



Planning Committee

Date: Tuesday, June 5, 2018

Place: Anderson Room
Richmond City Hall

Present: Councillor Bill McNulty, Vice-Chair
Councillor Chak Au (entered at 4:01 p.m.)
Councillor Alexa Loo
Councillor Harold Steves
Mayor Malcolm Brodie

Absent: Councillor Linda McPhail

Also Present: Councillor Derek Dang
Councillor Ken Johnston

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 23, 2018, be adopted as circulated.

CARRIED

NEXT COMMITTEE MEETING DATE

June 19, 2018, (tentative date) at 4:00 p.m. in the Anderson Room

PLANNING AND DEVELOPMENT DIVISION

1. APPLICATION BY YAMAMOTO ARCHITECTURE INC. FOR REZONING AT 7460 & 7480 RAILWAY AVENUE FROM SINGLE DETACHED (RS1/E) TO LOW DENSITY TOWNHOUSES (RTL4)

(File Ref. No. 12-8060-20-009873; RZ 15-707952) (REDMS No. 5789630)

Steven De Sousa, Planner 1, briefed Committee on the application, noting that vehicle access to the site will be via an existing Statutory Right-of-Way registered on-title of the adjacent townhouse site to the north. He added that the proposed development will provide a cash-in-lieu contribution to the City's Affordable Housing Reserve Fund.

It was moved and seconded

That Richmond Zoning Bylaw 8500, Amendment Bylaw 9873, for the rezoning of 7460 & 7480 Railway Avenue from "Single Detached (RS1/E)" to "Low Density Townhouses (RTL4)", be introduced and given first reading.

CARRIED

2. APPLICATION BY W.T. LEUNG ARCHITECTS, INC. ON BEHALF OF PARK VILLAGE INVESTMENTS LTD. & GRAND LONG HOLDINGS CANADA LTD. FOR REZONING AT 8071 AND 8091 PARK ROAD FROM "DOWNTOWN COMMERCIAL (CDT1)" TO "HIGH DENSITY MIXED USE (ZMU39) – BRIGHOUSE VILLAGE (CITY CENTRE)"

(File Ref. No. 12-8060-20-009878; RZ 17-779229) (REDMS No. 5767066 v. 5)

Cllr. Au entered the meeting (4:01 p.m.).

Diana Nikolic, Senior Planner/Urban Design, reviewed the application, noting that (i) the proposed development will include two residential towers and one mixed residential and office tower with at grade commercial and retail uses, (ii) the proposed development will provide 21 affordable housing units with a portion of the contribution designated as family-friendly units, and (iii) the proposed development will be working with the Lulu Island Energy Company on sustainable energy options for the site.

In reply to queries from Committee, staff noted that the proposed development will be providing a cash-in-lieu contribution to the Childcare Development Reserve Fund, and that the City is working with another developer to secure an early childhood development hub in the area.

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It was moved and seconded

- (1) *That Richmond Zoning Bylaw 8500, Amendment Bylaw 9878, to create the “High Density Mixed Use (ZMU39) - Brighthouse Village (City Centre)” zone, and to rezone 8071 and 8091 Park Road from “Downtown Commercial (CDT1)” zone to “High Density Mixed Use (ZMU39) -Brighthouse Village (City Centre)” zone, be introduced and given first reading; and*
- (2) *Staff be directed to prepare a service area bylaw to provide district energy services to the development at 8071 and 8091 Park Road.*

CARRIED

3. **AGRICULTURAL LAND RESERVE NON-FARM USE APPLICATION BY THE CITY OF RICHMOND TO HOST THE RCMP MUSICAL RIDE ON AUGUST 14, 2018, LOCATED AT 13671 AND 13871 NO. 3 ROAD**

(File Ref. No. AG 18-821304) (REDMS No. 5829890 v. 6)

Staff advised that the Agricultural Land Commission amended regulations in 2016 to require a non-farm use permit to host events with more than 150 attendees.

It was moved and seconded

That the application by the City of Richmond for an Agricultural Land Reserve Non-Farm Use application to host the RCMP Musical Ride event on August 14, 2018, located at 13671 and 13871 No. 3 Road, be endorsed and forwarded to the Agricultural Land Commission for approval.

CARRIED

4. **AGRICULTURAL LAND RESERVE NON-FARM USE APPLICATION BY THE CITY OF RICHMOND TO HOST THE GARDEN CITY LANDS FARMERS MARKET ON AUGUST 11, 2018, AT 5555 NO. 4 ROAD**

(File Ref. No. AG 18-821773) (REDMS No. 5845260 v. 9)

Staff advised that the Agricultural Land Commission amended regulations in 2016 to require a non-farm use permit to host events with more than 150 attendees.

It was moved and seconded

That the application by the City of Richmond for an Agricultural Land Reserve Non-Farm Use application to host the Garden City Lands Farmers Market on Saturday, August 11, 2018, located at 5555 No. 4 Road, be endorsed and forwarded to the Agricultural Land Commission for approval.

CARRIED

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5. **APPLICATION BY GBL ARCHITECTS LTD. ON BEHALF OF KELTIC (BRIGHOUSE) DEVELOPMENT LTD. FOR REZONING AT 6340 NO. 3 ROAD FROM " LAND USE CONTRACT 062 " TO "HIGH DENSITY MIXED USE AND ECD HUB (ZMU37) – BRIGHOUSE VILLAGE (CITY CENTRE)"**

(File Ref. No. 12-8060-20-009859; RZ 17-773703) (REDMS No. 5828120 v. 5)

Janet Digby, Planner 3, reviewed the proposed development, highlighting that (i) the proposed mixed-use development will consist of residential and office uses, (ii) the proposed development will provide for the development of an Early Childhood Development Hub (ECD) to be constructed by the developer at their sole cost and transferred to the City, (iii) The ECD hub will be approximately 19,000 ft² and the developer will be providing approximately 8,000 ft² of the overall facility size as a voluntary amenity, (iv) the proposed development will provide 27 Low End Market Rental Housing units, and (v) the applicant is proposing to utilize a low carbon energy plant to connect to a future District Energy Utility.

It was moved and seconded

- (1) *That Richmond Zoning Bylaw 8500, Amendment Bylaw 9859 to:*
- (a) *create the “High Density Mixed Use and ECD Hub (ZMU37) – Brighthouse Village (City Centre)” zone;and*
 - (b) *rezone 6340 No. 3 Road from “Land Use Contract 062” to “High Density Mixed Use and ECD Hub (ZMU37) – Brighthouse Village (City Centre);” and*
 - (c) *discharge “Land Use Contract 062,” entered into pursuant to “Techram Securities Ltd. Land Use Contract Bylaw No. 3366, 1977” (RD50359) from the Title of 6340 No. 3 Road;*
- be introduced and given first reading; and*
- (2) *That staff be directed to prepare a service area bylaw to provide district energy services to the development at 6340 No 3 Road.*

CARRIED

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6. **APPLICATION BY IBI GROUP ON BEHALF OF GOODWYN ENTERPRISES (2015) LTD., INC. NO. 1056275 FOR OFFICIAL COMMUNITY PLAN (OCP)/CITY CENTRE AREA PLAN (CCAP) AMENDMENT AND REZONING AT 7111, 7451 AND 7531 ELMBRIDGE WAY, 7600, 7640, 7671 AND 7880 ALDERBRIDGE WAY, 5751 AND 5811 CEDARBRIDGE WAY, 5003 MINORU BOULEVARD, FROM INDUSTRIAL RETAIL (IR1) TO A NEW SITE SPECIFIC ZONE**

(File Ref. No. RZ 16-724589) (REDMS No. 5749017 v. 12)

Correspondence received regarding the application was distributed (attached to and forming part of these minutes as Schedule 1).

An additional page to Attachment 11 to the staff report and a location map was distributed (attached to and forming part of these minutes as Schedule 2 and Schedule 3)

Ms. Nikolic reviewed the application and noted the following:

- the applicant is seeking to rezone 10 lots and amend the Official Community Plan (OCP) and the City Centre Area Plan (CCAP) to increase residential density from 2.0 FAR to approximately 3.0 FAR;
- the applicant is proposing to develop Lot 3 immediately while the redevelopment of the other lots may not occur until 2040 or beyond;
- the applicant is proposing to provide a contribution of 6% of the anticipated total residential floor area as affordable housing and may develop Lot 4 for seniors housing, although the applicant is unwilling to commit to zoning restrictions limiting development of Lot 4 to seniors housing;
- the applicant is proposing that the affordable and rental housing constructed on Lot 3 be transferred to the City with a lease to S.U.C.C.E.S.S. to operate the proposed housing development for 60 years;
- staff anticipate that rezoning the lots under the standard process consistent with the CCAP and the existing Affordable Housing Strategy, would secure additional affordable housing units;
- pre-zoning the sites will be precedent setting and encourage submissions of similar proposals;
- the proposed densities may have a cumulative effect of driving the population in the city centre area to 160,000, beyond the CCAP projections, and will strain existing city amenities, infrastructure and schools;

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- the proposed development is outside the designated village centre and the proposed building massing concepts is inconsistent with design guidelines in the area;
- the City's independent third party economic analysis suggest that the economic value of the proposed project to the developer is disproportionately larger compared to the economic value provided to the City; and
- staff are recommending that the application be denied due in part to inconsistencies with the CCAP.

Discussion ensued with regard to (i) the 60 year lease agreement with S.U.C.C.E.S.S., (ii) the rezoning process and the funding structure associated with completed affordable housing projects in the city, (iii) the varying densities proposed on the subject parcels, and (iv) the value of the proposed affordable housing contribution.

In reply to queries from Committee, staff noted that (i) the applicant proposes that Lot 3 would be transferred to the City with a prearranged lease to S.U.C.C.E.S.S. for a period of 60 years, (ii) proposed densities may vary across the 10 parcels; however the average density would be approximately 3.0 FAR, and (iii) pre-zoning the sites will restrict the City's ability to secure additional affordable housing and community amenities in the future.

With the aid of a PowerPoint presentation and referencing a submission (attached to and forming part of these minutes as Schedule 4), Harold Goodwyn, and Gary Andrishak, representing the applicant, noted the following:

- the applicant is proposing to provide a 210-unit affordable housing development and a 168-unit seniors facility upfront and at no cost to the City;
- the proposed affordable housing development will include a significant mix of family-friendly units;
- the applicant estimates the proposed development will provide approximately \$59-69 million in community benefits;
- development of the parcels through the standard rezoning process may reduce the opportunities to develop affordable housing;
- densification of the parcels will deliver more affordable housing upfront and will benefit local businesses; and
- the City could restrict additional development should the population in the area approach CCAP projections of 120,000.

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Discussion ensued with regard to (i) the potential cost of upgrading amenities and infrastructure required to support the potential increase in population, (ii) the long time frame of the proposed development, (iii) proximity of the parcels to parkland and transit, (iv) conceptual designs and uses of the parcels, (v) the potential risks of using a proposed 15-year term legal agreement to secure community amenity contributions instead of the standard rezoning process, and (vi) securing additional land for parks and schools to meet a potential increase in population.

Queenie Choo, Chief Executive Officer of S.U.C.C.E.S.S., expressed support for the proposed affordable housing development, noting that BC Housing committed a \$6 million grant to S.U.C.C.E.S.S. to increase the affordability of the proposed affordable housing development to future tenants.

David Hutniak, Chief Executive Officer of Landlord BC, expressed support for the proposed project and encouraged the Committee to consider the application.

Discussion ensued with regard to (i) historic examples of pre-zoning sites in the city, (ii) the potential challenges to secure community amenities by pre-zoning a site, and (iii) the differing methodologies used by the City and the applicant to calculate the community benefits of the proposed development.

As a result of the discussion, the following **motion** was introduced:

It was moved and seconded

That the Application by IBI Group on Behalf of Goodwyn Enterprises (2015) Ltd., Inc. No. 1056275 For Official Community Plan (OCP)/City Centre Area Plan (CCAP) Amendment and Rezoning at 7111, 7451 and 7531 Elmbridge Way, 7600, 7640, 7671 And 7880 Alderbridge Way, 5751 And 5811 Cedarbridge Way, 5003 Minoru Boulevard, from Industrial Retail (IR1) to a new site specific zone be referred back to staff.

Question on the motion was not called as discussion ensued with regard to (i) the proposal's inconsistencies with the CCAP, (ii) a further review of the proposed development and potential community benefit, and (iii) potential opportunities to secure additional affordable housing and community amenities through the standard rezoning process.

The question on the motion was then called and it was **DEFEATED**, with Mayor Brodie, and Cllrs. McNulty and Steves opposed.

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It was moved and seconded

That the application to amend the Official Community Plan (OCP) and City Centre Area Plan (CCAP), and to rezone the subject properties, including 7111, 7451 and 7531 Elmbridge Way, 7600, 7640, 7671 and 7880 Alderbridge Way, 5751 and 5811 Cedarbridge Way, 5003 Minoru Boulevard, from Industrial Retail (IR1) to a new site specific zone be denied.

CARRIED

Opposed: Cllrs. Au
Loo

7. MANAGER'S REPORT

None.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:03 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, June 5, 2018.

Councillor Bill McNulty
Vice-Chair

Evangel Biason
Legislative Services Coordinator

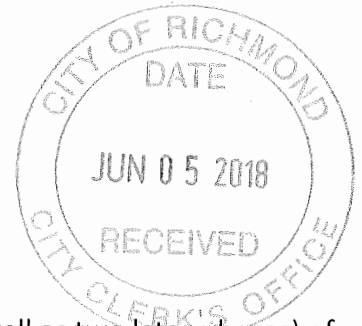
CityClerk

From: Julie Halfnights <jhalfnights@shaw.ca>
Sent: Saturday, 2 June 2018 17:13
To: CityClerk; McPhail,Linda
Cc: Nikolic,Diana; Craig,Wayne
Subject: Planning Committee, June 5, PLN333
Attachments: Julie Halfnights.vcf

PHOTOCOPIED

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Dear Ms McPhail, Chair, and the Richmond Planning Committee,

As a resident of the Ocean Walk complex across the road from the first phase (as well as two later phases) of this application, I would like to express my support for an initiative that provides desperately needed affordable housing quickly and in a format that can be properly controlled (I refer to significant issues with 'affordable' units in existing developments). The market rental and community amenity space for Richmond Chinese Cultural Society (or whatever community agency deemed appropriate) are also selling points for me.

I note the staff recommendation in the report significantly assumes that, if this application is successful, every following application in the area will also choose to increase density by the same amount....at least I think this is what it says as it seems entirely unreasonable that this application alone would result in 40,000 new residents in the planning area. There is no other developer willing to 'front' affordable housing nor, as far as I know, any who want to plan on providing space to community agencies, so I think this assumption should be set aside and only the real numbers associated with the project used (I looked for these in the report but couldn't find them). Furthermore, just as Council will decide upon this proposal, they will decide upon all future proposals; control of the numbers is solidly within the hands of Council.

I understand a reluctance by staff to pre-zone but given the scope and timeframe of the proposed plan, I think it should be seriously considered by a Council that knows, well, the desperate and immediate need for rental and affordable housing. Our Ocean Walk complex allows rentals and we see the individual landlord burnout that results in empty suites and unit sales; purpose built rental housing means the units will stay as rentals as long as the City sees the need. I also know the City has tried to amalgamate community amenity spaces for a variety of good reasons but this doesn't take into consideration the numerous community service agencies housed in leased properties that will soon be levelled for development. There is a study of such space underway (funded by the Richmond Community Foundation) but I fear the results will come too late and the Planning Department's response will take too long to encourage or insist that City Centre developers commit space to them, not all in one who-knows-when-available place, but scattered throughout our City Centre area in developments, much as proposed for RCCS by this proponent. This developer, as I understand it, worked incredibly hard to accommodate the needs of the Vancouver Coastal Health Mental Health Services into their refurbished building at the corner of Alderbridge and Lansdowne; they've proven to be good community citizens who research needs prior to planning and work with their lessees when building.

Finally, I want to speak to the assertion that a lack of school space for prospective resident children should be a factor in this decision; this is ridiculous as it has not been a consideration in anything that has happened in the City Centre area thus far. The School District and the City have not addressed needs in City Centre and continue to point fingers at one another (and the Ministry) as the reason no City Centre school(s) have been built – it is long past time for both bodies to sit down and look at how to 'do' schools differently in

'downtown'. Why not ask Goodwyn Enterprises if they would consider including space that could be rented for a school in the area (and maybe used for a church or similar needs)?

Please positively consider this proposal in light of what it offers, both today and in the future. I think our community will be better off if you do.

Julie Halfnights

1306-7555 Alderbridge Way, Richmond V6X 4L3

cell phone 604.868.3046

Email: jhalfnights@shaw.ca

MayorandCouncillors

From: Leslie Whittaker <lwhittaker@udi.org>
Sent: Monday, 4 June 2018 15:53
To: MayorandCouncillors
Subject: AFFORDABLE HOUSING PARTNERSHIPS IN THE CITY OF RICHMOND
Attachments: UDI Ltr M. Brodie June 4 2018 Affordable Housing Partnerships.pdf

Categories: - TO: MAYOR & EACH COUNCILLOR / FROM: CITY CLERK'S OFFICE

Good Afternoon Mayor Brodie and Council

On behalf of Anne McMullin, President and CEO of the Urban Development Institute (UDI), attached please find a letter addressing Affordable Housing Partnerships in the City of Richmond.

Regards

Leslie



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION

#200 – 602 West Hastings Street
Vancouver, British Columbia V6B 1P2 Canada
T. 604.669.9585 F. 604.689.8691
www.udi.bc.ca

June 4, 2018

Mayor Malcolm Brodie and Council
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Dear Mayor Brodie and Council:

Re: Affordable Housing Partnerships in the City of Richmond

On behalf of the members of the Urban Development Institute (UDI), we are pleased to learn that the City's Planning Committee will be considering RCG Group's proposed affordable housing partnership with S.U.C.C.E.S.S. at tomorrow's committee meeting.

While UDI doesn't typically provide comment on specific development proposals, we did want to take the opportunity to share our strong support for the delivery of innovative affordable housing partnerships between not-for-profit providers, private sector developers and various levels of government.

While such partnerships can be unique, complex, and may even require flexibility within the City's regular policy and planning frameworks, such proposals deserve thorough deliberation by the City's Planning Committee and Council, because when successful they can be incredibly beneficial to the community.

In recent years, Richmond has demonstrated a strong track record of delivering much needed affordable housing through innovative partnerships like Storeys and the Kiwanis Towers, and it's our hope that the City of Richmond will continue to work creatively in partnerships to take advantage of future opportunities like the one being proposed by RCG Group and S.U.C.C.E.S.S..

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne McMullin', written over a horizontal line.

Anne McMullin
President and CEO

S:\Public\POLICY\MUNICIPAL LIAISON\Richmond\Affordable Housing Strategy\UDI Ltr M. Brodie June 4 2018 Affordable Housing Partnerships.Doc

CityClerk

From: Diana Dilworth <diana@bcnpha.ca>
Sent: Tuesday, 5 June 2018 10:05
To: CityClerk
Subject: Input for Tonight's Planning Committee Meeting
Attachments: Richmond Planning Committee FINAL.docx

Attn: City Clerk

We would respectfully ask that the attached correspondence be provided to members of the City's Planning Committee for consideration in their deliberations at tonight's meeting.

Sincerely,

~ Diana

Manager, Government Relations
BC Non-Profit Housing Association



May 30, 2018

Planning Committee
c/o City Clerk
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Via email: cityclerk@richmond.ca

**RE: PLANNING COMMITTEE MEETING
REZONING – 7600 Alderbridge Way
Tuesday, June 5, 2018**

Dear Members of the Planning Committee,

We want to share our support for the rezoning application, submitted by the RCG Group for 7600 Alderbridge Way, which would allow for 210 new, purpose-built rental units, almost 60% of which will be designated as affordable, operated by SUCCESS. We are also supportive of the Housing Agreement which would allow for an increase in density on 10 parcels owned by the applicant in the City Centre area, the lease of land to SUCCESS, and the deeding of the property upon which the rental building sits, to the City of Richmond at no cost.

We are all aware that housing affordability and homelessness are critical issues affecting communities everywhere in British Columbia and that all levels of government have a role in addressing the complex issues that have brought us to this point. The participation of non-profit and private organizations such as SUCCESS and the RCG Group, coming to the table as partners in the development of new affordable housing is to be applauded.

Earlier this month, we launched an update of the Canadian Rental Housing Index and can confirm that there are 18,845 rental homes in your community, representing 25% of all households in the city. Almost half of those households are spending more than the accepted standard of 30% of their pre-tax income on rent and utilities, which is evidence of a serious affordability issue in your community. www.rentalhousingindex.ca

There is a definite need in the City to add new purpose-built rental and encourage the development of housing options for low-income earners and what is being called the “missing middle” demographic. The housing being proposed in this rezoning application is consistent with that need.

The BC Government’s recent budget targeted the development of 114,000 new affordable homes in the next 10 years. That target is consistent with our own research as presented in “An Affordable Housing Plan for BC (2017)”. Our plan provides an evidence-based approach to defining the affordability crisis in British Columbia and proposing realistic solutions to address it. The report, including a geographical breakdown of need for the Metro Vancouver Regional District, can be found at www.housingcentral.ca.

The proposed development supports the creation of 210 new rental units, over half of which are designated “affordable,” providing housing for young persons moving out on their own, families that need 2 and 3 bedrooms to grow, and seniors who are downsizing. There is a large group of people who just can’t afford, or have chosen not to, purchase a home. The construction of new rental units, both market and non-market, is a critical component of addressing the current housing crisis. And this rezoning application provides for just that.

We are very pleased to see that SUCCESS will be the management entity for the units, given their long-standing expertise, across the lower mainland, in ensuring that affordable units are built and targeted to those who need them most.

We would strongly encourage Mayor and Council to help ensure new secure, stable and affordable housing for your residents and to approve the rezoning application as has been requested.

Sincerely,



Jill Atkey,
A/CEO and Managing Director
BC Non-Profit Housing Association
www.bcnpha.ca



Thom Armstrong
Executive Director
Co-operative Housing Federation of BC
www.chf.bc.ca

About Housing Central: *Housing Central brings together the BC Non-Profit Housing Association (BCNPHA), Co-op Housing Federation of BC (CHF BC) Co-op Housing Federation of Canada (CHF Canada), Encasa Financial, Community Land Trust and COHO Management Services Society. Housing Central collaborates on cross-sector partnerships that help impact public, policy, media awareness and deliver world-class education and events to support its vision of a safe, affordable home for everyone. www.housingcentral.ca*

About BCNPHA: *Formed 25 years ago, BC Non-Profit Housing Association (BCNPHA) is the provincial umbrella organization for the non-profit housing sector comprised of nearly 600 members, including non-profit housing societies, businesses, individuals, partners and stakeholders. Together non-profit housing societies manage more than 100,000 units of long-term, affordable housing in over 2500+ buildings across the province.*

About CHFBC: *The Co-operative Housing Federation of BC (CHF BC) is the voice of housing co-ops in British Columbia. Made up of member housing co-ops and related stakeholders, the organization focuses on meeting the needs and supporting the opportunities for those living in co-op housing. The 250 co-op housing members in our province provide housing for approximately 15,000 families.*

MayorandCouncillors

From: MayorandCouncillors
Sent: Tuesday, 5 June 2018 13:13
To: 'emmett.mark@shaw.ca'
Subject: FW: Emmett Mark letter in support of RCG Proposal
Attachments: Emmett Mark Letter.docx

Hello,

This is to acknowledge and thank you for your email. Please be advised that copies of your email have been forwarded to the Mayor and each Councillor.

Thank you again for taking the time to contact Richmond City Council.

Hanieh Berg | Acting Manager, Legislative Services
City Clerk's Office | City of Richmond
6911 No. 3 Road, Richmond, BC V6Y 2C1

From: Emmett Mark [<mailto:emmett.mark@shaw.ca>]
Sent: Tuesday, 5 June 2018 09:55
To: MayorandCouncillors
Subject: Emmett Mark letter in support of RCG Proposal

Thank you!

June 3rd, 2018

Mayor Brodie and Council
City of Richmond
6911 No. 3 Road
Richmond, British Columbia V6Y 2C1
E: mayorandcouncillors@richmond.ca

Dear Mayor Brodie and Council,

My name is Emmett Mark; I'm a student, active community volunteer, and lifelong Richmondite. I was born at the Richmond Hospital, attended all my elementary and secondary schooling in our city, and now commute to UBC from my home near Number 1 Road several times a week. I'm proud to be writing in support of the RCG Group proposal that will bring more affordable housing to the Richmond City Centre area.

It's safe to say that I love living in Richmond. Growing up, there were so many things I took for granted, like our city's safe streets, how one could eat cuisine from diverse cultures and restaurants for days on end, and how Richmond contains urban development, green parks and farmland, all within city limits. How could any young Richmondite not cherish the memories of spooning Danny's Screammers on summer weekdays after a visit to any one of four local libraries? It's the little things that made growing up here so special, things that I wish even more young children and their families will be able to experience in the future.

The perceived but hypothetical opportunity to continue living in Richmond, starting a professional career and perhaps even a family, is a fantasy that should be closer to reality for myself and thousands of young people in our city. But I have to face the facts, houses in my neighborhood are several million dollars apiece. It's not cheap living in the greatest city on the west coast! Although I'm fortunate to be living at home while going to school, so many of my friends have moved out of Richmond due to the challenges our city poses in affordable housing for young people.

Housing for my generation is one of the most urgent challenges governments across the lower mainland face. This proposal provided by the RCG Group is a well thought out, constructive and creative idea that contributes to any long-term solution our city takes. It creates 210 affordable rental units to ensure contributing Richmondites from all walks of life don't have to say goodbye to our city. It will not cost the City of Richmond anything and the RCG Group will transfer operation of the rental housing to an experienced and well-respected organization, SUCCESS. BC Housing is prepared to make a financial commitment to ensure SUCCESS can operate the building.

Two aspects of this housing proposal that speak directly to me as a young person are how this project creates rental units that support tenants from diverse age and socio-economic backgrounds, as well as how close to transit and community services this project will be. The local City Centre community will be greatly strengthened by the diversity of residents living across these proposed 210 units. Additionally, transit-oriented density is highly important to young people who live and work in our city; this plan easily addresses this concern by creating units within walking distance of everything young

people require to remain engaged in the community, (the Canada Line, shopping and community services).

Overall, it is absolutely in the best interest of the City of Richmond and its residents to support the RCG Group in their dynamic plan to provide more affordable housing to people who live and work in our city. I'm lending my support to this idea and hope you all consider doing so yourselves.

Thank you for your time!

A handwritten signature in black ink, appearing to read "Emmett Mark". The signature is fluid and cursive, with a large initial "E" and "M".

Emmett Mark

Cost of construction

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Several major AH developers were consulted to confirm that the costs of constructing AH are the same as market housing and reflect the inclusion of durable materials and products in AH developments. The total hard and soft costs for a concrete building in Richmond, excluding land are approximately \$400/ft² or \$4,300/m².

Present Value of 7600 Alderbridge to the City

The present value to the City is negligible for the building and land at 7600 Alderbridge Way, which would be encumbered to provide AH and market rental housing for 60 years. A long term lease is comparable to a sale; therefore, the building and land value is provided up front to the leaseholder rather than to the land owner who is unable to use or otherwise benefit from the land/building. The present day total land value of 7600 Alderbridge Way reflects the housing encumbrances that would be registered on the property (including Low End Market Rental, non-market, and market rental housing) and the lease. Note that this value is assigned to the leaseholder (S.U.C.C.E.S.S.) rather than to the City.

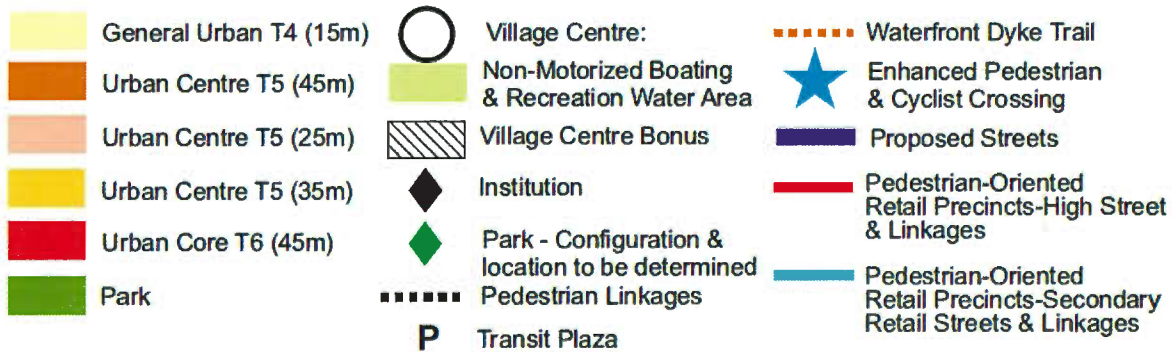
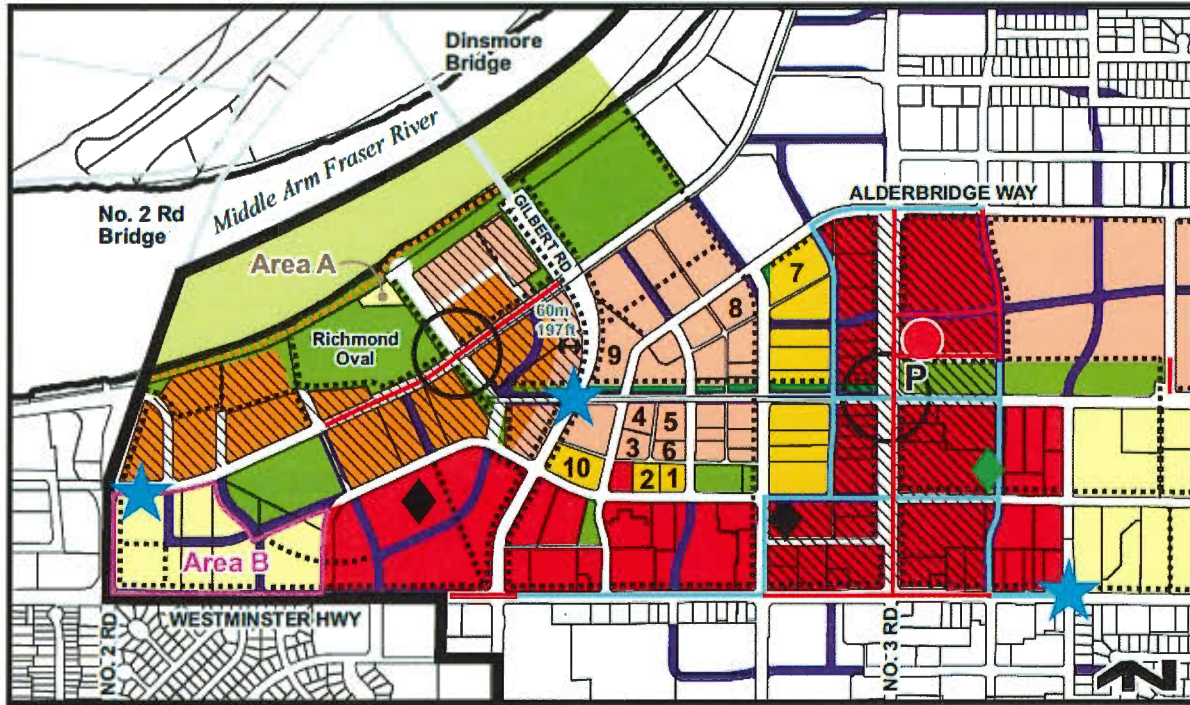
The value to the City is realized only at the termination of the lease. The present day value to the City in this scenario where the City can use the land in 60 years is less than \$2 million. This low value reflects a 2.5% annual decrease in value resulting from the City's inability to use the property for 60 years. The building has no notable associated value in 60 years and as the building ages, its maintenance becomes a liability that may or may not be addressed through the terms of the lease.

Table: Summary of Depreciating Value

Form of tenure	Value
Market residential strata title value of 7600 Alderbridge Way	\$21.2 million
Use of 7600 Alderbridge Way is restricted to rental only	63% less than a market residential strata title property
Rental only property with a 60 year lease	Leaseholder (S.U.C.C.E.S.S.) receives economic benefit
Value to property owner (i.e. value is realized after 60 years)	2.5% discount rate applied over 60 years to a property that is: -encumbered with legal agreements that restrict use to rental only; and -leased for 60 years



Map 1: Location of Subject Properties, Existing Designations & Location of Lansdowne and Oval Village Centre



- Lot 1: 7451 Elmbridge Way
- Lot 2: 7351 Elmbridge Way
- Lot 3: 7600 Alderbridge Way
- Lot 4: 7640 Alderbridge Way
- Lot 5: 5751 Cedarbridge Way
- Lot 6: 5811 Cedarbridge Way
- Lot 7: 7880 Alderbridge Way
- Lot 8: 5003 Minoru Boulevard
- Lot 9: 7671 Alderbridge Way
- Lot 10: 7111 Elmbridge Way

RCG Group
City of Richmond, Planning Committee Meeting – June 5, 2018

Key Considerations – Staff Report to Committee

Key Considerations regarding staff report Option 2, which would provide a path for the City to realize the significant community benefits of the proposal:

Staff require direction on specific aspects of the proposal should the application be referred back to staff:

1. **Increased density** – Committee direction is needed on whether there is support to increase residential density in Lansdowne Village.
 - Transit-Oriented Development - RCG's properties are located within easy walking distance of the Canada Line and, with residents and activity, support the important Lansdowne greenway that links Oval Village to the Canada Line.
 - The current 2.0 FAR designation is low for properties located as close to rapid transit as the RCG properties.
 - RCG's properties are located between two higher density areas – the Lansdowne area and the Olympic Oval, which is not adjacent to rapid transit.

2. **Pre-zoning** - Committee direction is needed on (a) whether there is support to pre-zone properties with an anticipated but unsecured development timeframe, and (b) whether a Phased Development Agreement (PDA) should be used.
 - RCG would accept a covenant on its 10 parcels that would protect the City's upside. If RCG does not develop a parcel within 10 years, the undeveloped parcels would be subject to the amenity expectations of the day, once developed.
 - The City does not have this type of flexibility with other property owners or master plans who enjoy CD-1 zoning.
 - RCG is also protecting the City's downside. The construction, today, of 210 units of rental housing will take place regardless of what happens to the market in the future. Should RCG decide not to develop parcels due to market conditions, or to develop uses that do not have affordable housing requirements (e.g. rental housing or seniors housing), it will have no impact on the up-front rental housing contribution that the City receives today.
 - The City receives certainty; risk is reduced on the downside, and the potential for upside is preserved.

3. **Affordable Housing Contribution** – Committee direction is needed on whether there is support to extend the grandfathering of the Affordable Housing (AH) Strategy requirements that apply to this application beyond July 24, 2018, and accept the developer's proposal to transfer ownership of 7600 Alderbridge Way to the City of Richmond.
 - RCG's proposed AH contribution is up-front, and therefore the social benefit will be realized immediately as opposed to being phased in over time. This provides an increase in benefit compared to a straight AH unit as percentage of area calculation.
 - The AH calculation is based on all parcels. For example, 63% of the AH calculation is based on parcels 7 to 10, which are under long-term leases. The aggregation of the parcels allows for a greater AH benefit, even though some of the properties may not be developed for residential use in the near- or intermediate-term.

- RCG would deed a significant asset to the City of Richmond, transferring privately owned land in the City Centre to public ownership. This exceeds the requirements of the Affordable Housing Strategy.

Public Opinion Survey of Richmond residents:

RCG commissioned an online survey of 300 Richmond residents between April 20 and May 4, 2018. The sample was divided between 150 Chinese and 150 non-Chinese residents, reflecting Richmond's demographic make-up, and is representative of age and sex. Following are key findings:

1. Overall, the results demonstrate the public's strong interest in housing issues, that the public sees a need for action on housing affordability, and that the public responds positively to RCG's proposal.
2. Richmond residents are currently focused on issues related to housing, which lead all other issues by a considerable margin.
 - Almost half of Richmond residents (44%), including a majority of women (51%), said housing/affordable housing/empty houses/low income housing/seniors housing is the most important top-of-mind issue facing Richmond today. The next highest issue mentioned was traffic (12%).
3. There is strong agreement that:
 - a mix of housing choices strengthens the community (78%),
 - that affordable rental housing has not kept pace with demand (70%);
 - and that housing affordability is a serious issue and that more aggressive steps need to be taken to ensure those who work in Richmond can afford to live in Richmond (75%).
4. A majority of Richmond residents support the five housing types tested:
 - Seniors' assisted living and "memory care" housing (73% support)
 - Affordable rental units for local workers with below-market rent based on household income (67%).
 - Market rentals – rental apartments at market rates (62%)
 - Market condominiums in concrete towers – strata building (55%)
 - Modular housing for the homeless (54%)
5. When provided an outline of RCG's proposal to rezone 10 sites in the City Centre area, over three-quarters (76%) of Richmond residents would like RCG's proposal "fully reviewed and considered as part of the City of Richmond's public planning process".
6. Over two-thirds (68%) of Richmond residents support RCG's proposal compared to one-in-ten that oppose it. There is strong support from both Chinese and non-Chinese residents, males and females.

Key Findings

The following are key findings from an online survey of 300 Richmond residents between April 20 and May 4, 2018. The sample is divided between 150 Chinese and 150 non-Chinese residents, reflecting Richmond's demographic make-up, and is representative of age and sex.

1. Overall, the results demonstrate the public's strong interest in housing issues, that the public sees a need for action on housing affordability, and that the public responds positively to RCG's proposal.
2. Richmond residents are currently focused on issues related to housing, which lead all other issues by a considerable margin. Almost half of Richmond residents (44%), including a majority of women (51%), said housing / affordable housing / empty houses / low income housing / seniors housing is the most important top-of-mind issue facing Richmond today. The next highest issue mentioned was traffic (12%).
3. There is strong agreement that a mix of housing choices strengthens the community (78%), that affordable rental housing has not kept pace with demand (70%); and that housing affordability is a serious issue and that more aggressive steps need to be taken to ensure those who work in Richmond can afford to live in Richmond (75%), including 64% of non-Chinese residents who strongly agree.
4. A majority of Richmond residents support the five housing types tested:
 - Seniors' assisted living and "memory care" housing (73% support)
 - Affordable rental units for local workers with below-market rent based on household income (67%). Non-Chinese residents were 81% in support.
 - Market rentals - rental apartments at market rates (62%)
 - Market condominiums in concrete towers – strata building (55%)
 - Modular housing for the homeless (54%)
5. When provided an outline of RCG's proposal to rezone 10 sites in the City Centre area, over three-quarters (76%) of Richmond residents would like RCG's proposal "fully reviewed and considered as part of the City of Richmond's public planning process".
6. Over two-thirds (68%) of Richmond residents support RCG's proposal compared to one-in-ten that oppose it. There is strong support from both Chinese and non-Chinese residents, males and females.

Results

1. In your opinion, what is the most important issue facing the City of Richmond today?

	Total	Male	Female
Housing/affordable housing/too many empty houses/low income housing/senior housing	44%	36%	51%
Traffic	12%	14%	10%
Over development/too much	7%	4%	10%
Immigration	5%	6%	3%
Cost of living	4%	6%	2%
Taxes	4%	5%	3%
Population density	4%	2%	6%
Crime/drugs	3%	4%	2%
Jobs/employment/wages	3%	1%	4%
Public transit	3%	1%	4%
Poor infrastructure	3%	3%	3%
Language/culture	3%	4%	2%
Healthcare	2%	2%	2%
Losing farmland	2%	2%	3%
Roads	2%	3%	1%
Gas prices	1%	1%	0%
Environment/pollution	1%	1%	1%
Racism	1%	-	3%
Economy/business opportunity	1%	-	2%
Poor drivers	1%	1%	0%
Homeless	0%	1%	1%
Poor leadership	0%	1%	-
Other	3%	4%	3%
None/nothing	1%	1%	-
Don't Know/refused	4%	5%	3%

2. For the following organizations, please let me know if you have a favourable or unfavourable impression of them.

City of Richmond Municipal Government	Total	Male	Female
Very favourable	5%	3%	6%
Somewhat favourable	39%	29%	47%
Neutral	31%	38%	24%
Somewhat unfavourable	18%	20%	17%
Very unfavourable	6%	8%	5%
Don't Know	1%	1%	1%
Total: Favourable	43%	32%	53%
Total: Unfavourable	25%	28%	21%
Net: Favourable	+18	+4	+32

S.U.C.C.E.S.S., a non-profit charitable organization that provides housing, settlement, and other social services	Total	Male	Female
Very favourable	10%	8%	11%
Somewhat favourable	34%	29%	38%
Neutral	40%	44%	37%
Somewhat unfavourable	9%	13%	6%
Very unfavourable	2%	2%	2%
Don't Know	5%	5%	5%
Total: Favourable	43%	37%	50%
Total: Unfavourable	11%	15%	8%
Net: Favourable	+32	+22	+42

3. How strongly do you agree or disagree with the following statements?

A) The supply of new affordable rental housing in Richmond has not kept pace with the demand.

	Total	Male	Female
Strongly agree	37%	31%	42%
Somewhat agree	34%	38%	30%
Neither agree nor disagree	21%	24%	19%
Somewhat disagree	5%	5%	5%
Strongly disagree	1%	-	2%
Don't Know	1%	2%	1%
Total: Agree	70%	69%	72%
Total: Disagree	7%	5%	8%

B) Ensuring there is a mix of housing choices for people of all incomes and ages in Richmond helps strengthen our community.

	Total	Male	Female
Strongly agree	34%	26%	41%
Somewhat agree	44%	47%	41%
Neither agree nor disagree	15%	18%	12%
Somewhat disagree	5%	7%	4%
Strongly disagree	1%	1%	1%
Don't Know	1%	1%	1%
Total: Agree	78%	73%	82%
Total: Disagree	6%	8%	5%

C) The housing affordability issue in Richmond is serious and the City government should take more aggressive steps to ensure that people who work in Richmond can afford to live in Richmond.

	Total	Male	Female
Strongly agree	43%	33%	52%
Somewhat agree	32%	31%	33%
Neither agree nor disagree	16%	20%	12%
Somewhat disagree	7%	12%	3%
Strongly disagree	1%	2%	1%
Don't Know	1%	1%	1%
Total: Agree	75%	64%	84%
Total: Disagree	9%	14%	4%

4. When thinking about growth in Richmond, do you support or oppose the City of Richmond’s City Centre Area Plan (CCAP) to improve quality of life and develop diverse, urban neighbourhoods in the City Centre within walking distance of the Canada Line?

	Total	Male	Female
Have not heard of it	19%	15%	22%
Strongly support	19%	20%	19%
Somewhat support	39%	39%	39%
Neither support nor oppose	11%	14%	9%
Somewhat oppose	4%	4%	3%
Strongly oppose	2%	3%	2%
Don’t know enough to say	6%	6%	5%
Total: Support	59%	59%	59%
Total: Oppose	6%	7%	5%
Net: Support	+53	+52	+54

5. Are you familiar with the City of Richmond’s Affordable Housing Strategy?

	Total	Male	Female
Very familiar	3%	5%	0%
Somewhat familiar	38%	36%	40%
Not very familiar	44%	47%	42%
Not familiar at all	16%	13%	18%
Top 2: Familiar	40%	40%	40%
Bottom 2: Not Familiar	60%	60%	60%

6. Do you support or oppose building more of the following types of housing in Richmond’s City Centre?

Summary (highest to lowest)	Support	Oppose
Seniors’ assisted living and “memory care” housing	73%	4%
Affordable rental units for local workers with below-market rent based on household income	67%	10%
Market rentals (rental apartments at market rates)	62%	12%
Market condominiums in concrete towers (strata building)	55%	18%
Modular housing for the homeless	54%	21%

A) Modular housing for the homeless

	Total	Male	Female
Strongly support	19%	21%	17%
Somewhat support	35%	34%	37%
Neutral	23%	22%	23%
Somewhat oppose	12%	13%	11%
Strongly oppose	9%	6%	11%
Unsure	3%	3%	2%
Total: Support	54%	55%	54%
Total: Oppose	21%	19%	22%
Net: Support	+33	+36	+32

B) Affordable rental units for local workers with below-market rent based on household income

	Total	Male	Female
Strongly support	29%	23%	36%
Somewhat support	38%	33%	41%
Neutral	21%	30%	13%
Somewhat oppose	8%	10%	7%
Strongly oppose	2%	1%	3%
Unsure	2%	3%	1%
Total: Support	67%	56%	77%
Total: Oppose	10%	10%	10%

C) Market condominiums in concrete towers (strata building)

	Total	Male	Female
Strongly support	10%	11%	10%
Somewhat support	44%	42%	46%
Neutral	24%	25%	24%
Somewhat oppose	12%	13%	10%
Strongly oppose	7%	5%	8%
Unsure	2%	3%	2%
Total: Support	55%	54%	56%
Total: Oppose	18%	19%	18%
Net: Support	+37	+35	+38

D) Market rentals (rental apartments at market rates)

	Total	Male	Female
Strongly support	18%	17%	19%
Somewhat support	44%	40%	48%
Neutral	25%	30%	21%
Somewhat oppose	9%	9%	9%
Strongly oppose	3%	3%	3%
Unsure	1%	2%	1%
Total: Support	62%	57%	67%
Total: Oppose	12%	12%	11%
Net: Support	+50	+45	+56

E) Seniors' assisted living and "memory care" housing

	Total	Male	Female
Strongly support	38%	28%	47%
Somewhat support	36%	37%	35%
Neutral	21%	29%	14%
Somewhat oppose	3%	4%	2%
Strongly oppose	1%	1%	2%
Unsure	1%	2%	1%
Total: Support	73%	65%	81%
Total: Oppose	4%	5%	3%
Net: Support	+69	+60	+78

7. Description of Proposal:

- A family-owned, Richmond-based company owns 15 acres across 10 sites in the City Centre area of Richmond, located between No. 3 Road and the Olympic Oval.
- The company proposes to rezone the 10 sites to permit for medium to high-density residential and mixed-use development and to increase the density on these sites from two-times the site area as currently designated to three-times the site area consistent with the overall City Centre area.
- In exchange for the higher density, the landowner would immediately build 210 units of rental housing as the first phase, which would include:
 - 24 units of subsidized rental units,
 - 98 rental units for local workers with rent based on family income, and
 - 88 rental units based on market rental rate.
- The rental unit mix would be 10% studio, 30% 1-BR, 30% 2-BR, and 30% 3-BR units.
- This 210-unit rental housing development would be completed by and paid for by the landowner
- The landowner would also build a 168-unit seniors rental housing complex in the first phase, which includes memory care and assisted living units for seniors.
- The remainder of the sites would be developed over time, with over half of the sites not expected to be developed for over 10-15 years.

8. Based on this information, do you think this proposal should be fully reviewed and considered as part of the City of Richmond’s public planning process?

	Total	Male	Female
Yes	76%	72%	79%
No	9%	12%	6%
Unsure	15%	16%	14%

9. Do you think you would support or oppose this proposal?

	Total	Male	Female
Strongly support	15%	14%	16%
Somewhat support	53%	50%	56%
Neither support nor oppose	16%	20%	12%
Somewhat oppose	7%	8%	6%
Strongly oppose	3%	3%	3%
Unsure	6%	6%	7%
Total: Support	68%	64%	72%
Total: Oppose	10%	10%	9%
Net: Support	+58	+54	+63

10. Please indicate if each one makes you more supportive of, or more opposed to this proposal.

Summary (highest to lowest)	More supportive	More opposed
Upon completion of construction of the 210-unit affordable housing building, the landowners will transfer ownership of the land to the City of Richmond at no cost to the City of Richmond or its taxpayers.	75%	15%
The proposed plan would increase the rental housing mix in the City Centre area so that there are more alternatives for local workers, families, and seniors.	73%	14%
All new rental, market condo, and seniors housing would be within easy walking distance of the Canada Line.	72%	15%
122 units of affordable housing and 98 units of market rental would be built and delivered first, as phase one, to benefit the community and as a requirement of the increased zoning density.	69%	18%
New buildings on the sites would be built to heights of 8-storeys to a maximum height as permitted in the City Centre of 15- storeys.	59%	23%
The phase one affordable housing and rental unit building would be owned and managed by the non-profit society, S.U.C.C.E.S.S.	53%	30%

A) 122 units of affordable housing and 98 units of market rental would be built and delivered first, as phase one, to benefit the community and as a requirement of the increased zoning density.

	Total	Male	Female
Much more supportive	18%	17%	18%
Somewhat more supportive	51%	48%	54%
Somewhat more opposed	13%	14%	13%
Much more opposed	5%	6%	4%
Makes no difference to me	5%	7%	4%
Unsure	8%	8%	7%
Total: More supportive	69%	66%	72%
Total: More opposed	18%	20%	17%

B) The phase one affordable housing and rental unit building would be owned and managed by the non-profit society, S.U.C.C.E.S.S.

	Total	Male	Female
Much more supportive	13%	10%	16%
Somewhat more supportive	40%	37%	42%
Somewhat more opposed	20%	20%	20%
Much more opposed	10%	14%	7%
Makes no difference to me	8%	10%	6%
Unsure	9%	8%	10%
Total: More supportive	53%	47%	58%
Total: More opposed	30%	34%	26%

C) The Richmond Community Chinese Society (RCCS) would be granted 5,000 square feet of space in the Seniors' facility to carry on its community activities

	Total	Male	Female
Much more supportive	10%	9%	11%
Somewhat more supportive	37%	36%	38%
Somewhat more opposed	19%	20%	18%
Much more opposed	15%	16%	15%
Makes no difference to me	9%	11%	8%
Unsure	9%	8%	9%
Total: More supportive	47%	46%	49%
Total: More opposed	34%	36%	33%

D) New buildings on the sites would be built to heights of 8-storeys to a maximum height as permitted in the City Centre of 15- storeys.

	Total	Male	Female
Much more supportive	11%	10%	12%
Somewhat more supportive	47%	48%	47%
Somewhat more opposed	14%	15%	13%
Much more opposed	9%	10%	8%
Makes no difference to me	11%	12%	11%
Unsure	8%	6%	9%
Total: More supportive	59%	58%	59%
Total: More opposed	23%	24%	21%

E) All new rental, market condo, and seniors housing would be within easy walking distance of the Canada Line.

	Total	Male	Female
Much more supportive	25%	22%	28%
Somewhat more supportive	47%	43%	50%
Somewhat more opposed	12%	15%	9%
Much more opposed	3%	5%	2%
Makes no difference to me	6%	7%	5%
Unsure	7%	8%	5%
Total: More supportive	72%	65%	78%
Total: More opposed	15%	20%	12%

F) The proposed plan would increase the rental housing mix in the City Centre area so that there are more alternatives for local workers, families, and seniors.

	Total	Male	Female
Much more supportive	19%	17%	22%
Somewhat more supportive	54%	52%	55%
Somewhat more opposed	12%	12%	11%
Much more opposed	2%	4%	1%
Makes no difference to me	5%	6%	3%
Unsure	8%	8%	8%
Total: More supportive	73%	69%	77%
Total: More opposed	14%	16%	12%

G) Upon completion of construction of the 210-unit affordable housing building, the landowners will transfer ownership of the land to the City of Richmond at no cost to the City of Richmond or its taxpayers.

	Total	Male	Female
Much more supportive	25%	22%	28%
Somewhat more supportive	50%	47%	51%
Somewhat more opposed	12%	16%	9%
Much more opposed	3%	5%	1%
Makes no difference to me	3%	4%	2%
Unsure	7%	6%	8%
Total: More supportive	75%	70%	80%
Total: More opposed	15%	21%	10%

Methodology

Survey results cited in this report are from online interviews with a representative sample of 300 Canadian citizens residing within the City of Richmond, between the ages of 18 and older.

The survey was conducted between April 20th and May 4th, 2018.

The data was weighted by age, sex, and ethnicity (50% Chinese ethnicity; 50% non-Chinese), based on most recent Census figures.

Technically, a margin-of-error is not possible using an online panel, which uses a representative rather than a random sample. However, by comparison, the margin-of-error for a probability sample of 300 Vancouver residents is +/- 5.7%, 19 times out of 20.

Financial Evaluation of Proposed Amenity
Contribution for Rezoning Application by RCG Group,
Richmond BC

25 May 2018

CONFIDENTIAL

Prepared for:
RCG Group and IBI Group

By:

coriolis 
CONSULTING CORP.

Summary

RCG Group has submitted a rezoning application for ten properties in Richmond's City Centre to allow the development of a mix of strata residential, market rental, low end of market rental (LEMR), subsidized housing, and senior's housing. RCG intends to develop the properties on a phased basis over the long term. The first phase would include all of the proposed market rental, LEMR and subsidized units.

If approved, the rezoning will increase the value of the applicant's properties.

For rezonings that are not contemplated in the City Centre Area Plan (CCAP), it is the City's practice to negotiate a portion of the increased land value created by the rezoning as an amenity contribution. However, Richmond does not have a written policy that identifies the approach to a negotiated amenity contribution or the share of the increase in value that should be allocated toward an amenity contribution.

Therefore, RCG Group commissioned Coriolis Consulting Corp. to estimate the potential increase in property value associated with the proposed rezoning, compare this with the value of the public benefits package being proposed by RCG, and comment on whether the proposed contribution is reasonable in financial terms.

Estimated Increase in Land Value Due to Proposed Rezoning

RCG proposes to rezone ten properties, of which nine will be retained by RCG. On the tenth site (Site 3), RCG will build a new affordable housing project, turn it over to a non-profit operator, and transfer ownership of the land to the City at no cost to the City.

The first step in our evaluation is to estimate the incremental land value created by the additional proposed floorspace (beyond the 2.0 FAR permitted under the CCAP) for the nine properties being retained by RCG. This includes:

- An increase of 480,343 square feet of strata residential space.
- An increase of 120,082 square feet of seniors' rental residential space.
- A reduction of 56,775 square feet of required LEMR space on the nine sites.

Our estimate of the overall increase in land value for the nine properties that will be retained by RCG due to the proposed rezoning is about \$87.2 million.

Estimated Value of Proposed Public Benefits

RCG proposes to construct a new 210 unit affordable housing project at Site 3 and turn the building over to a non-profit operator (S.U.C.C.E.S.S.) for 60 years at a nominal rent of \$1.00 per year. At completion of construction, the ownership of the site would be transferred to the City of Richmond at no cost to the City. RCG would be responsible for all costs associated with creating the new affordable housing project. Upon completion a mortgage would be obtained by the non-profit operator, the proceeds of which would be paid to RCG to purchase the building. RCG would be responsible for the additional costs not covered by the mortgage.

In addition, RCG proposes to construct 10,032 square feet of amenity space at Site 4 which would be made available for use by non-profit groups at a nominal rent.

The overall estimated value of the proposed public benefits package is between \$58.9 million and \$68.5 million depending on the land value allocated to Site 3, the final cost of the affordable housing project and the mortgage terms available to the non-profit housing provider upon completion of the building.

Conclusions

The proposed public benefits contribution is equal to between 68% and 79% of the estimated increase in land value due to the rezoning, as shown in the following exhibit.

Comparison of Increase in Land Value with Proposed Public Benefits Value

Estimated Increase in Land Value due to Rezoning (before amenity contribution)	\$87.2 million
Total Value of Affordable Housing and Amenity Contribution	\$58.9 to \$68.5 million
Share of Increased Value Allocated to Public Benefits	68% to 79%

Richmond has no written policy or practice about the share of increased value that should be considered for a negotiated amenity contribution. Therefore, RCG asked us to comment on whether the share of increased value being proposed by RCG for the overall amenity contribution is reasonable. We considered the following:

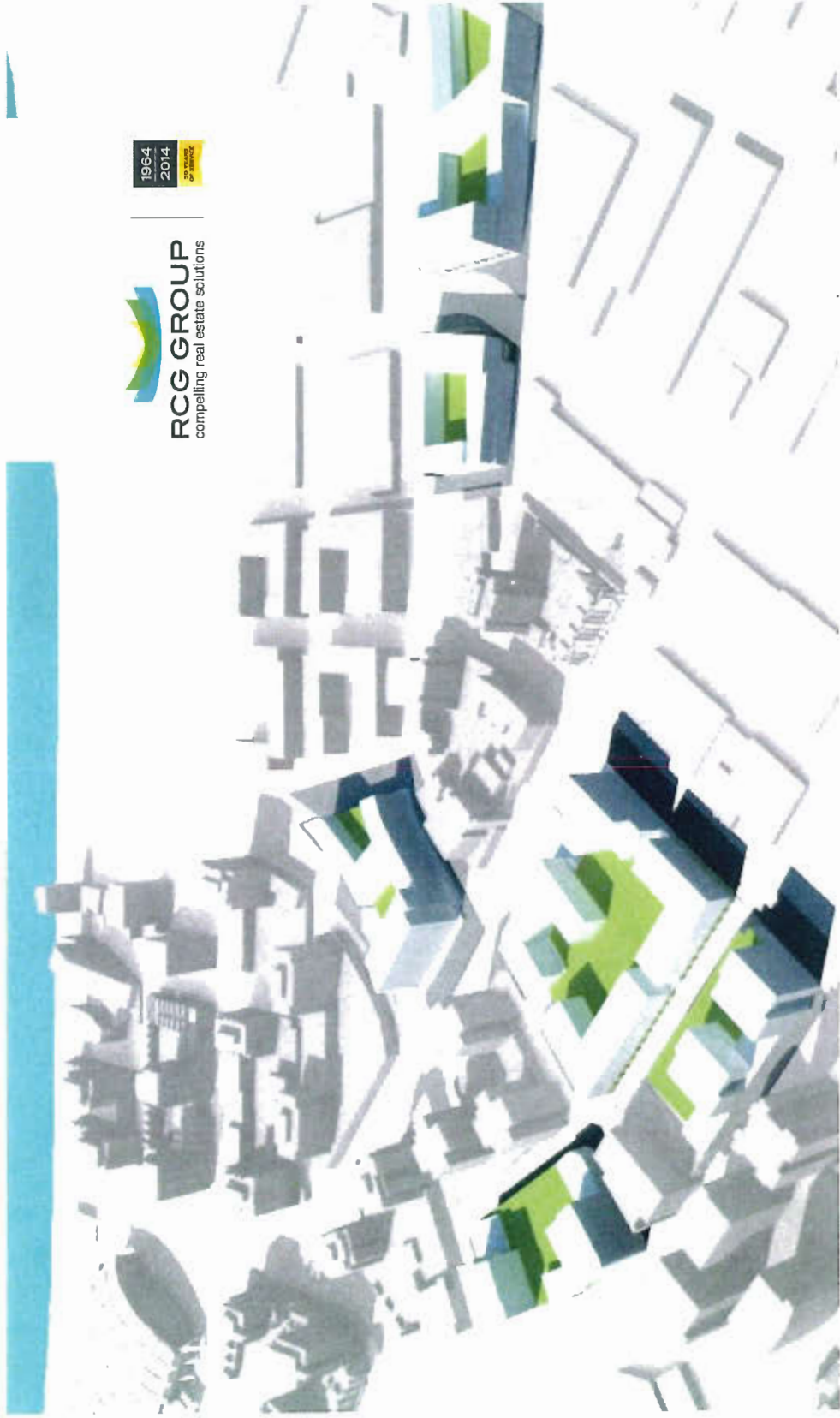
1. Although Richmond does not have a written policy, Richmond staff indicate that the City has aimed for a high share of increased value in the few instances that amenity contributions have been negotiated.
2. Other Metro Vancouver municipalities also aim for a high share of any increased land value to be allocated toward amenity contributions. The approaches used by each municipality vary, but municipalities that negotiate the value of contributions at rezoning typically seek between about 50% and 75% of increased land value created by increased residential density.

It is notable that municipalities typically seek significantly less than 100% of the increased value from a rezoning. Otherwise, there would be no financial reason for an applicant to proceed with rezoning. Applicants would be better off buying another property for full market value given the time, costs and risks associated with rezoning.

The RCG proposal allocates about 68% to 79% of the estimated increase in land value to the public benefits package. This brackets the upper limit typically targeted by other major Metro Vancouver municipalities that negotiate the value of amenity contributions from residential rezonings (75%), so we think that the value of the public benefits package proposed by RCG is reasonable.

It is worth noting that the proposed public benefits package provides some benefits to the City and allocates risks to RCG that are not captured by our financial evaluation and should be taken into account by the City as part of the determination of an appropriate overall amenity contribution. Each suggests a lower amenity contribution could be considered:

1. RCG proposes to take on all of the risk associated with creating the affordable housing on Site 3, so the actual total cost to RCG may be higher than currently estimated as the total cost will be impacted by changes in construction costs and borrowing costs over the next two to three years. There is currently upward pressure on construction costs and borrowing rates. Therefore, it is possible that RCG may need to inject additional equity beyond the \$40.4 to \$42.3 million estimate. Relatively small changes in construction and borrowing costs could materially increase the overall cost of the public benefits package to RCG.
2. RCG proposes to provide all of the affordable housing upfront (rather than phasing it over time) which is a benefit to the community.
3. Building the affordable housing upfront creates the risk to RCG that recovery of the affordable housing costs from development of the nine retained sites will be delayed if the nine sites are not redeveloped in the short term.
4. If land values decline over the next decade or so, the benefit to RCG of the additional development rights could be less than estimated in this analysis.
5. If RCG's development program at the nine sites that it retains changes over time to include less strata residential floorspace (and more commercial or rental space), then RCG will have provided more LEMR space than currently required by City policy.



1964
2014
50th ANNIVERSARY

RCG GROUP
compelling real estate solutions



IBI GROUP
5 Jun 2018

Planning Committee
City of Richmond

RCG GROUP & RICHMOND



IBI GROUP





Planning Committee
City of Richmond


5 Jun 2018


2


COMMUNITY BENEFITS


- 

Immediate affordable housing/workforce housing
- 

Realignment of Minoru/Alderbridge intersection
- 

Land given in perpetuity to the City of Richmond
- 

Implementation of Lansdowne Linear Parkway for Sites 4 & 5
- 

Seniors facility
- 

\$59M – 69M estimated community benefit

COMMUNITY BENEFITS

Coriolis Consulting Community Benefits Report

\$87M

Est. increased
density

\$59M – 69M

Est. community
benefit

68% – 78%

Value of public
benefit



Report: Coriolis Consulting, May 2018



IBI GROUP

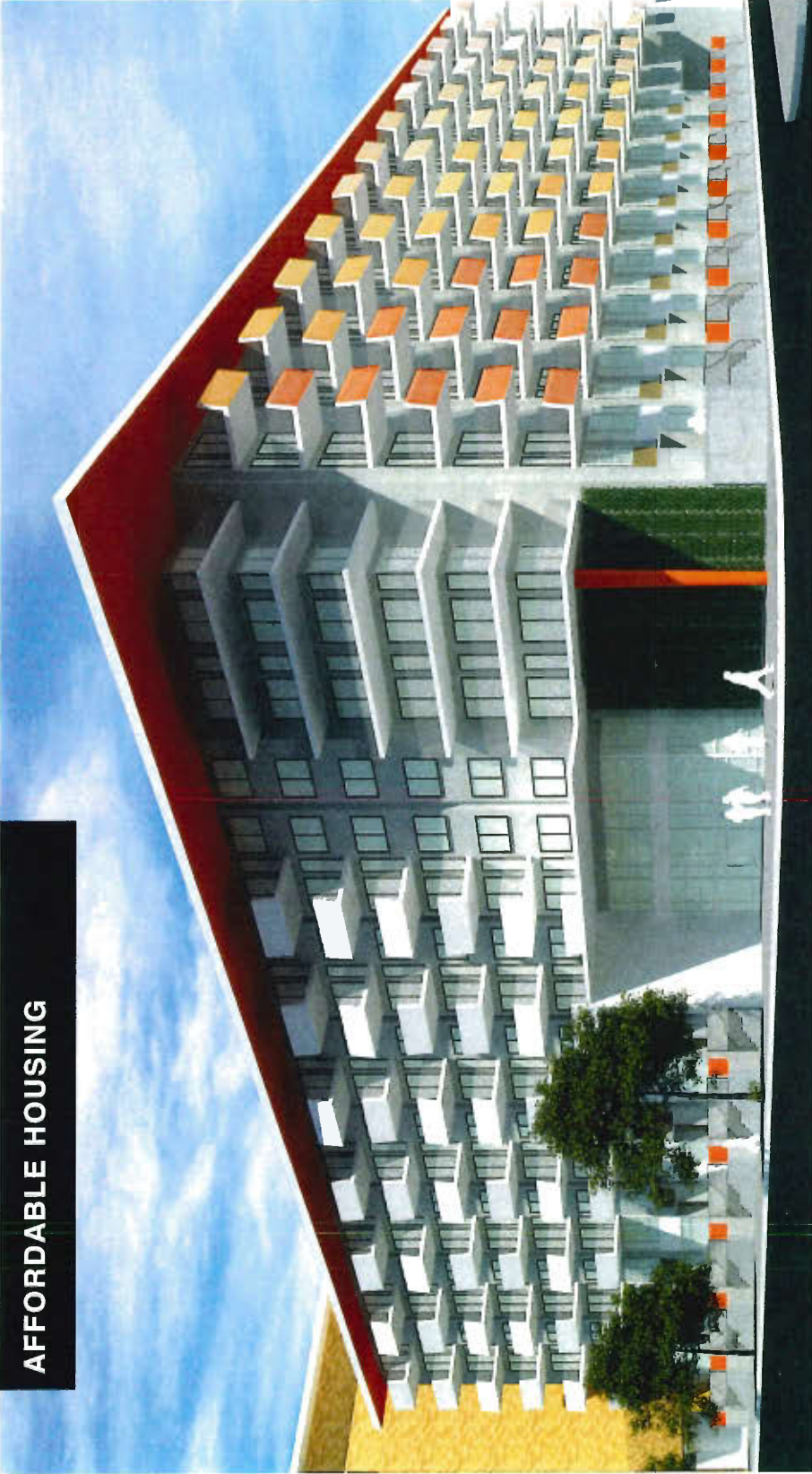


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AFFORDABLE HOUSING



Purpose-built Affordable Housing & Market Rental at no cost to the City

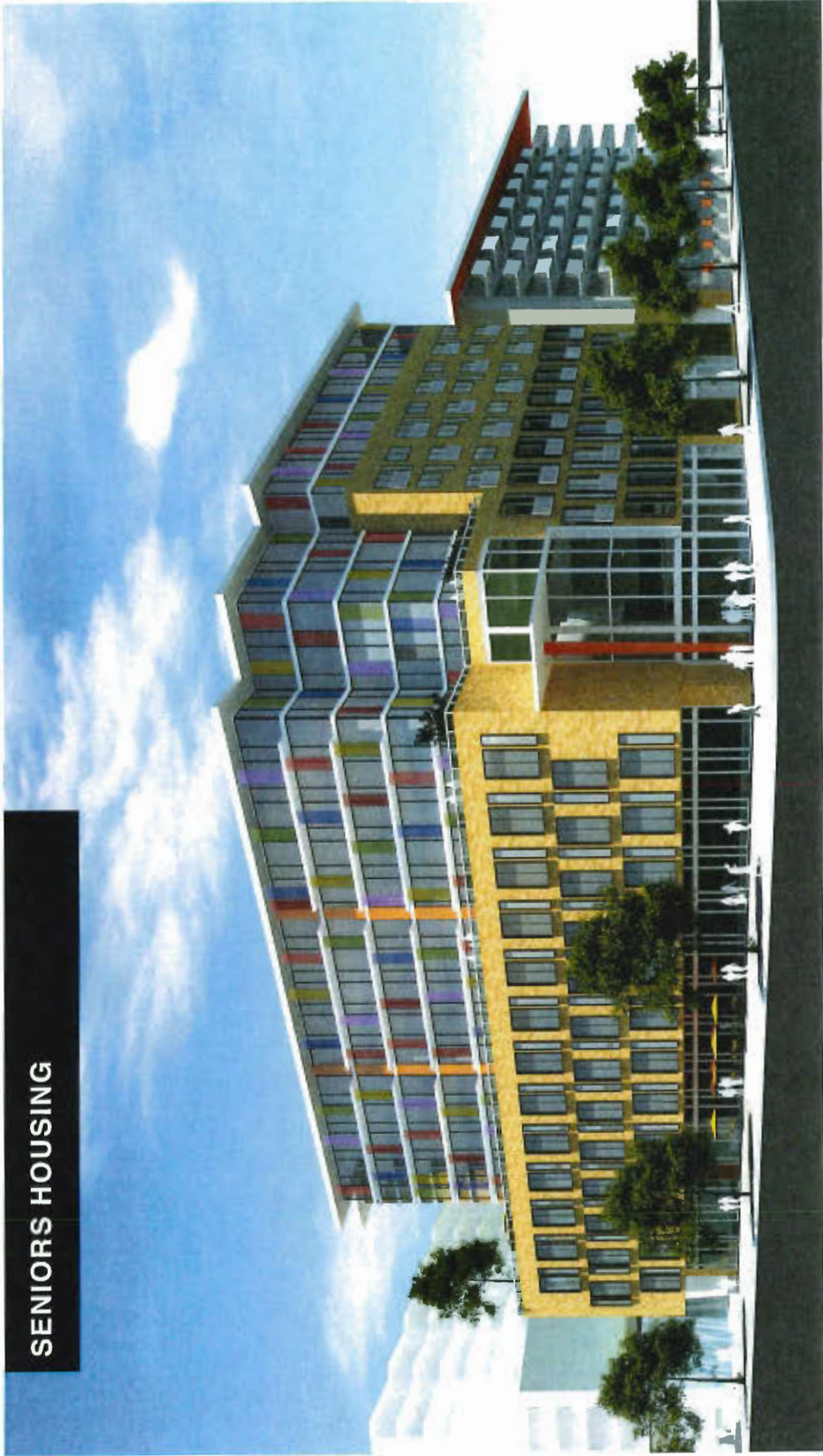
210 units

Unit mix: 10%-30%-30%-30%



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SENIORS HOUSING

Seniors Housing

168 units



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RCG MASTER PLAN PROPOSAL

Current

1 /

X

2 //

=



6 AH units now

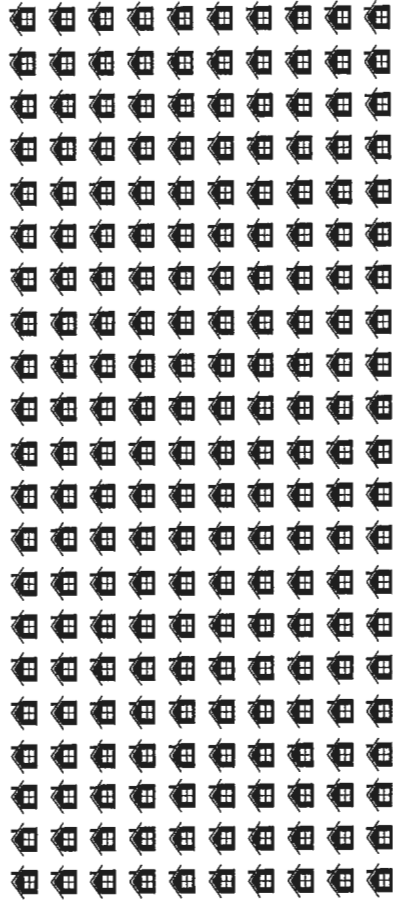
Innovative

1 / 2 / 3 / 4 / 5 / 6 / 7 / 8 / 9 / 10 /

X

3 // 3 // 3 // 3 // 3 // 3 // 3 // 3 // 3 // 3 //

=



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MASTER PLAN REZONING



Statistics

FAR: 2.0 = 1,233,000 sf

FAR: 3.0 = 1,846,000 sf

Increased area = ±616,500 sf

Of which:

- ±157,000 sf is subsidized, LEMR, and market rental (8.5% of all development)
- ±130,000 sf is seniors (7.0% of all development)

Increased value = \$87.2 M

Net increase available for development: ±329,500 sf

Gross Area: 15.4 ac Net Area: 14.1 ac



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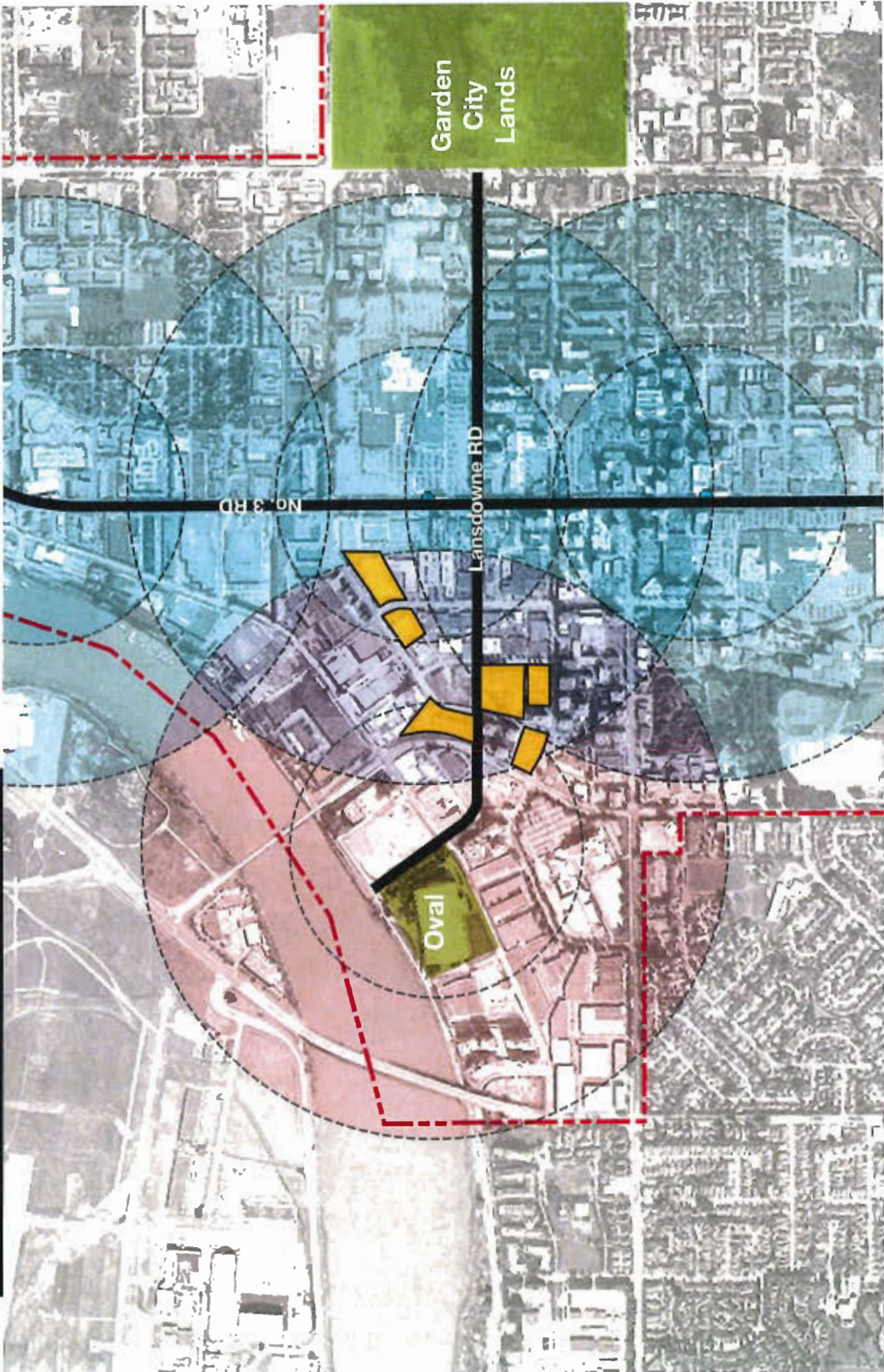
RCG GROUP
compelling real estate solutions

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TRANSIT ORIENTED SITES





1964
2014
50 YEARS
OF SERVICE

Our proposal is not typical, and staff do not feel they have policy direction to pursue it.

The Ask: On the merits of the community benefits, provide City staff direction to work with the applicant team and move the proposal forward to mutual agreement consistent with Option 2.



1964
2014
50 YEARS
OF SERVICE



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