



City of Richmond

Report to Committee

To: Planning Committee  
From: Brian J. Jackson, MCIP  
Director of Development

Date: May 27, 2008  
File: 08-4100-01/2008-Vol 01

Re: Density Bonus for Affordable Housing in the Downtown Commercial District (C7) Zone

Staff Recommendation

That Bylaw No. 8384, to amend the Downtown Commercial District (C7) zone to include a density bonus of 0.15 Floor Area Ratio for affordable housing, be introduced and given first reading.

Brian J. Jackson, MCIP  
Director of Development

WC/JD:blg

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Law.....	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	REVIEWED BY CAO (acting)	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

## Staff Report

### Origin

On May 28, 2007, Council approved the Richmond Affordable Housing Strategy. The Strategy utilizes an inclusionary zoning/density bonus approach in order to encourage affordable housing units to be provided at the time of rezoning. The purpose of this report is to provide a similar incentive, in the form of a density bonus, to encourage the provision of affordable housing units at the Development Permit stage for sites already zoned Downtown Commercial District (C7).

### Analysis

The Downtown Commercial District (C7) zone poses a specific challenge with regard to the provision of affordable housing. The Downtown Commercial District (C7) zone is already in place for a significant portion of the City Centre (e.g., along No. 3 Road from Lansdowne Road to Granville Avenue and along Westminster Highway from Elmbridge Way to Cooney Road) and has a permitted density of 3.0 Floor Area Ratio (FAR). Currently, there is little incentive the City can offer developers at the Development Permit stage to provide affordable housing as any affordable housing provided would reduce the amount of FAR available for market housing.

In order to address this issue, staff are proposing an amendment to the Downtown Commercial District (C7) zone to include affordable housing as a density bonus above the 3.0 FAR. This way, a developer would not lose any of the currently permitted density if he/she built the affordable housing.

Specifically, staff are recommending that the Downtown Commercial District (C7) zone in the Zoning and Development Bylaw be amended so that a density bonus of 0.15 FAR be permitted if not less than four (4) affordable housing units that comprise at least 5% of the gross floor area of the residential building area are developed and secured as affordable housing by means of a registered housing agreement against the title to the lot. Both of these conditions must be satisfied in order to qualify for the 0.15 density bonus, in keeping with the recommendations of the affordable housing strategy. Four units are required to ensure there is a minimum clustering of affordable units in a project for economical management.

Although this proposed zoning amendment provides an incentive for developers to provide affordable housing units on sites currently zoned C7, the developer would retain the ability to determine whether they wish to take advantage of the density bonusing provisions. While incorporating the affordable housing units into the development would be voluntary, it is expected that, in accordance with the Richmond Affordable Housing Strategy, Development Permit applications containing more than 80 residential units may take advantage of this density bonus in the Downtown Commercial District (C7) zone in order to provide low end market rental housing in the City Centre.

For Development Permit applications which do not take advantage of the density bonus in the Downtown Commercial District (C7) zone, it is proposed that developers may elect to provide a voluntary cash contribution towards affordable housing reserve in keeping with the Affordable Housing Strategy (e.g., currently \$4 per gross floor area of residential building area).

To provide a further incentive to developers in the Downtown Commercial District (C7) zone who either build or pay towards affordable housing, staff are willing to consider parking variances to reduce the number of off-street parking spaces required as part of the Development Permit application on sites zoned Downtown Commercial District (C7) due to the proximity of these sites to transit facilities. It has been estimated that a developer could realize a cost savings of approximately \$30,000 for each off-street parking space not required in a structured parkade in the City Centre. The potential cost savings associated with a potential parking variance should more than offset the costs associated with the provision of affordable housing units or cash-in-lieu contributions towards the affordable housing reserve fund.

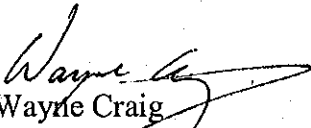
The above analysis and recommendations are consistent with the proposed City Centre Area Plan.

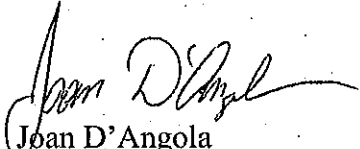
**Financial Impact**

There is no financial impact to the City in proceeding with the proposed amendment to the Downtown Commercial District (C7) zone. Existing staff resources are in place in the Development Applications, Policy Planning and Real Estate Services Divisions.

**Conclusion**

Staff recommend adopting the proposed revision to the Zoning and Development Bylaw to include a density bonus for affordable housing in the Downtown Commercial District (C7) zone.

  
Wayne Craig  
Program Coordinator - Development  
(604) 247-4625

  
Joan D'Angola  
Affordable Housing Coordinator  
(604) 247-4946

WC/JD:blg



**Richmond Zoning and Development Bylaw 5300  
Amendment Bylaw 8384**

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

- 1. Richmond Zoning and Development Bylaw 5300 is amended by adding the following new subsection directly after section 237.2.01:

“.02 Notwithstanding section 237.2.01(b), the reference to “3.0” in relation to a **building used for mixed commercial/residential use or multiple-family dwelling** is increased to a higher density of “3.15” if prior to the first occupancy of the **building** the owner provides in the **building** not less than:

- (a) four **affordable housing units**; and
- (b) subject to paragraph (a), the number of **affordable housing units** would comprise at least five per cent of the gross floor area of the **building**,

in respect of which **affordable housing units** the owner has entered into a **housing agreement** with the City and registered the **housing agreement** against title to the **lot**, and filed a notice, in the **Land Title Office**.”

- 2. This Bylaw may be cited as “**Richmond Zoning and Development Bylaw 5300, Amendment Bylaw 8384**”.

FIRST READING

A PUBLIC HEARING WAS HELD ON

SECOND READING

THIRD READING

ADOPTED

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MAYOR

\_\_\_\_\_  
CORPORATE OFFICER