

“Residential rental tenure means, in relation to a **dwelling unit** in a multi-family residential **building**, occupancy of a **dwelling unit**, including a **market rental unit**, governed by a tenancy agreement that is subject to the *Residential Tenancy Act* (BC), as may be amended or replaced from time to time;

2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 4.2 [Calculation of Density in All Zones] by adding the following as a new Section 4.2.3:

“4.2.3 Habitable area of a **dwelling unit** shall be measured to the exterior face of the **dwelling unit’s** exterior wall and the centre line of the partition walls that demise the unit from neighbouring **dwelling units** and the common corridor and/or space.”

3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.10 [Low Density Low Rise Apartments (RAL1, RAL2)] by:

- a) deleting Section 8.10.1 and replacing it with the following:

“8.10.1 Purpose

The **zone** provides for 3 to 4 **storey** apartments outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 2 sub-**zones**, RAL1 and RAL2. The zone includes **density bonus** provisions in order to help achieve the **City’s affordable housing** and **market rental** housing objectives.”;

- b) inserting the following as a new Section 8.10.4 and renumbering the remaining sections accordingly:

“8.10.4 Residential Rental Tenure

1. **Residential rental tenure** may be located anywhere in this zone.
2. For **apartment housing** including more than 60 **dwelling units**, **residential rental tenure** shall apply to **dwelling units** on the **site** with a

combined **habitable space** equal to at least 10% of the total residential **floor area** of the **buildings**, being **market rental units**.”.

- c) deleting Sections 8.10.5.1 and 8.10.5.2 from the now renumbered Section 8.10.5 [Permitted Density] and replacing them with the following:
- “1. For **apartment housing** and **town housing** zoned RAL1, the maximum **floor area ratio** is 0.80, together with an additional:
 - a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
 - b) 0.1 **floor area ratio** provided that **market rental units** are provided pursuant to Section 8.10.4.2.
 2. For **apartment housing** zoned RAL2, the maximum **floor area ratio** is 0.80, together with an additional:
 - a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
 - b) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 8.10.4.2.”; and
- d) at now renumbered Section 8.10.5.3, deleting the reference to “Section 8.10.4.2” and replacing it with “Section 8.10.5.2”.

4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.11 [Medium Density Low Rise Apartments (RAM1, RAM2, RAM3)] by:

- a) deleting Section 8.11.1 and replacing it with the following:

“8.11.1 Purpose

The **zone** provides for 4 to 5 **storey** apartments within and outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 3 sub-**zones**, RAM1, RAM2 and RAM3. The zone includes **density bonus** provisions in order to help achieve the **City’s affordable housing** and **market rental** housing objectives.”;

- b) inserting the following as a new Section 8.11.4 and renumbering the remaining sections accordingly:

“8.11.4 Residential Rental Tenure

1. **Residential rental tenure** may be located anywhere in this zone.
2. For **apartment housing** including more than 60 **dwelling units**, **residential rental tenure** shall apply to **dwelling units** on the **site** with a combined **habitable space** equal to at least 10% of the total residential **floor area** of the **buildings**, being **market rental units**.”;

- c) deleting Sections 8.11.5.1 and 8.11.5.2 from the now renumbered Section 8.11.5 [Permitted Density] and replacing them with the following:

“1. For **apartment housing** and **town housing** zoned RAM1, the maximum **floor area ratio** is:

- a) 0.60 for the first 3,000.0 m² of **lot area**;
- b) 0.9 for the next 6,000.0 m² of **lot area**; and
- c) for portions of the **lot area** over 9,000.0 m²,

together with an additional:

- i) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
- ii) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 8.11.4.2.

2. For **apartment housing** zoned RAM2 or RAM3, the maximum **floor area ratio** is 1.2, together with an additional:

- a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
- b) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 8.11.4.2.”; and

- d) at now renumbered Section 8.11.5.3, deleting the reference to “Section 8.11.4.2” and replacing it with “Section 8.11.5.2”.

5. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.12 [High Density Low Rise Apartments (RAH1,RAH2)] by:

- a) deleting Section 8.12.1 and replacing it with the following:

“8.12.1 Purpose

The **zone** provides for 4 to 6 **storey** apartments within and outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 2 sub-**zones**, each provides for **density bonus** that would be used in order to help achieve the **City’s affordable housing** and **market rental** housing objectives.”;

- b) inserting the following as a new Section 8.12.4 and renumbering the remaining sections accordingly:

“8.12.4 Residential Rental Tenure

1. **Residential rental tenure** may be located anywhere in this zone.
2. For **apartment housing** including more than 60 **dwelling units**, **residential rental tenure** shall apply to **dwelling units** on the **site** with a combined **habitable space** equal to at least 10% of the total residential **floor area** of the **buildings**, being **market rental units**.”;
- c) deleting Section 8.12.5.1 from the now renumbered Section 8.12.5 [Permitted Density] and replacing it with the following:
 - “1. The maximum **floor area ratio** is 1.2, together with an additional:
 - a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
 - b) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 8.12.4.2.”;
 - d) at now renumbered Section 8.12.5.2, deleting the reference to “Section 8.12.4.1” and replacing it with “Section 8.12.5.1”; and
 - e) at now renumbered Section 8.12.5.3(a), deleting the reference to “Section 8.12.4.2 a)” and replacing it with “Section 8.12.5.2 a)”, and deleting the reference to “Section 8.12.4.2 b)” and replacing it with “Section 8.12.5.2 b)”.
6. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.3 [Downtown Commercial (CDT1, CDT2, CDT3)] by:
 - a) deleting Section 9.3.1 and replacing it with the following”

“9.3.1 Purpose

The **zone** provides for a broad range of commercial, service, **business**, entertainment and residential needs typical of a **City Centre**. The **zone** is divided into 3 sub-**zones**, CDT1, CDT2 and CDT3. Each provides for a **density bonus** that would be used in order to help achieve the **City’s affordable housing** and **market rental** housing objectives. CDT3 provides an additional **density bonus** that would be used for rezoning applications in the Village Centre Bonus Area of the **City Centre** in order to achieve the **City’s** other objectives.”;

- b) inserting the following as a new Section 9.3.4 and renumbering the remaining sections accordingly:

“9.3.4 Residential Rental Tenure

1. **Residential rental tenure** may be located anywhere in this zone.

2. For **apartment housing** including more than 60 **dwelling units**, **residential rental tenure** shall apply to **dwelling units** on the **site** with a combined **habitable space** equal to at least 10% of the total residential **floor area** of the **buildings**, being **market rental units**.”;
- c) deleting Sections 9.3.5.2 and 9.3.5.3 from the now renumbered Section 9.3.5 [Permitted Density] and replacing it with the following:
 - “2. For downtown commercial **sites** zoned CDT1, the maximum **floor area ratio** is 3.0 together with an additional:
 - a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
 - b) 0.2 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
 - c) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 9.3.4.2.
 3. For downtown commercial **sites** zoned CDT2 and CDT3, the maximum **floor area ratio** is 2.0 together with an additional:
 - a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
 - b) 0.2 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
 - c) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 9.3.4.2.”;
 - d) at now renumbered section 9.3.5.4, deleting the reference to ”Section 9.3.4.2” and replacing it with Section “9.3.5.2”;
 - e) at now renumbered Section 9.3.5.4(a), deleting the reference to “5%” and replacing it with “10%”;
 - f) at now renumbered Section 9.3.5.5, deleting the reference to “Section 9.3.4.2” and replacing it with “Section 9.3.5.2”;
 - g) at now renumbered Section 9.3.5.6, deleting the reference to “Section 9.3.4.4” and replacing it with “Section 9.3.5.4”;
 - h) at now renumbered Section 9.3.5.7, deleting the reference to “Section 9.3.4.5” and replacing it with “Section 9.3.5.5”;
 - i) at now renumbered Section 9.3.5.8, deleting the reference to “Section 9.3.4.3” and replacing it with “Section 9.3.5.3”, and adding the following new text after CDT2, “and CDT3”;
 - j) at now renumbered Section 9.3.5.8(a), deleting the reference to “80 or less **apartment housing dwelling units**” and replacing it with “60 or less **dwelling units**”, and adding the following new text after CDT2, “and CDT3”;
 - k) at now renumbered Section 9.3.5.8(b), deleting the reference to “60 **apartment housing dwelling units**” and replacing it with “60 **dwelling units**”;

- l) now renumbered Section 9.3.5.8(b)(i), deleting the reference to “5%” and replacing it with “10%”;
 - m) at now renumbered Section 9.3.5.9, deleting the reference to “Section 9.3.4.6” and replacing it with “Section 9.3.5.8”; and
 - n) at now renumbered Section 9.3.5.10, deleting the reference to “Section 9.3.4.7a)” and replacing it with “Section 9.3.5.9 a)”.
7. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.4 [Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5)] by:

- a) deleting Section 9.4.1 and replacing it with the following:

“9.4.1 Purpose

The **zone** accommodates mid- to high-rise apartments within the **City Centre**, plus a limited amount of **commercial use** and compatible **secondary uses**. The **zone** is divided into 5 sub-zones, RCL1, RCL2, RCL3, RCL4 and RCL5. Each provides for a **density bonus** that would be used in order to help achieve the **City’s affordable housing** and **market rental** housing objectives. RCL3 provides for an additional **density bonus** that would be used for rezoning applications in the Village Centre Bonus Map area of the **City Centre** in the **City Centre Area Plan** to achieve **City** objectives for **child care**, amenity, and **commercial use**. RCL4 and RCL5 provide for a **density bonus** that would be used for rezoning applications in the Capstan Station Bonus Map area designated by the **City Centre Area Plan** to achieve, among other things, **City** objectives in respect to the Capstan Canada Line station.”;

- b) inserting the following as a new Section 9.4.4 and renumbering the remaining sections accordingly:

“9.4.4 Residential Rental Tenure

1. **Residential rental tenure** may be located anywhere in this zone.
 2. For **apartment housing sites** including more than 60 **dwelling units**, **residential rental tenure** shall apply to **dwelling units** on the **site** with a combined **habitable space** equal to at least 10% of the total residential **floor area** of the **buildings**, being **market rental units**.”.
- c) deleting Sections 9.4.5.1 and 9.4.5.2 from the now renumbered Section 9.4.5 [Permitted Density] and replacing them with the following:

- “1. For residential/limited commercial **sites** zoned RCL1, the maximum **floor area ratio** is:
- a) 0.70 for **lots** less than 3,000.0 m² in **lot area**;
 - b) for **lots** between 3,000.0 m² and 6,000.0 m² in **lot area**; and
 - c) for **lots** 6,000.0 m² or larger in **lot area**,
- together with an additional:
- i) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
 - ii) 0.1 **floor area ratio** provided that is entirely used to accommodate **community amenity space**.
 - iii) 0.1 **floor area ratio** if **market rental units** are provided pursuant to Section 9.4.4.2.
2. For residential/limited commercial **sites** zoned RCL2, RCL3, RCL4, or RCL5, the maximum **floor area ratio** is 1.2, together with an additional:
- a) 0.1 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
 - b) 0.1 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
 - c) 0.1 **floor area ratio** provided that **market rental units** are provided as outlined in Section 9.4.4.2.”;
 - d) at now renumbered Section 9.4.5.3, deleting the reference to “9.4.4.2” and replacing it with “9.4.5.2”;
 - e) at now renumbered Section 9.4.5.4, deleting the reference to “Section 9.4.4.2” and replacing it with “Section 9.4.5.2”;
 - f) at now renumbered Section 9.4.5.5, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”; and deleting reference to “Section 9.4.4.4” and replacing it with reference to “Section 9.4.5.4”;
 - g) at now renumbered Section 9.4.5.6, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”;
 - h) at now renumbered Section 9.4.5.7, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”;
 - i) at now renumbered Section 9.4.5.7(a), deleting reference to “Section 9.4.4.3(a) or (b)” and replacing it with “Section 9.4.5.3(a) or (b)”;
 - j) at now renumbered Section 9.4.5.8, deleting by deleting reference to “Section 9.4.4.4” and replacing it with “Section 9.4.5.4”; and

k) at now renumbered Section 9.4.5.8(a), deleting reference to "Section 9.4.4.4" and replacing it with "Section 9.4.5.4".

8. This Bylaw may be cited as "**Richmond Zoning Bylaw 8500, Amendment Bylaw 10298**".

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED



MAYOR

CORPORATE OFFICER