



To: Mayor and Councillors
From: John Hopkins
Director, Policy Planning

Date: June 22, 2022
File:

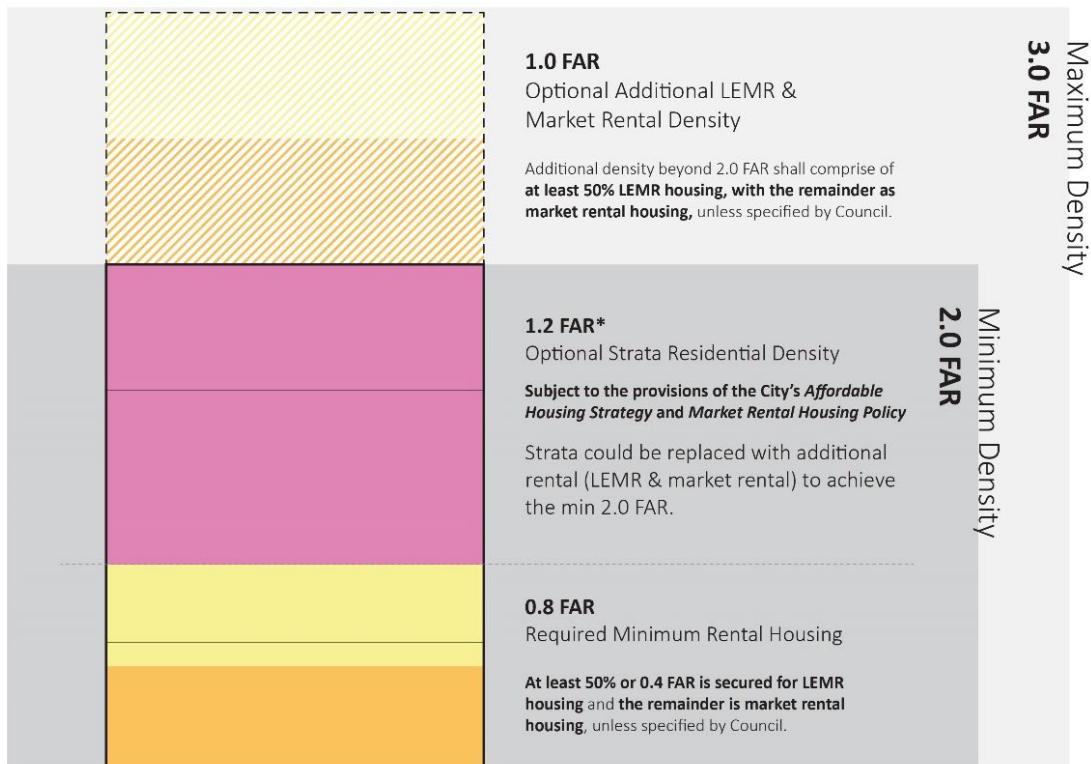
Re: **Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases - Density & Tenure Graphic**

This memorandum is intended to provide supplementary information for the report titled “Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases” from the Director, Policy Planning, which was presented to Planning Committee on June 21, 2022.

The purpose of the memorandum is to provide Council with a visual graphic of the Proposed Spires Road Rental Tenure Policy to illustrate the tenure and density mix outlined in the proposed policy.

Proposed Spires Road Rental Tenure Policy Graphic

June 20, 2022



* The 1.2 FAR is in line with the existing entitlement under the high density townhouse designation for the area in the current CCAP.

As shown on the above graphic, the proposed policy approach introduces a minimum 2.0 FAR for the Spires Road area provided that:

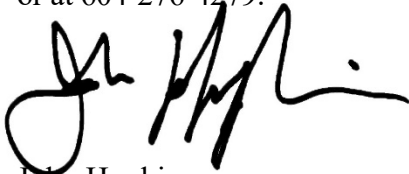
- the maximum residential strata is 1.2 FAR subject to the provisions of the City's Affordable Housing Strategy and Market Rental Housing Policy. The 1.2 FAR for strata is in line with the existing entailment under the high density townhouse designation for the area in the current City Centre Area Plan; and
- the minimum rental housing secured is 0.8 FAR with the condition that at least 50% is secured for LEMR housing and the remainder is market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits.

The proposed policy also permits densities up to a maximum of 3.0 FAR provided that the density beyond 2.0 FAR is comprised of at least 50% LEMR housing with the remainder as market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits.

Pilot Project & Monitoring

The Proposed Spires Road Rental Tenure Policy is being initiated early in the process of updating the Official Community Plan. As a result, the proposed policy is intended to serve as a pilot project for the affordable housing component of the OCP targeted update. If approved by Council, staff will monitor the implementation of the policy and report back to Council one year after its adoption.

If you have any questions related to this memorandum, please contact me at jhopkins@richmond.ca or at 604-276-4279.



John Hopkins
Director, Policy Planning

JH:cas



To: Planning Committee **Date:** June 3, 2022
From: John Hopkins **File:** 08-4045-20-20/2022-Vol01
Director, Policy Planning
Re: **Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases**

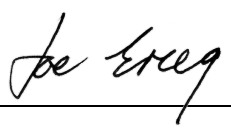


Staff Recommendation

1. That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, which proposes to amend Schedule 2.10 (City Centre Area Plan) by:
 - designating the area bounded by Westminster Hwy, Garden City Road, Cook Road and Cooney Road as “Urban Centre T5” and “Sub-Area B2 Mixed Use – Mid-Rise Residential & Limited Commercial”; and
 - establishing a rental tenure overlay and supporting policies, which outline density increases associated with secured rental tenure for properties in and adjacent to Spires Road, as described in the attached report titled “Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases”;be introduced and given first reading;
2. That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, having been considered in conjunction with:
 - the City’s Financial Plan and Capital Program;
 - the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;is hereby found to be consistent with said program and plans, in accordance with Section 477(3)(a) of the *Local Government Act*.
3. That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, is hereby found not to require further consultation.
4. That instream rezoning applications that are received prior to adoption of Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, may be exempt from the Spires Road Area Market Rental Policy provided the application achieves first reading within one year of the amendment bylaw being adopted and final adoption and issuance of a Development Permit within one year following the associated Public Hearing.
5. That staff report back to Council regarding key findings related to the implementation of updates to the City Centre Area Plan for the Spires Road area after the policy provisions are in place for one year.

6. That staff be directed, on an interim basis, to consider development applications within the Arterial Road Land Use Policy that would allow higher densities provided that all of the additional density is used for rental housing, and that this interim measure becomes a foundation for the overall policy review of the Arterial Road Land Use Policy as part of the Official Community Plan targeted review to secure more rental along designated Arterial Road, in particular near Neighbourhood Service Centres and frequent transit routes.



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

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

Staff Report

Origin

The following referral motion was carried at the October 20, 2021 Planning Committee meeting:

- *That staff examine a combination of all density scenarios in the staff report on Spires Road (Option 5) of the aforementioned, including consideration of prescribing the component of development in terms of market condos, market rental and income controlled rental for higher density development, and that staff undertake neighborhood consultation on all of these options and bring back to Committee.*

This report responds to the October 20, 2021 referral above by proposing a rental tenure policy and supporting amendments to the City Centre Area Plan (CCAP) for the Spires Road area that dramatically increases the provision of rental housing in the Spires Road area above the Low End Market Rental (LEMR) program and Official Community Plan's Market Rental Housing Policy. The proposed approach can be summarized as follows:

- Introduce a minimum 2.0 Floor Area Ratio (FAR) for the Spires Road area provided that:
 - the maximum residential strata is 1.2 FAR subject to the provisions of the City's Affordable Housing Strategy and Market Rental Housing Policy; and
 - the minimum rental housing secured is 0.8 FAR with the condition that at least 50% is secured for LEMR housing and the remainder is market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits; and
- Permit densities up to a maximum of 3.0 FAR provided that the density beyond 2.0 FAR is comprised of at least 50% LEMR housing with the remainder as market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits.

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

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.

Background & Context

Background

A targeted review of the Official Community Plan (OCP) is underway and includes exploring creative solutions and utilizing new tools to improve housing supply and affordability in Richmond. While a systematic work plan has been endorsed by Council, where feasible, staff are bringing forward policy options for Council's consideration in advance of the targeted OCP review timeline.

Consistent with this approach, affordable housing policies for the Spires Road area proposed in this report are being brought forward, and are consistent with the two key objectives for the OCP housing affordability update: fostering housing affordability through innovation and promoting affordable living.

Context

The Spires Road area is located in the northeast portion of Brighthouse Village in City Centre (Attachment 1) and is currently designated “General Urban T4” in the City Centre Area Plan (CCAP). This designation is to permit High-Density Townhouse use in the Sub-Area Guidelines (Sub-Area B.1) of the CCAP. As a result, the area is currently in the process of transitioning from a predominately single-family neighbourhood to a neighbourhood of High-Density Townhouses.

Over the last several years, Council has approved four development applications for High-Density Townhouses in the Spires Road area. Attachment 2 shows the location of the four development projects, in addition to a newly received development application for High-Density Townhouses. The status of these projects are as follows:

File Numbers	Status
RZ 17-766525 / DP 18-829140	Approved by Council in October 2019 and is under construction
RZ 17-790301 / DP 19-875938	Approved by Council in July 2021
RZ 18-818420 / DP 21- 932383	Rezoning Bylaw at 3 rd Reading and DP application in circulation
RZ 19-870807 / DP 22-013081	Rezoning Bylaw at 3 rd Reading and DP application in circulation
RZ 22-012904	Rezoning application in circulation

As part of a November 2, 2020 referral, General Purposes Committee directed staff to undertake an assessment of the density proposed in the CCAP for the Spires Road area. In response, a report titled “Referral Response: Spires Road Area (City Centre Area Plan)” from the Director, Policy Planning, was presented to the Planning Committee on October 20, 2021. The report provided an assessment of four density scenarios for the area:

1. Low-Rise Residential - High-Density Townhouses (current land use designation);
2. Mid-Rise Residential - 4-Storey Apartments;
3. Mid-Rise Residential - 6-Storey Apartments; and
4. High-Rise Residential.

In response to the report, Planning Committee passed the October 20, 2021 referral noted in the Origin section of this report, requesting a further review of density tied to rental tenure in the Spires Road Area.

Analysis

Proposed Spires Road Rental Tenure Policy

The preparation of the Proposed Spires Road Rental Tenure Policy included a variety of technical and data inputs:

1. **Land Use and Density Analysis:** This was included as part of a report titled “Referral Response: Spires Road Area (City Centre Area Plan)” from the Director, Policy Planning, which was presented to the Planning Committee on October 20, 2021. The analysis examined the impacts of four density scenarios for the Spires Road area from the perspectives of neighbourhood character, the provision and capacity of utilities; as well as transportation considerations related to traffic flow, internal road capacity, access/egress to/from the area, parking and loading.
2. **Housing Needs Report:** Richmond’s Housing Needs Report, which was endorsed by Council in December 2021, monitors key trends related to housing in the community. The report identifies a strong demand for market rental, in particular affordable rental, within the city.
3. **Economic Feasibility Analysis:** An analysis prepared by an experienced economic development consultant, G.P. Rollo & Associates, reviewed several density and tenure mixes in order to assess what is financially feasible in the Spires Road area. Along with density and tenure, the analysis considered construction methods (wood frame vs concrete) as well as land values. Under current economic conditions, as shown in Attachment 3, the analysis found that low rise wood frame apartments had the most economic resiliency to absorb increased components of rental housing, whether that be market rental or low end market rental (LEMR) housing.
4. **Public Consultation:** As part of this density and tenure review, staff consulted Spires Road area property owners and residents. One hundred and sixty two letters were mailed out seeking feedback on increasing the density, and the introduction of rental and non-market housing in the area (Attachment 4). Thirteen property owners (representing 17 properties, including 16 single family dwellings and one duplex, see Attachment 5) provided written feedback to the City. In summary, representatives from 16 properties in the area support the proposal to increase density and allow for mid/high rise development. There appears to be a general understanding that rental and affordable housing will accompany higher densities; however, a few respondents cautioned about the overconcentration of one form of housing over another. A consultation summary is presented in Attachment 6.

The proposed Spires Road Rental Tenure Policy pulls together key findings of the above noted inputs, and outlines a density and tenure structure to address the October 20, 2021 referral.

The proposed policy permits a mix of building forms (low-, mid-, high-rise) at higher densities than what is currently permitted under the CCAP for the Spires Road area, while facilitating a mix of strata and rental units.

The components of the proposed Spires Road Rental Tenure Policy include:

1.	Minimum Overall Density	2.0 FAR	Required
2.	Strata Residential	1.2 FAR (subject to the provisions of the City's Affordable Housing Strategy and Market Rental Housing Policy)	Optional
3.	Minimum Rental Housing	0.8 FAR (with the condition that at least 50%, or 0.4 FAR, is secured for LEMR housing and the remainder is market rental housing, unless specified by Council)	Required
4.	Maximum Density	3.0 FAR provided that strata is no more than 1.2 FAR (subject to the provisions of the City's Affordable Housing Strategy and Market Rental Housing Policy) and the remainder FAR is rental.	Optional
5.	Additional market rental & LEMR	The additional density beyond 2.0 FAR shall comprise of at least 50% LEMR housing with the remainder as market rental housing, unless specified by Council)	Optional

The primary intention of the proposed policy is to dramatically increase the number of rental units within the Spires Road area by increasing residential density. As noted above, under current economic conditions, the financial feasibility analysis found that low rise wood frame apartments had the most economic resiliency to absorb increased components of rental housing, whether that be market rental or LEMR. Based on these findings, a minimum residential density of 2.0 FAR is proposed. Of this minimum 2.0 FAR, 0.8 FAR is proposed to be designated for rental housing with the objective of achieving an even split between LEMR & market rental units. As securing rental housing is a primary objective of the City, the proposed policy builds in the flexibility of considering other income controlled rental unit mixes on a case-by-case basis.

The financial feasibility analysis also found that under current market conditions the provision of strata units supported the creation of rental units. To support the creation of rental units, a maximum 1.2 FAR for strata (including the City's Affordable Housing Strategy and Market Rental Housing Policy) is included in the proposed policy. The provision of strata units is optional, and can be substituted with additional rental units on a case-by-case basis. This could result in in a 100% rental development.

For projects that create less than 60 strata units, cash-in-lieu would be collected as part of the LEMR contribution. For projects that have more than 60 strata units, there would the standard

15% LEMR floor area and 15% market rental floor area, with additional rental be secured through higher densities.

To be responsive to the provision of rental housing in the community, and to changing market conditions, the proposed Spires Road rental tenure policy would permit an additional 1.0 FAR beyond the minimum required of 2.0 FAR for the provision of additional market rental and LEMR units up to a maximum of 3.0 FAR for the Spires Road area. For this additional 1.0 FAR, the objective is to have an even split between market rental and LEMR units. The economic analysis does indicate that the financial feasibility could be challenging if the building were to be concrete construction rather than wood frame. As a result, Council would have the opportunity to consider, on a case-by-case basis, a different mix of market rental and income controlled units.

All market rental units noted above would be secured through residential rental tenure zoning (secured in perpetuity through a legal agreement), and market rental units would not be subject to rental rates or household income thresholds.

Density & Tenure Options

Staff has undertaken a review of density and tenure in the Spires Road area. Based on the lessons learned from this review, coupled with the fact that the area has started to transition to a neighbourhood of High-Density Townhouses, two options are presented for Council's consideration:

Option 1 – Proposed Spires Road Rental Tenure Policy (Recommended)

Merits of this approach include:

- Substantially increasing rental opportunities (market and LEMR) in the Spires Road area, by securing 40% to 70% of the total floor area for rental housing within a residential development.
- Increasing density in the area would increase the residential population in proximity to the Richmond-Brighouse Canada Line station by potentially 1000 residents over High-Density Townhouse developments.
- Providing opportunities for a mix of low-, mid-, and high-rise building forms at varying densities in proximity to the Richmond-Brighouse Canada Line station.
- Opportunities for parking reductions for secured market rental in close proximity to the Canada Line.

To further support the provision of affordable housing in the City Centre, residential developments comprising of 100% market rental would be encouraged as outlined above. In addition, to address transportation impacts associated with the higher densities, these impacts can be evaluated during the rezoning process for each development project. Council is also considering OCP bylaw amendments that could reduce parking requirements by 50% for rental units, or further, on a case-by-case basis.

As density (FAR) could vary throughout the area, Option 1 would produce an estimated 1600-2100 units that would be home to an estimated population of 3400-4200 residents.

Spires Road Area Boundary Expansion

The Spires Road area currently consists of single-family homes and a few duplexes, along with some recent development sites for High-Density Townhouses. Adjacent to the area, on properties along Cook Road, Cooney Road and Westminster Highway, there are a number of multi-family developments (up to four storeys including the parking structure) and a 10-storey building located at the corner of Cooney Road and Westminster Highway.

The entire neighbourhood bounded by Garden City Road, Cook Road, Cooney Road and Westminster Highway is designated for High-Density Townhouse uses under the CCAP, except for the southeast corner of Cooney Road and Westminster Highway, which is designated for Mid-Rise Residential (4-8 storeys). A CCAP Land Use Designations Map for the immediate area is presented as Attachment 7.

If Council moves forward with Option 1, staff recommend that the “Urban Centre T5” designation allowing for Mid-Rise Residential (4-8 storeys) be expanded to the entire neighbourhood bounded by Garden City Road, Cook Road, Cooney Road and Westminster Highway. This land use designation would be consistent with the land use designation for properties located across Garden City Road to the east and properties located across Cooney Road to the west (except for the area by the southwest corner of Cooney Road and Westminster Highway, which is designated for High-Rise Residential). This land use designation would also serve as an appropriate land use transition (massing and scale) between the High-Rise Residential allowed to the northwest of the neighborhood and the High-Density Townhouse allowed to the south of the neighbourhood.

If Council moves forward with Option 1, to expedite the process for the delivery of affordable housing in the Spires Road area, bylaw amendments to the CCAP are proposed below.

Should Council choose not to proceed with Option 1, a second option provides direction to maintain the existing designation.

Option 2 – Maintain High-Density Townhouse/General Urban T4 Designation

Merits of this approach include:

- the High-Density Townhouse building form allows for smaller scale developments, which provides opportunities for additional public walkways to be developed throughout the neighbourhood;
- High-Density Townhouses would allow for more flexibility in site planning than other higher density housing typologies (due to the large building footprints/parking requirements of mid- and high-rise developments), potentially facilitating more tree preservation opportunities;
- the existing lot and block configuration, and landownership pattern more readily accommodate High-Density Townhouse developments; and,
- significantly larger private outdoor space is required for High-Density Townhouse developments than other higher density housing typologies, which make it well suited to provide housing for families.

Maintaining the High-Density Townhouse designation would produce an estimated 700-800 units that would accommodate an estimated 2000-2400 residents. A full assessment of the pros, cons, and feasibility of High-Density Townhouse development in the Spires Road area is provided in a report titled “Referral Response: Spires Road Area (City Centre Area Plan)” from the Director, Policy Planning, which was presented to the Planning Committee on October 20, 2021.

If Council moves forward with Option 2, the City would continue to process development applications for High-Density Townhouses in the Spires Road area. In addition, to support the provision of affordable housing in City Centre, apartment building forms would continue to be considered, on a case-by-case basis, in the Spires Road area, where additional density is for rental housing and is tied to income thresholds. A recent example of this type of approval is the 149 purpose-built market rental housing units at 8108 Lansdowne Road (formerly 5500 No. 3 Road). These units are secured in perpetuity with a market rental agreement registered on Title. Rental rate and household income restrictions are subject to the BC Housing’s Housing Hub Provincial Rental Supply Program

To address form and character issues raised regarding recent High-Density Townhouse development applications (e.g., pitched roofs), staff would also bring forward Special Precinct Development Permit Guidelines for the area for Council consideration. Staff would require direction from Planning Committee to bring the associated bylaws forward if Option 2 were preferred.

Proposed Bylaw Amendments to the City Centre Area Plan

In response to Council’s prioritization of affordable housing, staff have prepared bylaw amendments as part of the recommended Option 1 to allow an increase in density provided that it is tied to rental housing. The proposed Amendment Bylaw 10190 includes an overlay and supporting policies that prioritize affordable housing in the Spires Road area.

The proposed bylaw amendments have been structured to give Council the ability to consider adjustments to the density and tenures outlined above, on a case-by-case basis, in order to further advance affordable housing objectives in the Spires Road area.

To further support the delivery of affordable housing, Amendment Bylaw 10190 also:

1. defines the Spires Road Area as the area generally bounded by Westminster Hwy., Garden City Road, Cook Road and Cooney Road, and excluding 6180 Cooney Road (as this site has already been redeveloped around 10 year ago under the current CCAP); and
2. designates the Spires Road Area as “Urban Centre T5” and “Sub-Area B2 Mixed Use – Mid-Rise Residential & Limited Commercial”.

The “Urban Centre T5” land use designation would allow for multi-family developments within the Brighthouse Village. Specific density and development requirements for future development proposals within the Spires Road area are proposed to be added to the Detailed Transect Description for the Brighthouse Village. The minimum residential density of 2.0 FAR would include a base density of 0.6 FAR, an Affordable Housing Bonus of 0.6 FAR, and a market

rental component no less than 0.8 FAR. All additional density, where applicable, would be for residential rental tenure housing only.

As higher density and different forms of housing (i.e., low-, mid-, and high-rise) are proposed for the Spires Road Area, design guidelines under “Sub-Area B2 Mixed Use – Mid-Rise Residential & Limited Commercial” would be more appropriate for this neighbourhood. Sub-Area B2 is intended primarily for medium- density, mid-rise (4-8 storeys) housing up to 2.0 FAR and 25 m building height. For developments with permitted density exceeding 2.0 FAR, they may be considered under “Sub-Area B3 – High-Rise Residential, Commercial & Mixed Use”. A text amendment to the Sub-Area B2 guidelines is also being proposed to reflect this. Staff also propose to add new provisions in the implementation section and definition section of the CCAP to clarify that no rezoning will be supported in the Spires Road area unless rental housing is provided and secured with residential rental tenure zoning. The proposed additions to the CCAP would also ensure that additional density would result in a community benefit to the satisfaction of the City and the scale, form, and character of development are complementary to that intended for neighbouring properties under the Area Plan.

Provisions for instream applications

In-stream applications are recommended to be grandfathered as follows:

- For development projects with associated rezoning bylaws that have received third reading prior to the date of Council adoption of Bylaw 10190, the developments would be subject to the former land use designation and sub-area guidelines at Development Permit stage; and
- For in-stream rezoning applications that have not received third reading prior to the date of Council adoption of Bylaw 10190, the associated developments will be subject to the former land use designation and sub-area guidelines if the rezoning bylaw is granted first reading by Council within one (1) year of Council adoption of Bylaw 10190, and final adoption and issuance of a Development Permit within one year following the associated Public Hearing.

For applications that are unable to receive final adoption within one year following public hearing, a report would be brought forward for consideration by Council. The report would provide the following options:

- Allow additional time for the project to be completed based on circumstances that have affected the timeline for a project that has been actively working to advance and achieve final adoption of the rezoning bylaw and issuance of the Development Permit; or
- Rescind third reading of the rezoning bylaw and require the project to be redesigned to include the required market rental housing.

Consultation

Attachment 8 includes a summary of consultation with respect to the *Local Government Act* and the City’s OCP Bylaw Preparation Consultation Policy No. 5043 requirements. Should Planning Committee endorse the amendment bylaws, the bylaws will be forwarded to the next open Council meeting for consideration by City Council. Should Council grant first reading to the proposed amendments to the City Centre Area Plan, further to the protocol of a Public Hearing

(i.e., item to be published in the *Richmond News* and on the City website in advance of the Public Hearing), a Public Hearing notice will also be forwarded to all owners and residents of properties affected by the proposed amendments (Attachment 9).

Arterial Road Land Use Policy

With the recent interest in securing more rental housing through increased density along the City's arterial roads, staff recommend, on an interim basis, to consider development applications within the Arterial Road Land Use Policy that would allow higher densities provided that all of the additional density is used for rental housing, preferably a mix of affordable rental and market rental. This interim measure would then become a foundation for the overall policy review of the Arterial Road Land Use Policy as part of the OCP targeted review to secure more rental along designated Arterial Road, in particular near Neighbourhood Service Centres and frequent transit routes. Considerations will need to be made to OCP land use designations, density minimums and maximums, building and site design guidelines, and adjacency to single-family neighbourhoods. Further, public and stakeholder consultation would be required. A revised policy framework, with appropriate bylaw amendments, would be brought forward to Council at a later date as part of the OCP review.

Financial Impact

None

Conclusion

This report responds to the October 20, 2021 referral by proposing a rental tenure policy and supporting amendments to the City Centre Area Plan (CCAP) for the Spires Road area that dramatically increases the provision of rental housing in the Spires Road area above the LEMR program and OCP's Market Rental Housing Policy. The proposed approach can be summarized as follows:

- Introduce a minimum 2.0 Floor Area Ratio (FAR) for the Spires Road area provided that:
 - the maximum residential strata is 1.2 FAR subject to the provisions of the City's Affordable Housing Strategy and Market Rental Housing Policy; and
 - the minimum rental housing secured is 0.8 FAR with the condition that at least 50% is secured for LEMR housing and the remainder is market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits; and
- Permit densities up to a maximum of 3.0 FAR provided that the density beyond 2.0 FAR is comprised of at least 50% LEMR housing with the remainder as market rental housing, unless specified by Council to have a different mix of market rental and affordable rental geared towards specific income limits.

To minimize risks and unintended outcomes associated with implementation (e.g., impacts of inflation and higher interest rates, appreciative decline in development activity, etc.), staff recommend that implementation of the Spires Road Rental Tenure Policy be monitored and that staff report back to Council regarding key findings after the proposed bylaw amendments are in

place for one year. It is recommended that Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, be introduced and given first reading.

Steve Gauley

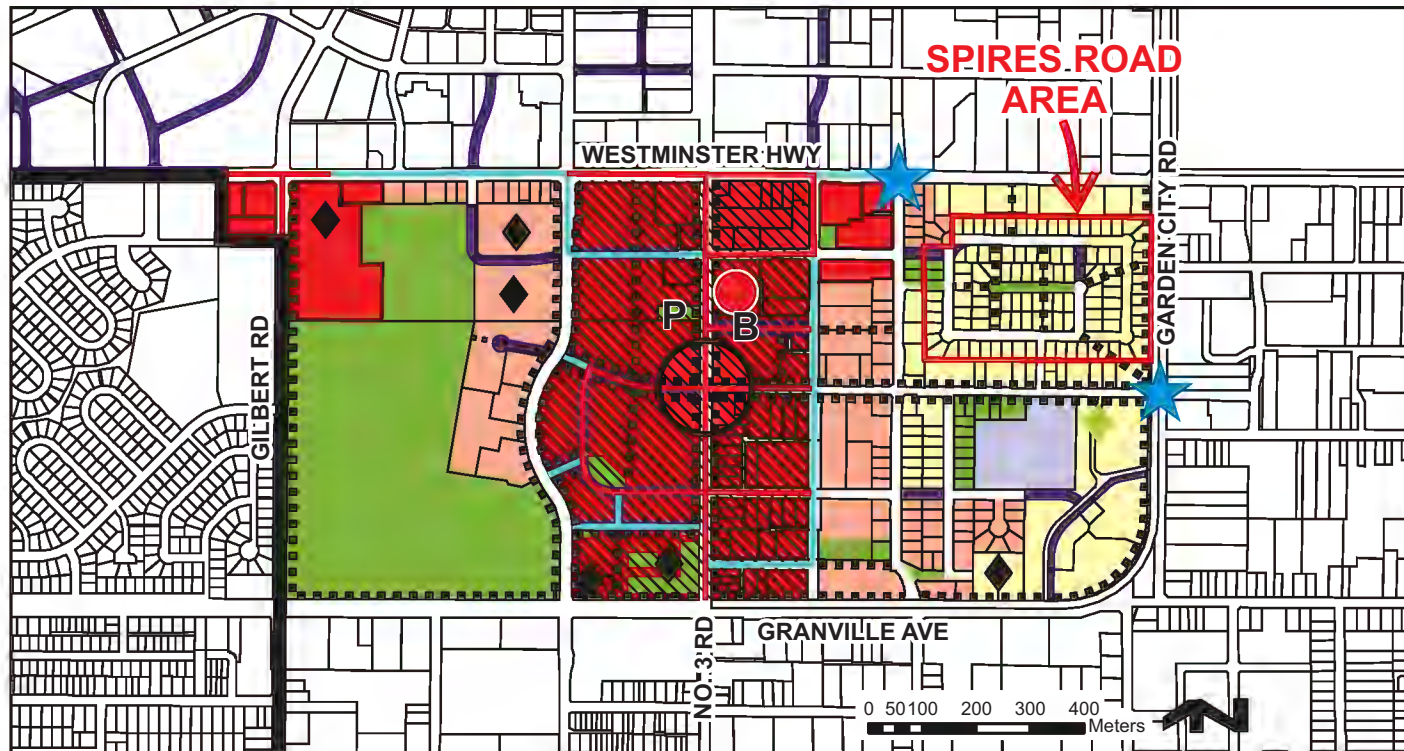
Steve Gauley
Program Manager, Policy Planning
(604-276-4164)

SG:cas

Attachments:

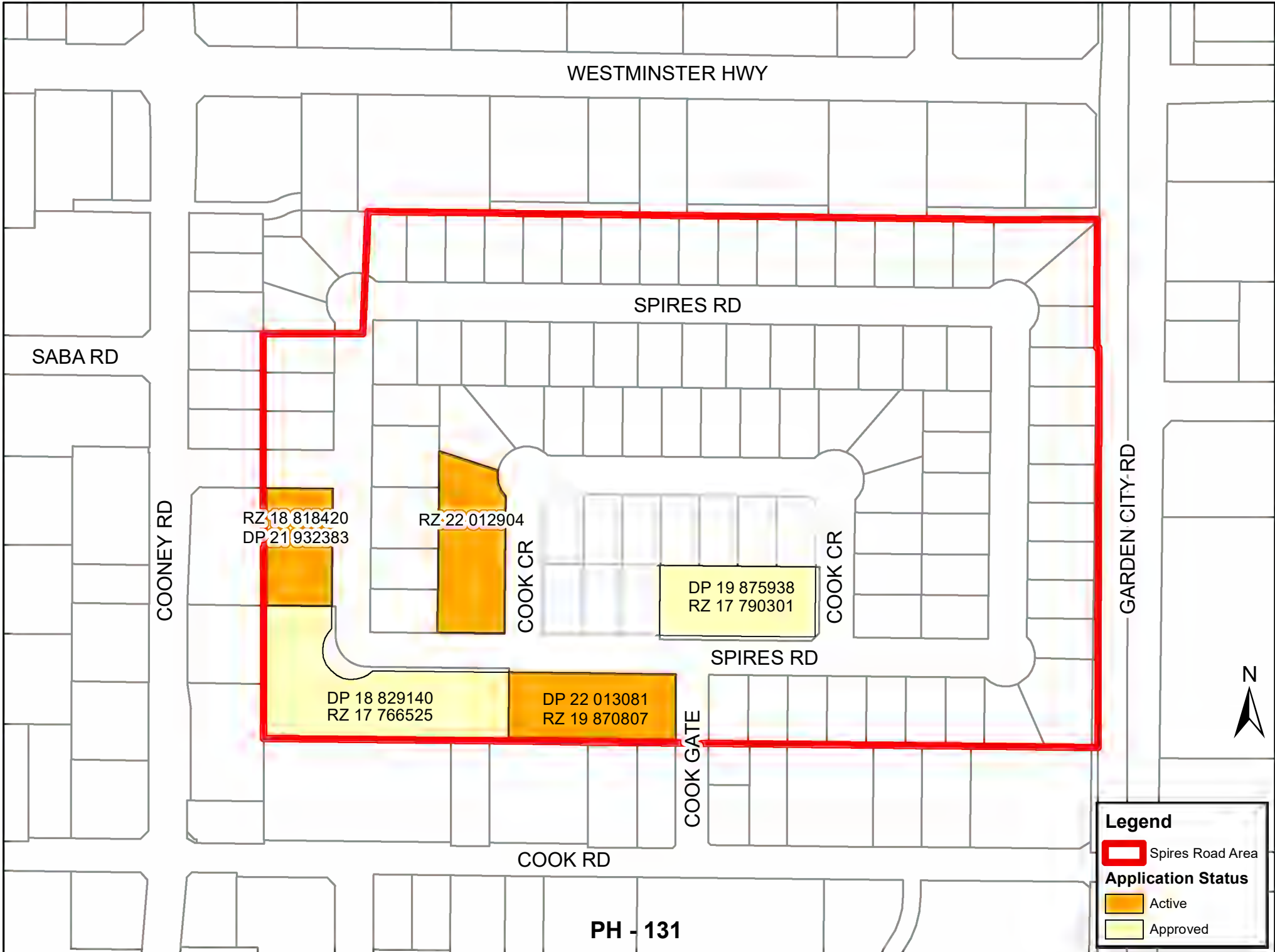
- Attachment 1: Specific Land Use Plan Brighthouse Village (2031) – Spires Road Area
- Attachment 2: Active and Approved High Density Townhouse Applications – Spires Road Area
- Attachment 3: Economic Feasibility Analysis – Executive Summary
- Attachment 4: Sample Consultation letter
- Attachment 5: Consultation Feedback – Map
- Attachment 6: Consultation Feedback – Summary
- Attachment 7: CCAP Sub-Area Land Use Designations – Spires Road and Surrounding Area
- Attachment 8: OCP Consultation Policy & Summary of Consultation with Key Stakeholders
- Attachment 9: Notification Area Map

Specific Land Use Map: Brighthouse Village (2031)



- | | | | | | |
|--|---|--|--|--|--|
| | General Urban T4 (15m) | | School | | Proposed Streets |
| | Urban Centre T5 (25m) | | Village Centre Bonus | | Pedestrian-Oriented Retail Precincts-High Street & Linkages |
| | Urban Core T6 (45m) | | Institution | | Pedestrian-Oriented Retail Precincts-Secondary Retail Streets & Linkages |
| | Park | | Pedestrian Linkages | | Canada Line Station |
| | Park-Configuration & location to be determined | | Enhanced Pedestrian & Cyclist Crossing | | Transit Plaza |
| | Village Centre: No. 3 Road & Cook Road Intersection | | Bus Exchange | | |

Active and Approved High Density Townhouse Applications - Spires Road Area



June 6, 2022

Re: Richmond Spire Road Area Financial Analysis Executive Summary

G. P. Rollo & Associates (GPRA) was retained to prepare a financial analysis to evaluate the financial feasibility of a potential policy to provide incentives for developers to include market rental and income controlled rental units in all new residential developments in the Spires Road Area. GPRA has the following to report:

- Townhouses don't have the ability to remain financially feasible while increasing the portions of rental in the project. A variety of factors play into this, including lower rents being required for larger unit sizes to remain affordable, and the fact that increased density over 1.2 FAR likely necessitates a switch to apartments;
- Low rise wood frame apartments had the most economic resiliency to absorb increased components of rental housing, whether that be market rental, HILs rental, or LEMR;
- Concrete mid-rise apartments demonstrate little ability to absorb increased requirements for any rental;
- All 100% rental scenarios that include a mix of non-market units generally would require a subsidy of some sort for a developer to undertake such a project;
- A number of density and tenure mixes were assessed to determine what is financially feasible in the Spires Road area
- Through this, it was determined that 60% strata (1.2 FAR)/20% market rental (0.4 FAR)/20% Richmond's LEMR (0.4 FAR) rate would be feasible at a density of 2.0 FAR provided that construction is wood frame.;
- If the density increases beyond 2.0 FAR while the strata proportion (1.2 FAR) remains the same, the project will become less financially feasible as the project would likely switch to concrete construction;
- Parking reductions for rental components will help, but the cost for parking for low rise projects is a relatively small part of the overall cost but may help as part of a slate of tools to make rental housing more feasible. In the mid-rise form similar principles hold true regarding the ratio of costs for parking to the overall unit cost, but here the greater gap is between the cost of construction overall compared to rents that can be achieved.
- Generally if developers are expected to pay for non-market units a value similar to LEMR units the minimum rent they could charge would be around LEMR rates, or a blended average of \$1.81 per square foot in order to break even while servicing their debt.
- The lowest rents a non-profit housing operator could offer would be roughly \$1.05 per square foot per month, but this would require units be provided free of charge.

January 26, 2022
File: 08-4105-20-AMANDA #/2021-Vol 01

Planning and Development Division
Policy Planning
Fax: 604-276-4052

Dear Owner/Resident:

Re: Consultation regarding future re-development in the Spires Road Area

The purpose of this letter is to inform you of a planning study that the City of Richmond is undertaking in your neighbourhood and to provide you with an opportunity to provide input.

Background

The Spires Road Area (Attachment 1) is currently identified in the City Centre Area Plan (CCAP) as an area intended to transition from a predominately single-family neighbourhood to a neighbourhood of urban-style townhouses with dedicated parking structures. The maximum density allowed under this land use designation is 1.2 FAR¹. Inline with this vision, over the last several years, two urban-style townhouse developments have been approved in the area and are currently being developed.

Due to the neighbourhood's close proximity to the Brighthouse Skytrain Station, and to provide more affordable housing options in Richmond, Council's Planning Committee has directed City Planning staff to study the feasibility of providing more multiple family housing in the form of low rise and high rise apartments in the Spires Road Area. Higher densities would only be considered where there would be income controlled rental housing and/or non-market housing as part of the proposal.

Approach

Staff are preparing to update the CCAP in order to:

- develop a policy to provide incentives for new residential developments in the Spires Road Area to include market rental, income controlled rental, and non-market housing/social housing units;
- consider allowing higher densities (for examples, low-rise or high-rise residential buildings instead of townhouses only) in the Spires Road Area for projects that provide non-market housing and/or income controlled rental housing units;

¹ Floor Area Ratio (FAR) is the ratio of the building's floor area to the size of lot/parcel that the building is located on. For example, if a 1,000 square foot building stands on a 1,000 square foot of land, the floor area ratio is 1.0.

THIS IS AN IMPORTANT NOTICE. PLEASE HAVE SOMEONE TRANSLATE IT FOR YOU.	INFORMATION IMPORTANTE: TRADUISEZ S'IL VOUS PLAÎT.
這通告很重要，請找人為您翻譯解說。 这通告很重要，请找人为您翻译解说。	ਇਹ ਇਕ ਜ਼ਰੂਰੀ ਸੂਚਨਾ ਹੈ। ਕਿਰਪਾ ਕਰਕੇ ਕਿਸੇ ਤੋਂ ਇਸ ਦਾ ਆਪਣੇ ਲਈ ਅਨੁਵਾਦ ਕਰਵਾਉ।

- update the road circulation network within the Spires Road Area to accommodate the additional density, if required; and to enhance pedestrian connectivity; and
- include a set of Special Precinct Development Permit Guidelines to establish a consistent neighbourhood character within the Spires Road Area.

What this means to you

As a property owner and resident in this area, your opinion is important to us. Your participation in this consultation process will assist the Planning and Development Department in accurately reflecting your views when making a recommendation to Council on the future of your neighbourhood.

City Planners are seeking all stakeholder comments to be submitted prior to **Thursday, February 10, 2022.**

Please kindly submit your written comments, including suggestions and concerns for future developments in the Spires Road Area:

- by email to elee@richmond.ca
- by mail to Edwin Lee, Planner 2 at 6911 No. 3 Road, Richmond, V6Y 2C1.

If you have any specific questions or require clarification on this consultation process, please feel free to contact the undersigned directly at 604-276-4121.

Process

Upon completion of this consultation process, City Planners will report back to Planning Committee with further recommendations. If Planning Committee and Council wish to advance the proposed updates to the CCAP for the Spires Road Area, a Public Hearing would be required in accordance with the *BC Local Government Act*.

At the Public Hearing, all persons who believe that their interest in property is affected by the proposed bylaw will be given an opportunity to be heard or to present written submissions. A notice for a future Public Hearing will be mailed to the owners and residents in the Spires Road Area, and placed in the local newspaper.

Additional Information

If you have concerns related to current construction activities in the Spires Road Area, please be advised that:

- The City's Noise Regulation Bylaw 8856 regulates construction noise, including demolition. Provided the day is not a Sunday or Statutory holiday, construction noise not exceeding 85 decibels "dBA" is permitted Monday to Friday from 7 a.m. to 8 p.m. and Saturdays from 10 a.m. to 8 p.m.
- The City's Unsightly Premises Regulation Bylaw 7162 contains requirements for proper clean-up of properties.
- Tree Protection Bylaw 8057 regulates the removal and retention of trees 20 cm in diameter or greater located on private property

- For urgent matters such as water and sewer problems, road obstructions, downed trees or other problems, please contact Public Works at 604-270-8721.
- For construction activity noise, dispersion of rodents during construction, health hazards related to air and water or sewage disposal problems, please contact Vancouver Coastal Health – Richmond Health Services at 604-233-3147 or RCMP non-emergency line (after hours) at 604-278-1212.
- For building permit enquiries, construction vibration, neighbouring fencing and property line encroachment, and tree protection during construction, please contact Building Approvals at 604-276-4285, or Tree Protection at 604-247-4684, or City Street Trees at 604-244-1208.
- For unsightly or excessive accumulation of construction debris, and parking enquiries at construction site, please contact Community Bylaws at 604-276-4345.
- For soil on roadway or sidewalk, pollution impact on drainage ditches or storm sewers, please contact Engineering at 604-276-4289.

Yours truly,

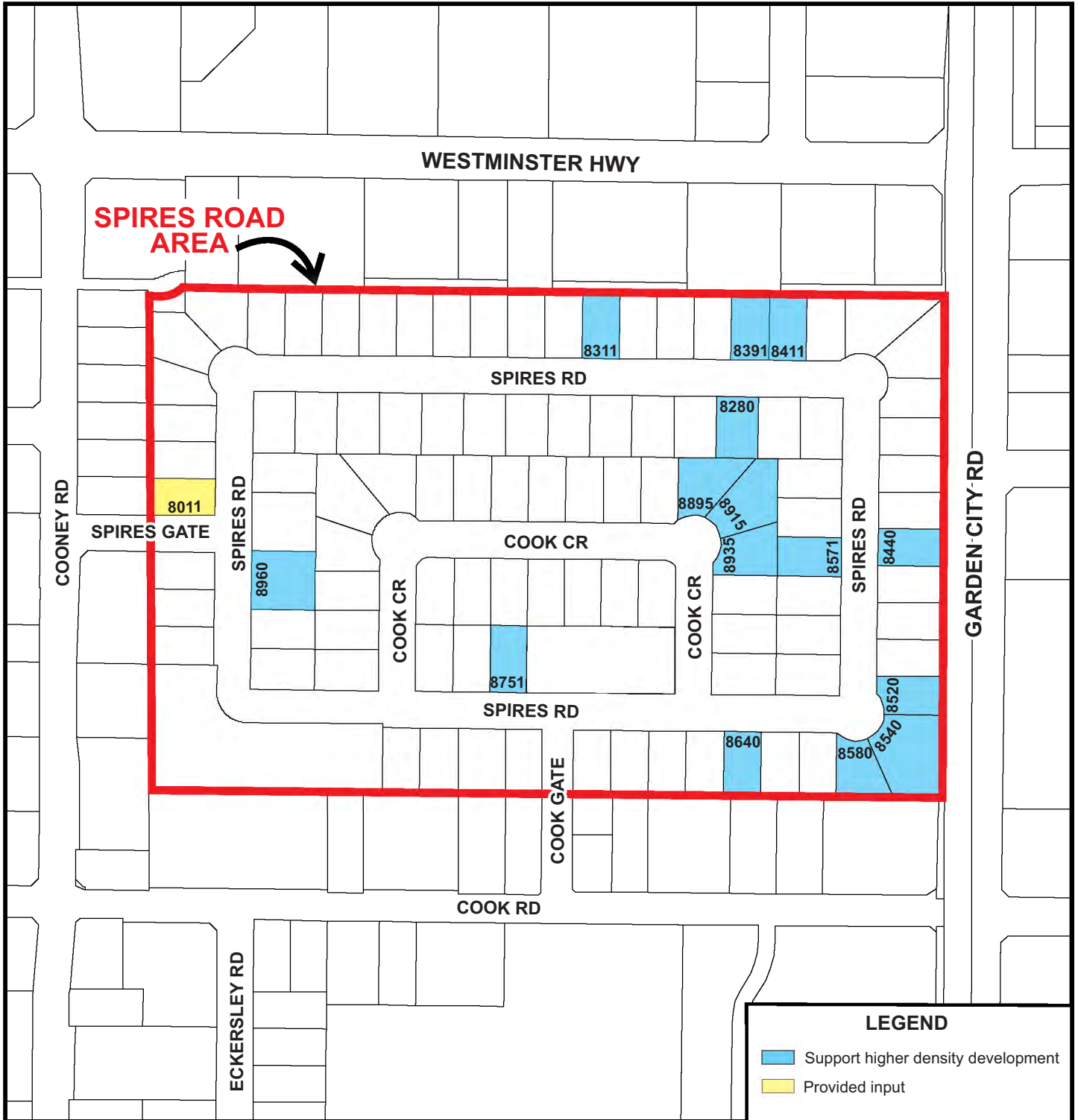


Edwin Lee
Planner 2
City of Richmond

EL:cas

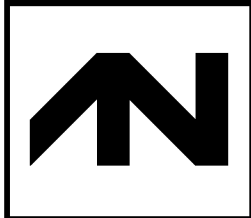


City of Richmond



LEGEND

- Support higher density development
- Provided input



Consultation - Higher Density in the Spires Road Area

Original Date: 05/24/22

Revision Date:

Note: Dimensions are in METRES

Consultation Feedback – Summary (Spires Road)

Letters sent out: 162 letters mailed out

Response Rate: 13 property owners (representing 17 properties/including 16 single family dwellings and one duplex)

Summary of Consultation Feedback:

- 1 comment on the “overabundance of income controlled rentals and non-market housing/social housing units could negatively impact property values”.
- 1 comment on the fact that an overabundance of non-market housing may cause the neighbourhood to deteriorate if adequate social support services are not available.
- 1 suggestion that non-market or affordable housing should not be mixed with strata or market rental units in the same building; they should be provided in a stand-alone building.
- 1 disagreement with higher density being linked to non-market housing; affordable housing for family who are not qualified for subsidized housing should be provided instead.
- 1 request that the city find a way to provide more “more affordable”/starter-home units for ownership.
- 1 concern with potential on-street parking shortage caused by new developments and higher density.
- 1 request to keep the existing road network and not to close the eastern section of Spires Road as per the current area plan.
- 1 suggestion that the City should stop issuing building permits for new single family construction in the area to avoid further delaying higher density developments.
- 1 recommendation to maximize building footprint on the ground and provide outdoor spaces on the top of the podium or building instead.
- 2 comments that it takes so long for the City to review the area plan and allow for higher density.

There were also 3 comments related to parking, which were forwarded to Transportation and Community Bylaws for response:

- 2 comments related to the fact that construction parking is destroying the lawn area within the city boulevard and leaving a mess.
- 1 comment on the lack of enforcement on parking restrictions in the area.

CCAP Land Use Designations Map - Spires Road and Surrounding Area

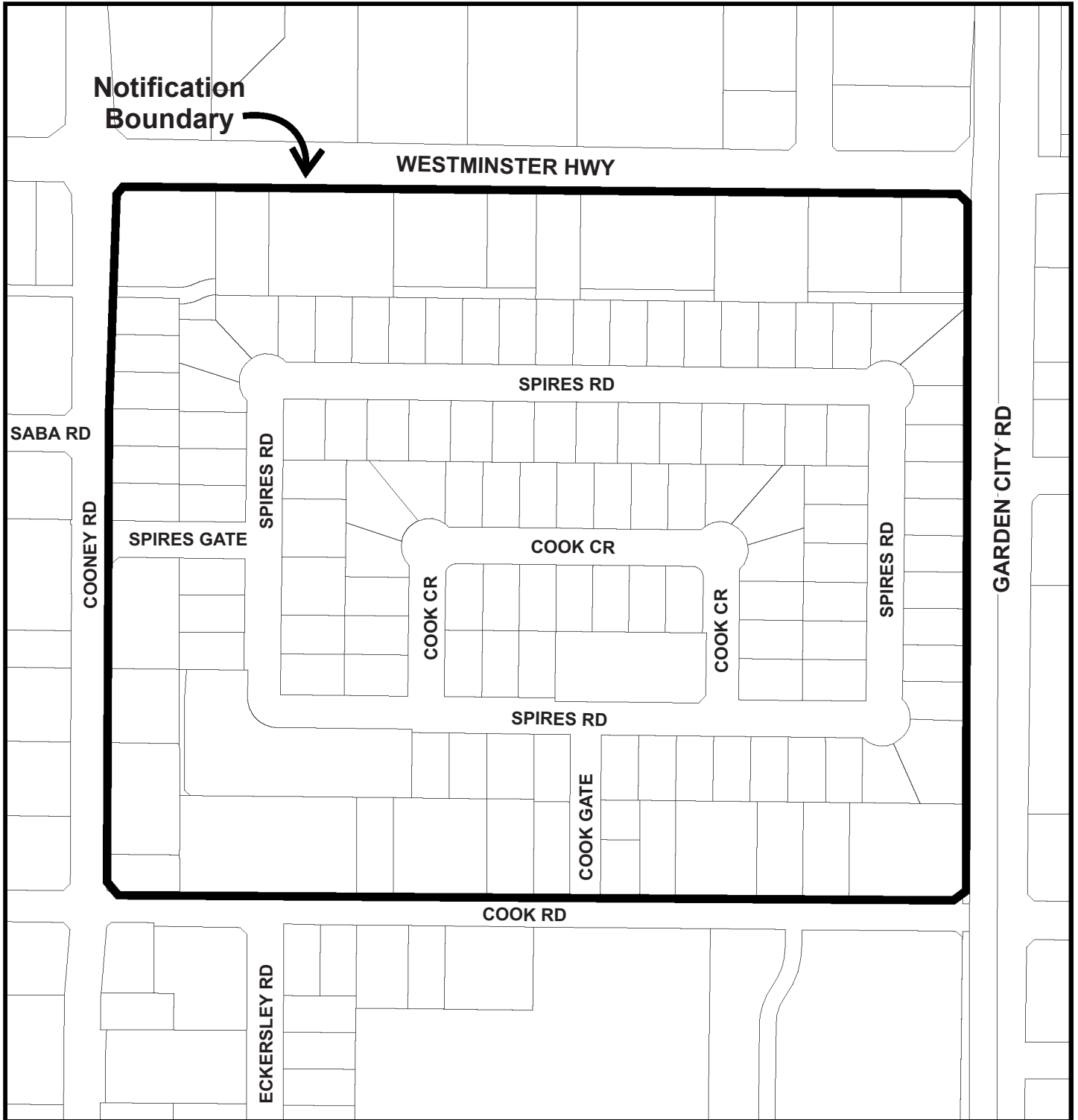


- Spires Road Area
- Sub Area B1 - High Density Townhouses 1.2 FAR 15m Max Height
- Sub Area B2 - Mid-Rise Residential (4-8 storeys) 2.0 FAR 25 m Max Height
- Sub Area B3 - High Rise Residential 3.0 FAR 45 m Max Height
- Sub Area B4 - High-Rise Commercial & Mixed Use 4.0 FAR 45 m Max Height
- Park
- School
- Proposed Streets

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	Will be referred to the Board of Education of School District No. 38 (Richmond) for comment and response by July 18, 2022.
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 significant 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 (ANSI) Policy.
Richmond Coastal Health Authority	No referral necessary because the Health Authority is not affected.
Community Groups and Neighbours	A Public Hearing notice will be sent to all owners and residents in the Spires Road area to comment on the proposed OCP amendment at a Public Hearing.
All relevant Federal and Provincial Government Agencies	No referral necessary because Federal and Provincial Government Agencies are not affected.



Spires Road Area Market
Rental Policy -
Notification Area Map

Original Date: 05/25/22

Revision Date:

Note: Dimensions are in METRES



Regular Council
Monday, June 27, 2022

11. **REFERRAL RESPONSE: SPIRES ROAD AREA PROPOSED RENTAL TENURE & DENSITY INCREASES**

(File Ref. No. 12-8060-20-010190, 08-4045-20-10) (REDMS NO. 6904985, 6923828, 6822160, 6907728, 6905889, 6905567)

R22/12-7

It was moved and seconded

(1) *That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, which proposes to amend Schedule 2.10 (City Centre Area Plan) by:*

- *designating the area bounded by Westminster Hwy, Garden City Road, Cook Road and Cooney Road as “Urban Centre T5” and “Sub-Area B2 Mixed Use – Mid-Rise Residential & Limited Commercial”; and*
- *establishing a rental tenure overlay and supporting policies, which outline density increases associated with secured rental tenure for properties in and adjacent to Spires Road, as described in the attached report titled “Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases”;*

be introduced and given first reading;

(2) *That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, having been considered in conjunction with:*

- *the City’s Financial Plan and Capital Program;*
- *the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;*

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

(3) *That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, is hereby found not to require further consultation;*



Regular Council
Monday, June 27, 2022

- (4) *That instream rezoning applications that are received prior to adoption of Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190, may be exempt from the Spires Road Area Market Rental Policy provided the application achieves first reading within one year of the amendment bylaw being adopted and final adoption and issuance of a Development Permit within one year following the associated Public Hearing;*
- (5) *That staff report back to Council regarding key findings related to the implementation of updates to the City Centre Area Plan for the Spires Road area after the policy provisions are in place for one year; and*
- (6) *That staff be directed, on an interim basis, to consider development applications within the Arterial Road Land Use Policy that would allow higher densities provided that all of the additional density is used for rental housing, and that this interim measure becomes a foundation for the overall policy review of the Arterial Road Land Use Policy as part of the Official Community Plan targeted review to secure more rental along designated Arterial Road, in particular near Neighbourhood Service Centres and frequent transit routes.*

The question on the motion was not called as discussion ensued regarding (i) providing more incentives to developers, (ii) staff will report back to council in one year, (iii) the proposed Spires Road policy could become a template for other areas, (iv) the school district is aware of the policy and staff will address the impact with them with each application, (v) the need for public consultation of the Spires area residents impacted by this policy, (vi) the requirement for additional green space, (vii) reviewing this policy in the context of the Official Community Plan (OCP), (viii) the impact of the economic climate on development, and (ix) the lack of commercial services in the immediate planned area.

In response to queries from Council staff advised that the OCP review is in its first phase of context analysis and research and that staff anticipate bringing forward a first draft of the OCP for Council review at the end of 2023. Staff also advised that they will be presenting this policy to the Urban Development Institute this week. As a result of the discussion the following **referral** motion was introduced:



Regular Council
Monday, June 27, 2022

R22/12-8

It was moved and seconded

That the staff Report Titled Referral Response: Spires Road Area Proposed Rental Tenure & Density Increases by the Director of Policy Planning, dated June 3, 2022 be referred back to staff to be reviewed in the context of the Official Community Plan review.

Question on the referral motion was not called as discussion ensued regarding (i) the need for a plan for green space, (ii) community consultation of the area, and (iii) options for a comprehensive plan for all of Richmond, not just one area.

The question on the referral motion was then called and **DEFEATED** with Mayor Brodie and Cllrs: Au, Day, Loo, McNulty, Steves and Wolfe opposed.

The question on the main motion was then called and **CARRIED** with Cllr. McPhail opposed.



**Richmond Official Community Plan Bylaw 7100
Amendment Bylaw 10190**

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

1. Richmond Official Community Plan Bylaw 7100, Schedule 2.10 (City Centre Area Plan), is amended by:
 - a) On page 3-3, in the Development Permit Sub-Area Key Map, extending “B2 Mixed Use – Mid-Rise Residential & Limited Commercial” to include the area bounded by Westminster Highway, Garden City Road, Cook Road and Cooney Road and identified as “Urban Centre T5 (25m)” and “Spires Road Area” on “Schedule A attached to and forming part of Bylaw 10190”;
 - b) On page 3-44, in Section 3.2.5 Sub-Area B.1, removing the area bounded by Westminster Highway, Garden City Road, Cook Road and Cooney Road from “Sub-Area B.1 Mixed Use – Low-Rise Residential & Limited Commercial”;
 - c) On page 3-46, in Section 3.2.6 Sub-Area B.2, designating the area bounded by Westminster Highway, Garden City Road, Cook Road and Cooney Road and identified as “Urban Centre T5 (25m)” and “Spires Road Area” on “Schedule A attached to and forming part of Bylaw 10190” as “Sub-Area B2 Mixed Use – Mid-Rise Residential & Limited Commercial” and “Spires Road Area”;
 - d) On page 3-46, in Section 3.2.6 Sub-Area B.2, repealing the following reference to the boundary in the map legend:

“Capstan Station Bonus

Development sites for which net density is permitted to exceed 2.0 FAR in the Capstan Station Bonus area may be considered under 3.2.7 Sub-Area B.3.”; and

Replacing it with:

“Capstan Station Bonus and Spires Road Area

Development sites in these areas for which net density is permitted to exceed 2.0 FAR may be considered under 3.2.7 Sub-Area B.3.”

- e) On page 4-3, inserting policy 4.1.m) as follows:

“Residential Rental Tenure – Spires Road Area

No rezoning of development sites will be supported in the Spires Road Area (Brighthouse Village) unless the owner provides rental housing on the

development site, secured with residential rental tenure zoning, as determined to the satisfaction of the City.”

- f) On the “Generalized Land Use Map (2031)”, designating the area bounded by Westminster Highway, Garden City Road, Cook Road and Cooney Road and identified as “Urban Centre T5 (25m)” and “Spires Road Area” on “Schedule A attached to and forming part of Bylaw 10190” as “Urban Centre T5” and “Spires Road Area”;
- g) In the Land Use Maps section of the bylaw, inserting “Overlay Boundary – Rental Housing Area Map (2031)” as shown in “Schedule B attached to and forming part of Bylaw 10190”.
- h) Replacing the Specific Land Use Map: Brighthouse Village (2031) with “Schedule A attached to and forming part of Bylaw 10190”;
- i) Repealing the existing text in the “Specific Land Use Map: Brighthouse Village – Detailed Transect Descriptions” with regard to “Maximum Average Net Development Site Density” for “Urban Centre T5 (25m)” and replacing it with the following:

- For Non-Residential Uses: 2.0.

- For Residential and Mixed Uses including Residential:

- Within the Spires Road Area: 2.0 minimum comprising:

- a) base: 1.2, subject to the provisions of the City’s Affordable Housing Strategy and Market Rental Housing Policy, except as specifically provided for in the Spires Road Area; and
- b) residential rental tenure housing: 0.8, provided that at least 50% is secured for low end market rental housing and the balance is market rental housing, unless otherwise approved by Council.

- Elsewhere:

- a) base: 1.2;
- b) Affordable Housing Bonus: 0.8.

Additional density, where applicable:

- Institution: To be determined on a site specific basis via City development application processes.
- Specifically for 6331 and 6351 Cooney Road: 2.67.
- Spires Road Area rental tenure housing bonus: 1.0, provided that at least 50% is secured for low end market rental housing and the balance is market rental housing, unless otherwise approved by Council.”

- j) On page A-1, inserting into Appendix 1 – Definition, under the sub-heading Overlays, the following:

“Spires Road Area

An area that:

- comprises the Spires Road Area (Brighthouse Village);
- requires a minimum density of 2.0 FAR comprising:

- a) base: 1.2, subject to the provisions of the City’s Affordable Housing Strategy and Market Rental Housing Policy, except that the OCP Market Rental Housing Policy density bonus shall not apply.
- b) residential rental tenure housing: 0.8, provided that at least 50% is secured for low end market rental housing and the balance is market rental housing, unless otherwise approved by Council.
- on a site specific basis via City development application processes, may provide for additional density for residential rental tenure housing only, provided that the following conditions apply:
 - a) the maximum additional density shall not exceed 1.0 FAR;
 - b) the maximum total density on the net development site shall not exceed 3.0 FAR;
 - c) at least 50% of the additional density is constructed as low end market rental housing and the balance is constructed as market rental housing, unless otherwise approved by Council;
 - d) the additional density shall result in a community benefit to the satisfaction of the City;
 - e) the scale, form, and character of development shall be complementary to that intended for neighbouring properties under the Area Plan to the satisfaction of the City; and
 - f) the minimum net development site size is 4,000 m² (1.0 ac).”
- k) Making various text and graphic amendments to accommodate the identified bylaw amendments and to ensure consistency with the Generalized Land Use Map (2031) and Specific Land Use map: Brighthouse Village (2031), as amended.

2. This Bylaw may be cited as **“Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 10190”**.

FIRST READING


PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

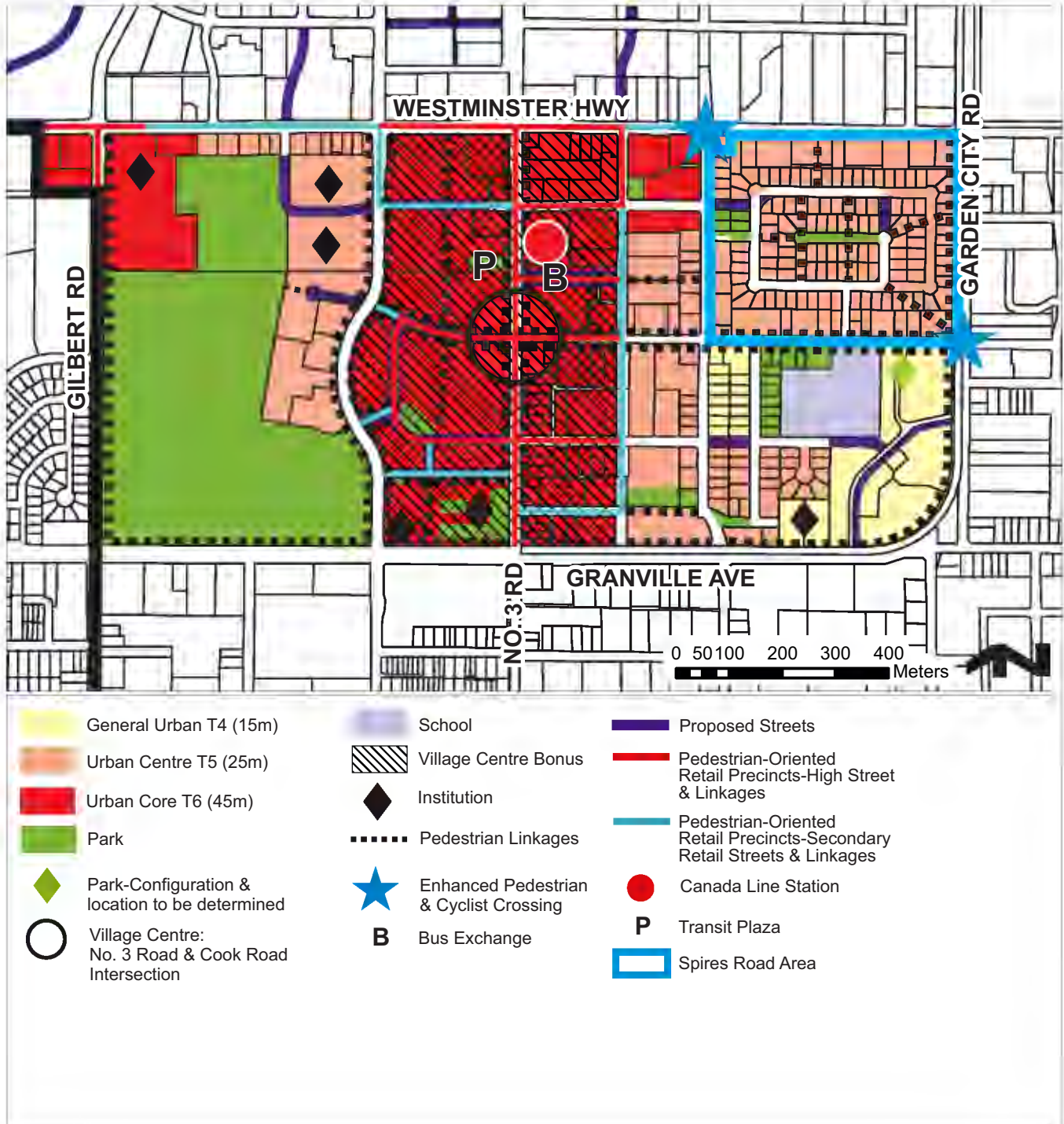
JUN 27 2022

CITY OF RICHMOND
APPROVED by SG
APPROVED by Manager or Solicitor 

MAYOR

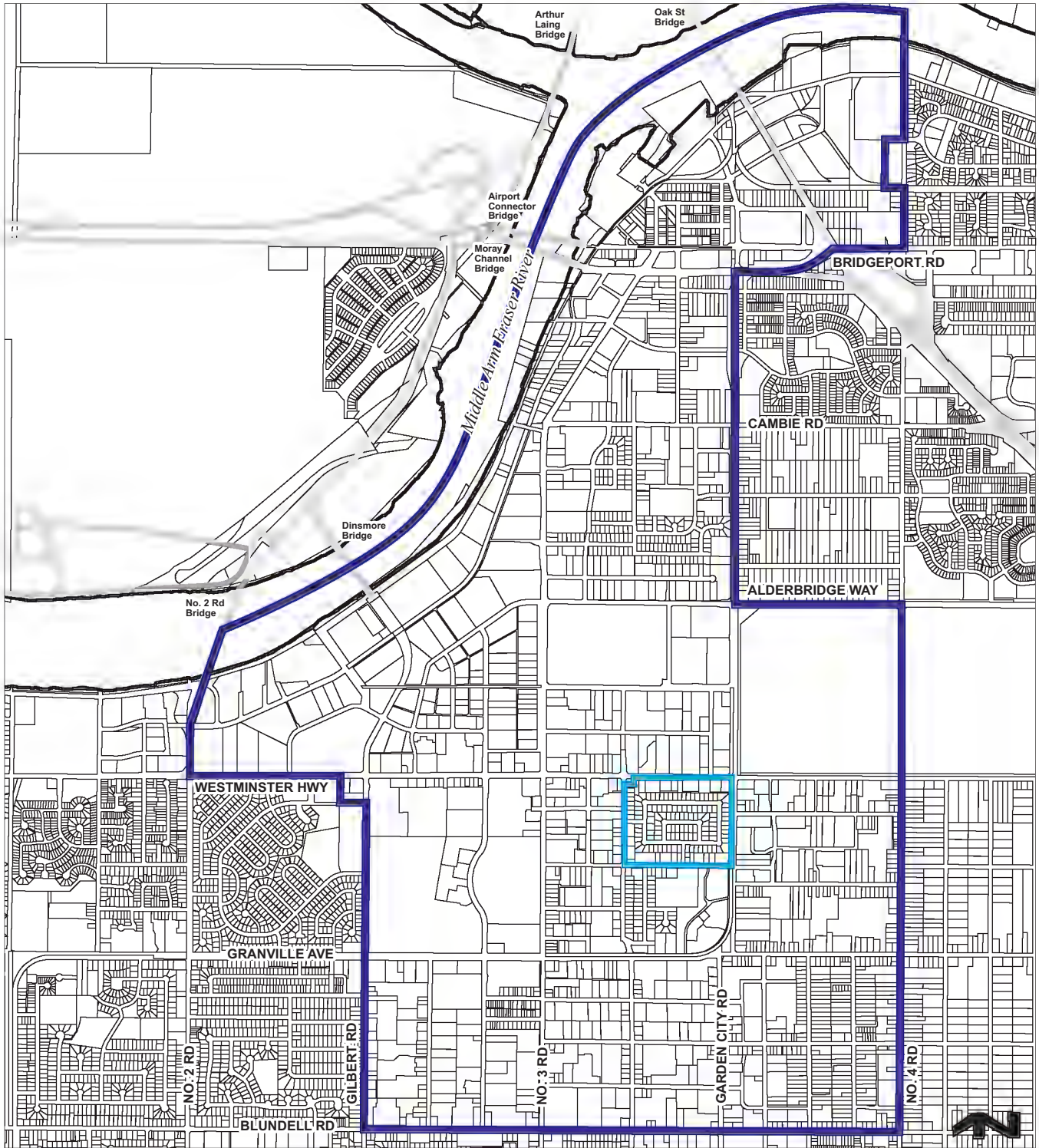
CORPORATE OFFICER

Specific Land Use Map: Brighthouse Village (2031)



Bylaw 10020 2019/05/21 Maximum building height may be subject to established Airport Zoning Regulations in certain areas.

Overlay Boundary – Rental Housing Area Map (2031)



 Spires Road Area