



## Planning Committee

Date: Thursday, January 6, 2022

Place: Council Chambers  
Richmond City Hall

Present: Councillor Bill McNulty, Chair  
Councillor Alexa Loo, (by teleconference)  
Councillor Chak Au  
Councillor Carol Day (by teleconference)  
Councillor Andy Hobbs  
Councillor Harold Steves (by teleconference)

Also Present: Councillor Linda McPhail (by teleconference)  
Councillor Michael Wolfe (by teleconference)

Call to Order: The Chair called the meeting to order at 4:00 p.m.

### MINUTES

It was moved and seconded

*That the minutes of the meeting of the Planning Committee held on December 9, 2021, be adopted as circulated.*

**CARRIED**

1. **APPLICATION BY CAO CONSTRUCTION FOR REZONING AT 6531 FRANCIS ROAD FROM THE "SINGLE DETACHED (RS1/E)" ZONE TO THE "ARTERIAL ROAD TWO-UNIT DWELLINGS (RDA)" ZONE**

(File Ref. No. RZ 19-878165; 12-8060-20-010332) (REDMS No. 6789491)

Staff highlighted that (i) the application is for a rezoning to enable subdivision to create two duplex lots, (ii) the application is consistent with the Arterial Road Land Use policy, and (iii) a development permit application will be required to address the form and character of the proposed duplexes.

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Discussion ensued regarding (i) any future changes in Step code 3 that will have provisions for grandfathering instream applications, (ii) the proposed frontage improvements, including proposals to relocate the existing sidewalk and adding landscape boulevard and new street trees, (iii) the accessibility of the sundeck from only one unit, (iv) concerns related to number of units proposed, and (v) lack of parking availability on the property site.

It was moved and seconded

*That Richmond Zoning Bylaw 8500, Amendment Bylaw 10332, for the rezoning of 6531 Francis Road from the "Single Detached (RS 1/E)" zone to the "Arterial Road Two-Unit Dwellings (RDA)" zone, be introduced and given first reading.*

**CARRIED**

Opposed: Cllr. Day

2. **APPLICATION BY HABIB SAMARI FOR REZONING AT 11320 WILLIAMS ROAD FROM THE "SINGLE DETACHED (RS1/E)" ZONE TO THE "COMPACT SINGLE DETACHED (RC2)" ZONE**  
(File Ref. No. RZ 21-930446; 12-8060-20-010303) (REDMS No. 6762896)

It was moved and seconded

*That Richmond Zoning Bylaw 8500, Amendment Bylaw 10303, for the rezoning of 11320 Williams Road from the "Single Detached (RS1/E)" zone to the "Compact Single Detached (RC2)" zone, be introduced and given first reading.*

**CARRIED**

3. **APPLICATION OF RESIDENTIAL RENTAL TENURE ZONING TO PRESERVE AND PROTECT 60 EXISTING, PURPOSE-BUILT RENTAL HOUSING SITES**  
(File Ref. No. 08-4057-08) (REDMS No. 6762046)

Staff reviewed the application, noting that (i) the report was in response to a Planning Committee referral, (ii) the recommendation is to amend zoning for 60 existing, purpose built, 100 percent rental housing sites to specify that units are occupied as only rental units if redeveloped, and (iii) the proposed bylaw is consistent with the Official Community Plan (OCP) policy.

Discussion ensued in regards to (i) incentives to build residential units, (ii) any additional density provided should be rental only, (iii) Provincial and Federal government responsibilities to support rental housing, (iv) developer incentives and encouraging developers to commit to seek funding resources to develop rental housing, (v) adapting the current policy into a bylaw that specifies that rental will remain rental but not limiting density.

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In reply to queries, staff noted that (i) a policy is a general indicator of what the City would like whereas a bylaw is a more precise tool and provides clarity to developers, (ii) value of property should not be affected as there was already a policy in place, (iii) this bylaw will reinforce the City's policy on the 60 existing 100 percent rental housing sites, (iv) staff will provide a memo listing the names of the 60 subject development sites, and (v) the 60 sites are buildings largely owned by corporations or developers rather than family owned.

John Roston, Richmond Rental Housing Advocacy Group, provided a submission ( attached to and forming part of these minutes as Schedule 1) and commented that he supports this bylaw and feels that a bylaw is stronger than a policy and that there is a need for purpose-built rentals not strata condos.

Dana Westermarck, Richmond resident spoke on the proposed bylaw and commented that (i) the development community will still make inquires whether there is a policy or a bylaw in place, (ii) imposing a zoning on a property will negatively impact property owners, and (iii) staff should engage developers and other stakeholders in discussions on how to use residential rental tenure.

It was moved and seconded

***That Richmond Zoning Bylaw No. 8500 Amendment Bylaw No. 10014 (Residential Rental Tenure to Preserve and Protect Existing, Purpose-Built Rental Housing Sites) be introduced and given first reading.***

The question on the motion was not called as discussion ensued with regard to protecting the existing purpose built stock of rental housing, and the need for an economic impact analysis and incentives to building new rental stock.

The question on the motion was then called and it was **CARRIED**.

4. **MANAGER'S REPORT**

***City Snapshots***

Staff noted that through online community engagement staff received about 100 comments and questions. A memo will be distributed to Council outlining the results of the engagement.

**ADJOURNMENT**

It was moved and seconded

***That the meeting adjourn (5:13 p.m.).***

**CARRIED**

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Certified a true and correct copy of the Minutes of the meeting of the Planning Committee of the Council of the City of Richmond held on January 6, 2022.

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Councillor Bill McNulty  
Chair

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Raman Grewal  
Legislative Services Associate

**Richmond Rental Housing Advocacy Group Submission to the Planning Committee Meeting,  
January 6, 2022, Agenda Item 3: APPLICATION OF RESIDENTIAL RENTAL TENURE ZONING**

There will be a major improvement in Richmond's severe housing crisis only when thousands of new market rental units are built instead of strata condos for sale to investors. This requires large purpose-built market rental projects. Such projects are only possible when:

- 1. The land is zoned for 100% rental which puts a cap on its value and makes rental profitable.**
- 2. The housing is 100% rental so that financing is available, and economies of scale keep rents reasonable.**

**The major obstacle to building more market rental is the speculative value of land.** Land that can be used to build strata condos for sale to investors commands a far higher price than land that can only be used for market rental because condos bring a far higher profit for the developer in the short term than market rental.

**As long as everyone believes that City Council will allow strata condos to be added to properties currently used 100% for rental, condo developers will pay far more for existing rental property than developers who want to add more market rental.**

The only way to get more market rental is to designate land parcels for 100% market rental. This proposed bylaw is the logical first step. Designate parcels for 100% rental that are already 100% rental.

**100% market rental housing is currently financed by pension funds, insurance companies that sell annuities and Residential Real Estate Investment Trusts, all of which have large amounts of funds to invest and need steady dependable returns over the long term.** They put up the financing and own the project. There are also federal low interest long term loans available for rental housing. Purpose-built rental housing builders and managers build the project and manage it for a fee. They have large economies of scale which enable them to keep rents reasonable, provide good service to tenants and keep them for the long term.

**This model only works for projects that are 100% rental. These purpose-built rental owners have no interest in buying the bottom two rental floors of a ten-storey building that is 80% strata condos.**

**We need purpose-built rental, not strata condos.** CMHC data shows that individual investors who rent out their strata condo charge on average 20% higher rents than professionally managed purpose-built 100% rental units, still lose money on the rental and look to sell at the earliest opportunity and evict the tenants.

What about the feedback from stakeholders?

The results were as expected. In essence, the question was: "Are you content with the profit you could make if land currently used for rental can only be used for rental in the future or would you rather make twice as much profit if we allow you to add condos for sale to investors?"

Developer organizations talked about compensation for the "reduction" in value if land is zoned for rental instead of strata condos. In other words, if we took a gamble and paid too much for this rental property because we believed Council would allow us to add strata condos, we should be compensated for the lower land value because we can only add market rental. Council can turn our losing gamble into a winner.

They also argue that if condos are permitted, the higher land value allows them to borrow more from the bank and build more housing. That is the model for financing strata condos, not market rental.