



Planning Committee

Date: Tuesday, May 17, 2022

Place: Council Chambers
Richmond City Hall

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

Also Present: Councillor Linda McPhail (by teleconference) left at 4:28 pm
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 May 3, 2022, be adopted as circulated.

CARRIED

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1. **REQUEST TO REVISE REZONING CONSIDERATIONS FOR THE APPLICATION BY BENE (NO. 3) ROAD DEVELOPMENT LTD. FOR REZONING OF THE PROPERTY AT 4700 NO. 3 ROAD FROM THE “AUTO-ORIENTED COMMERCIAL (CA)” ZONE TO A NEW “HIGH RISE OFFICE COMMERCIAL (ZC44) – ABERDEEN VILLAGE” ZONE (ITEM DEFERRED FROM MAY 3, 2022 PLANNING COMMITTEE)**
(File Ref. No. RZ 14-672055) (REDMS No. 6822556)

Staff advised that they engaged Real Estate Evaluators to review the value generated by the proposed additional office space and the value that would be generated by allowing stratification of office space. The value is calculated at \$1,204,324 through the addition of floor area alone. They were not able to quantify value created by allowing stratification. The applicant has agreed to make a voluntary contribution of \$357, 044.61 towards Affordable Housing, which together with the currently required contribution amount of \$847,279.32 towards City Facility development represents the approximate value the additional 0.5 FAR density bonus is anticipated to generate. Staff recommend the proposal be denied as the applicant’s revised proposal does not comply with City Policy

Discussion ensued regarding (i) the community amenity fund, (ii) the Council’s policy is based on providing additional density as an incentive for achieving the City’s objective for large floor plate leasable office space, (iii) there is limited incentive for other developers to take this route because of the costs associated to it, (v) this is a unique and site specific approach difficult to replicate on other sites. (vi) vacancy rates for office space in the downtown City Centre is about 5 percent, and (vii) with more people working from home whether there will be a need for large office spaces.

In response to queries from Committee, staff advised (i) the additional \$347,000 would capture the land lift that is created by the additional density, (ii) it is difficult to quantify demand for large office space, (iii) employees and businesses are looking for amenity rich office locations near rapid transit, (iv) large office space is important to attract large businesses to continue to serve local residents and businesses and to contribute to a resilient and diversified economy, (v) foreign buyer tax does not apply to commercial office space, and (vii) the only ability for the City to request large floor plate office space is through the incentive based policy.

It was moved and seconded

That the request to revise the rezoning considerations associated with Richmond Zoning Bylaw 8500, Amendment Bylaw 9216, for the creation of a new “High Rise Office Commercial (ZC44) – Aberdeen Village” zone, and for the rezoning of 4700 No. 3 Road from the “Auto-Oriented Commercial (CA)” zone to the new “High Rise Office Commercial (ZC44) – Aberdeen Village” zone, to remove the rezoning consideration limiting the subdivision of office space, be approved, and

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That the rezoning consideration be revised limiting subdivision of office space within the building (item #7 of the rezoning considerations) to the following: Registration of a legal agreement on title, limiting subdivision (including stratification and/or air space parcels) of the office space:

- *For the 9th and 10th floors, the top two floors of the building, no more than one strata lot or air space parcel per storey (single owner per storey of office space);*
- *For the 6th, 7th and 8th floors, no more than 12 strata lots or air space parcels per storey, and a minimum 60.4 m² (650 ft²) strata lot size;*
- *For the 5th floor, no more than two strata lots or air space parcels per storey, and a minimum 334.5 m² (3,600 ft²) strata lot size; and*

That a new rezoning consideration be added stating: “City acceptance of the developer’s voluntary contribution in the amount of \$357,044.61 to the City’s Affordable Housing Reserve.”

The question on the motion was not called as discussion ensued regarding the amenity contribution by the applicant, and that the applicant’s proposal being a reasonable compromise in this unique situation.

The question on the motion was called and **CARRIED** with Cllr’s Day and Steves opposed.

Cllr. McPhail left the meeting (4:28 p.m.) and did not return.

2. **APPLICATION BY PAKLAND PROPERTIES FOR REZONING AT 3660/3662 WILLIAMS ROAD FROM THE “TWO-UNIT DWELLINGS (RD1)” ZONE TO THE “SINGLE DETACHED (RS2/B)” ZONE**

(File Ref. No. RZ 21-936512) (REDMS No. 6886845)

Staff highlighted that the application is to permit the property to be subdivided into two single-family detached lots with each new lot providing a one bedroom secondary suite. The applicant will provide a \$10,000 tree survival security for the retention of two trees.

Discussion ensued regarding (i) affordable housing contributions for all rezoning applications, (ii) application complies with the Official Community Plan, (iii) relocation of current tenants of the property, and (iv) options to build something other than two single-family homes.

The Committee Chair referred to a submission by Laura Gillanders (attached to and forming part of these minutes as Schedule 1)

It was moved and seconded

3.

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That Richmond Zoning Bylaw 8500, Amendment Bylaw 10383, for the rezoning of 3660/3662 Williams Road from the “Two-Unit Dwellings (RD1)” zone to the “Single Detached (RS2/B)” zone, be introduced and given first reading.

CARRIED

Opposed: Cllrs: Day
 Steves

3. **REFERRAL RESPONSE: PROPOSED MANDATORY MARKET RENTAL HOUSING POLICY AND PROPOSED RENTAL HOUSING PARKING CHANGES**

(File Ref. No. 08-4057-08) (REDMS No. 6852754)

Staff highlighted the proposed amendments which are to secure 15 percent of the habitable floor area in a new development for market rental housing in apartment developments with more than 60 units. This recommendation is city wide. Townhouses and apartment developments that are less than 60 units would have the option to contribute cash in lieu or make use of an associated density bonus and lower parking rate to construct market rental units. Developments within 800 m of the Canada Line Station will have up to a 50 percent parking reduction. In stream applications would have 1 year from adoption of this policy to have their application receive first reading and then a year following Public Hearing to obtain final adoption in order to be considered under the existing policy. All other applications would have to adhere to the new market rental housing policy.

Discussion ensued regarding (i) this policy if adopted would be a mandatory requirement, not incentive based, (ii) there needs to be more emphasis on 100 percent purpose built rentals, (iii) the proposed 15 percent is the minimum amount of rental that would need to be provided through townhouse and apartment developments, (iv) increasing the minimum requirement too quickly may push developers to build in other municipalities, (v) a targeted Official Community Plan review is underway, (vi) there is a two year time line for grandfathering in stream applications, (vii) providing more incentives to developers to build 100 percent purpose built rental developments and (viii) reviewing this policy in the context of the Official Community Plan review.

In response to queries from Committee, staff advised that (i) there is existing policies in place that encourage 100 percent purpose built rental, (ii) 100 percent purpose built rental applications are reviewed on a priority basis, (iii) pre zoning of areas specific for 100 percent purpose built market rentals may have an effect on land values and (iv) the 15% contribution rate should be considered the floor, not the ceiling.

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John Roston, Rental Housing Advocacy Group, referred to his submission (attached to and forming part of these minutes as Schedule 2) and spoke about land values and the need for strategies to get 100 percent rental developments.

It was moved and seconded

The staff report “Referral Response: Proposed Mandatory Market Rental Housing Policy and Proposed Rental Housing Parking Changes” report be incorporated in the ongoing Official Community Plan review process

Discussion ensued that there is an affordable housing crisis and waiting for the Official Community Plan review will take too long as action needs to be taken now.

Question on the motion was called and **DEFEATED** with Cllrs Au, Day, McNulty, and Steves opposed.

It was moved and seconded

(1) *That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000 Amendment Bylaw 10375, which proposes to amend the following:*

(a) *in Schedule 1 of Richmond Official Community Plan Bylaw 9000, amend Section 3.3 “Diverse Range of Housing Types, Tenure and Affordability” by introducing City-wide market rental housing provisions for new development including:*

(i) *inserting language to secure a minimum of 15% of residential floor area as market rental units in new development that includes more than 60 apartment units;*

(ii) *inserting language to establish that for townhouse development with 5 or more units and apartment development with 60 or less units, a community amenity contribution may be accepted or voluntary construction of market rental units with an associated density bonus may be supported through a rezoning application; and*

(iii) *inserting language to clarify further parking reductions for secured rental housing.*

(b) *in Schedule 2.2A (Thompson Area Dover Crossing Sub-Area Plan), Schedule 2.4 (Steveston Area Plan), Schedule 2.10C (McLennan North Sub-Area Plan), Schedule 2.12 (Bridgeport Area Plan), and Schedule 2.14 (Hamilton Area Plan) of Richmond Official Community Plan Bylaw 9000, insert language to support density bonus provisions with respect to the Official Community Plan Market Rental Housing Policy, be introduced and given first reading.*

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(2) *That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375, having been considered in conjunction with:*

- *the City's Financial Plan and Capital Program; and*
- *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 and Bylaw 9000, Amendment Bylaw 10375, 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, is found not to require further consultation.*

(4) *That Richmond Zoning Bylaw 8500, Amendment Bylaw 10376, which proposes to update existing multi-family zones to reflect changes to the Official Community Plan Market Rental Housing Policy that introduce a mandatory market rental requirement be introduced and given first reading.*

(5) *That the following provisions apply to instream applications that are received prior to adoption of Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375 and Richmond Zoning Bylaw 8500, Amendment Bylaw 10376:*

- (a) *Instream rezoning applications may be exempt from the mandatory provision of market rental housing provided the application achieves first reading within one year of the amendment bylaws being adopted and final adoption and issuance of a Development Permit within one year following the associated Public Hearing; and*
- (b) *Instream Development Permit applications may be exempt from the mandatory provision of market rental housing provided the Development Permit is issued within one year of the amendment bylaws being adopted.*

Instream applications that are unable to comply with the timeline may be required to redesign to construct market rental housing.

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- (6) *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.*
- (7) *That Council review the policy annually.*

The question on the motion was not called as discussion ensued regarding reviewing the policy annually and applying an escalated mandatory market rental construction requirement approach if needed.

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

The following **referral motion** was introduced:

It was moved and seconded

That staff prepare a report on the best methods to attract 100 percent purpose built rental projects including the use of residential rental tenure zoning for suitable areas.

The question on the referral motion was not called as staff advised of other on going related referrals. Staff advised that they would incorporate this referral with the ongoing referrals when they report back to Committee.

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

4. **MANAGER'S REPORT**

(i) *Lot Size Policy*

Staff advised that they are preparing to send out consultation letters in early June regarding a proposed lot size policy amendment on Gilbert Road near Blundell Rd.

(ii) *Homelessness Dialogues*

Staff advised that a series of community homelessness dialogue sessions will be beginning in early June. Council will receive a memo later this week regarding the sessions and advertising will done through social media, the city website and a news release.

(iii) *Heritage Commission*

Staff advised that there are five recipients that were selected by the Heritage Commission for the 2022 heritage awards. This year the awards will be presented at the June 13 Council meeting.

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ADJOURNMENT

It was moved and seconded
That the meeting adjourn (6:16 p.m.).

CARRIED

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 Tuesday, May 17, 2022.

Councillor Bill McNulty
Chair

Raman Grewal
Legislative Services Associate

Schedule 1 to the Minutes of the
Planning Committee meeting of
Richmond City Council held on
Tuesday, May 17, 2022.

From: rs@gmail.com

Sent: Friday 10, 2022 2:15 PM

To: CityClerk <CityClerk@richmond.ca>; MayorandCouncillors <MayorandCouncillors@richmond.ca>

Subject: Item 2 - Planning May 17

City of Richmond Security Warning: This email was sent from an external source outside the City. Please do not click or open attachments unless you recognize the source of this email and the content is safe.

Dear Councillor McNulty,

I am submitting comments and concerns regarding Item 2 of the Planning Meeting scheduled for May 17, 2022. The proposal is for a duplex "two-unit dwelling (RD1)" at 3660/3662 Williams Road be rezoned to "single detached (RS2/B) zone.

This property is not only a duplex but is actually four separate dwellings. I know this because the mother of my stepsons lived there, renting one of the four units so we could all be close together in the same neighbourhood. This was an affordable rental unit close to Dixon, Manoah Steves, and Hugh Boyd schools and walking distance from Safeway, the West Dike, and Steveston.

These older duplexes and four-plexes house multiple families whereas a new single family home will sell for millions. Why is Richmond allowing rezoning (upzoning) from something more densified and affordable (two unit dwelling) to the least affordable zone (single detached)?

This is in my neighbourhood and close to our cozy corner where all the neighbours know each other and help each other out. The only reason my area of the 'Monds' is fairly occupied is because of the duplexes - we have 8 of them all together and they are occupied with families, empty-nesters, and seniors. Other areas of this grid are all single family homes and many of them large unoccupied mansions. Most families have been pushed out of the area, with the exception of a few older homes, and the duplexes and older townhouse complexes nearby. Duplexes are a great safeguard for housing as they don't get redeveloped into unaffordable mansions, and they are a more entry-level opportunity to move into housing with a yard. We even have one newer duplex development two doors down from us where an older duplex was redeveloped into a new duplex. The units are big enough for large families but remain much more affordable to purchase than a single family home.

We need to look at densifying our residential neighbourhoods where statistics are showing fewer and fewer families. This application is removing a more affordable type of housing and replacing it with the least affordable; it is the opposite of what we should be doing during a housing crisis.

Laura Gillanders
9611 Desmond Road
Richmond, BC V7E1R1
604-273-0078



Schedule 2 to the Minutes of the Planning Committee meeting of Richmond City Council held on Tuesday, May 17, 2022.

From: John Roston, Mr <john.roston@mcgill.ca>
Sent: May 12, 2022 4:48 PM
To: McNulty,Bill; Steves,Harold; Day,Carol; Au,Chak; Loo,Alexa; Hobbs,Andy
Cc: Brodie, Malcolm; McPhail,Linda; Wolfe,Michael; CityClerk; Hopkins,John; Erceg,Joe
Subject: Planning Committee Meeting on May 17

Follow Up Flag: Follow up
Flag Status: Completed

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Dear Councillor McNulty,
I would like to delegate remotely on Agenda Item 3 at the May 17 meeting and would also like my letter below to John Hopkins to be attached to the minutes as my written submission.

Thanks for your continuing cooperation on housing issues.
John Roston

john.roston@mcgill.ca
12262 Ewen Avenue
Richmond, BC V7E 6S8
Phone: 604-274-2726

From: John Roston, Mr
Sent: May 12, 2022 4:35 PM
To: Hopkins,John <JHopkins@richmond.ca>
Subject: Report for the May 17 Planning Committee

Hi John,
Comments and questions on your report for the May 17 Planning Committee:

The overall strategy envisioned by both your report and the Rollo consultants' report is to have a couple of floors of rental units in every high-rise strata condo building. This results in building hundreds of rental units and thousands of strata condo units, the latter for sale to investors. This is the exact opposite of what is needed – thousands of rental units and hundreds of strata condos. Worse than that, the rental units are managed by the strata condo developer that doesn't want to be in the rental business, can't get its money out quickly, relies on expensive bank financing and doesn't have enough rental units to benefit from economies of scale. The entire Rollo report is written from the point of view of this strata condo developer and how the rental units are a drag on the profitability of the project.

Contrast that strategy with projects that are 100% rental, owned by a pension plan or other entity that wants to be in the rental business, isn't looking to get its money out quickly, relies on cheap federal CMHC financing and benefits from economies of scale.

HOW DO WE GET THESE 100% RENTAL PROJECTS AND STOP TALKING ABOUT TOKEN 15% RENTAL??

Rental housing developers all say that the financial viability of their rental projects depends largely on their cost for the land. They point out that in many cases, rental is being built for landowners who have owned the land for many years,

so the current assessed value of the land is irrelevant to the profitability of the project. The huge Lansdowne Centre project is an excellent example. Why is no mention made of this scenario in the report?

For projects where the developer is going out to buy the land, the report refers to land values provided by city staff. What are those values? The report mentions that they have increased. "This increase in value appears to be driven by speculation on either density increases or more likely in pricing increases for strata units in the future." In other words, the increased price is based on the assumption that the land will be rezoned for strata condos rather than rental units. The report also mentions that land values may well decrease if the city requires more rental units. What is the assessed value of land currently used for already built single family housing, for townhouses, for 100% rental, for 100% strata condo? If the city rezones single family land for 100% rental will that not limit the increase in land value and enable profitable rental development?

The other major cost factor which figures prominently in the report is financing. Again, it is written from the point of view of the strata developer with a couple of floors of rental rather than the 100% rental developer. "The viability of increasing market rental requirements on larger parcels generally declined quite quickly, due to the combination of the increased assessed value for land and the increased interest and carrying costs with larger developments, with many costs being incurred up front, but revenue being deferred for up to 10 years." ... "Generally financiers and banks view projects that are going to take a long time to develop to be a greater risk than projects to be completed in a relatively short time and make greater demands from the developer in terms of lending and financing costs." The strata condo developer has to wait 10 years to get his money back from monthly rental payments by tenants. The 100% rental developer finances the construction very cheaply through CMHC's Rental Construction Financing Initiative ([Rental Construction Financing Initiative | CMHC \(cmhc-schl.gc.ca\)](#)) then sells the project to a pension fund and gets the money back immediately. Why is no mention made of this scenario in the report?

THERE IS HUGE DEMAND FROM PENSION PLANS AND OTHERS FOR LARGE 100% RENTAL PROJECTS. THEY ARE A PRIORITY FOR THE FEDERAL AND BC GOVERNMENTS. WHY ARE WE NOT GETTING REPORTS ON HOW TO ATTRACT THESE PROJECTS?? Because the Mayor and councillors don't ask for them and instead look for token gestures toward rental while continuing to build far larger amounts of strata condos for sale to investors. I will share these comments with them.

Many thanks to you and your staff for the huge effort you put into answering questions from Council. Obviously, I believe that you are being asked the wrong questions.

Best.
John

john.roston@mcgill.ca
John Roston
12262 Ewen Avenue
Richmond, BC V7E 6S8
Phone: 604-274-2726
Fax: 604-241-4254