



Planning Committee

Date: Tuesday, November 5, 2024

Place: Anderson Room
Richmond City Hall

Present: Councillor Bill McNulty, Chair
Councillor Alexa Loo
Councillor Chak Au
Councillor Carol Day
Councillor Andy Hobbs

Also Present: Councillor Michael Wolfe

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 October 16, 2024, be adopted as circulated.

CARRIED

PLANNING AND DEVELOPMENT DIVISION

- 1. APPLICATION BY FLAT ARCHITECTURE INC. FOR REZONING AT 5300 GRANVILLE AVENUE FROM “SMALL-SCALE MULTI-UNIT HOUSING (RSM/L)” ZONE TO “MEDIUM DENSITY TOWNHOUSES (RTM3)” ZONE AND “SCHOOL & INSTITUTIONAL USE (SI)” ZONE**

(File Ref. No. RZ 21-936275) (REDMS No. 7810614)

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It was moved and seconded

That Richmond Zoning Bylaw 8500, Amendment Bylaw 10614,

- (a) for the rezoning of a portion of 5300 Granville Avenue from “Small-Scale Multi-Unit Housing (RSM/L)” zone to “Medium Density Townhouses (RTM3)” zone; and*
- (b) for the rezoning of a portion of 5300 Granville Avenue from “Small-Scale Multi-Unit Housing (RSM/L)” zone to “School & Institutional Use (SI)” zone;*

be introduced and given first, second and third reading.

CARRIED

2. **APPLICATION BY PONDA DEVELOPMENT LTD. FOR REZONING AT 5120 AND 5140 WILLIAMS ROAD FROM THE “SMALL-SCALE MULTI-UNIT HOUSING (RSM/L)” ZONE TO A NEW SITE SPECIFIC “TWO-UNIT DWELLINGS (ZD9) – WILLIAMS ROAD (STEVESTON)” ZONE**

(File Ref. No. RZ 23-028712) (REDMS No. 7666516)

Discussion ensued with respect to tree removal and stratification of units.

It was moved and seconded

That Richmond Zoning Bylaw 8500, Amendment Bylaw 10574, to create the “Two-Unit Dwellings (ZD9) – Williams Road (Steveston)” zone and to rezone 5120 and 5140 Williams Road from the “Small-Scale Multi-Unit Housing (RSM/L)” zone to “Two-Unit Dwellings (ZD9) – Williams Road (Steveston)” zone, be introduced and given first, second and third reading.

CARRIED

DEPUTY CAO'S OFFICE

3. **UPDATING THE LOW-END MARKET RENTAL (LEMR) PROGRAM TO SUPPORT THE DELIVERY OF AFFORDABLE HOUSING**

(File Ref. No. 08-4057-05) (REDMS No. 7783121)

In response to queries from Committee, staff advised that (i) the recommended option of 10% below Canada Mortgage and Housing Corporation (CMHC) average would index changes annually to CHMC market averages, allowing rent increases to be benchmarked against local rent changes and not those limited to any rate of increase in CPI, (ii) Bill 47 does not require parking minimums in transit oriented areas in City Centre,

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(iii) parking reductions outside of City Centre are being considered through the Official Community Plan (OCP) review, (iv) current LEMR rates were set in 2017 at 10 percent below 2016 CMHC average market rental rates, and (v) the proposed update would bring rental rates in closer alignment with current market conditions, offset operator costs and improve feasibility for future LEMR developments.

Dea Knight, spoke as Chair of the UDI Liaison Committee and on behalf of the Lansdowne Phase 1 Project, expressing her support for the staff recommendations on the LEMR policy, noting that LEMR rents are substantially below the original average and are misaligned with growing costs making LEMR units unfeasible to build or operate. She further noted that since the pandemic, the building sector has been experiencing unprecedented pressures including rising construction costs, escalated interest rates, increases in municipal fees and increases in operating costs which has hindered the ability to provide new housing and any forms of affordable housing.

Cynthia Chow, representing SUCCESS, spoke to SUCCESS being one of the largest social service agencies in Canada with an affordable housing portfolio comprising of over 1000 units operating in the Lower Mainland. She further spoke to the need for updating the LEMR rental rates and realigning them to CMHC average market rents to allow for annual increases to address inflationary and market conditions and to consider funds to address capital replacement reserve needs to address aging infrastructure. She noted that this will improve the financial viability of the developments that include LEMR units as well as the long term sustainability of maintaining such units

Correspondence from Az-Zahraa Housing Society, dated November 5, 2024 was distributed on table (attached to and forming part of these minutes as Schedule 1).

In response to further queries from Committee, staff advised that (i) any LEMR unit that is currently occupied would not have a rent adjustment, the existing tenants are protected under the residential tenancy act, this policy would only effect new occupants, (ii) the new housing legislation under Bill 16 requires a financial feasibility assessment to justify the percentage of affordable housing that the City requires, and (iii) staff will review data on available unit types in Richmond, and how they are owned, operated and occupied in the market place.

It was moved and seconded

(1) That, as described in the report “Updating the Low-End Market Rental (LEMR) Program to Support the Delivery of Affordable Housing” dated October 16, 2024, from the Director, Housing Office, the proposed Low-End Market Rental Maximum Rent and Income Thresholds as outlined in Option 2 be endorsed;

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- (2) *That staff bring forward amendments to the City of Richmond Affordable Housing Strategy, 2017 – 2027, to recognize the Low-End Market Rental Maximum Rent and Income Thresholds endorsed by Council;*
- (3) *That the Low-End Market Rental Maximum Rent and Income Thresholds be used in housing agreements for any conditionally approved rezoning applications, being those for which a zoning amendment bylaw has been given third reading and an associated housing agreement has yet to be executed as of November 12, 2024, notwithstanding the terms of any executed rezoning considerations letter; and*
- (4) *That the Low-End Market Rental Maximum Rent and Income Thresholds be used in any future housing agreement associated with a new or in-stream development application for which conditional approvals have yet to be granted.*

CARRIED

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

It was moved and seconded

That staff look at the free parking provision for Low- End Market Rental (LEMR) units in transit oriented development areas and report back.

The question on the referral motion was not called as discussion ensued with respect to staff bringing forward options for a below market parking rate.

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

4. **MANAGER’S REPORT**

(i) ***BC Code Building Code Updates- Radon Gas***

Staff advised that the BC Building Code is now requiring that all construction, particularly residential construction, take measures to mitigate the accumulation of radon within homes. The City enforces this code measure, however staff note that radon levels in Richmond soils are generally low. The building community has advised that mitigation measures are estimated to add approximately \$10,000-\$15,000 in additional costs in a typical residential construction.

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(ii) BC Code Building Code Updates- Ministerial Order

Staff advised that the Provincial government has introduced an exemption allowing residential projects that have been considered before March 8, 2024 to be grandfathered from the significant seismic and accessibility provisions to come into effect March 2025. The exemption applies to projects that have either a development permit, rezoning application, building permit or completed drawings submitted before March 8, 2024.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (4:45 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 November 5, 2024.

Councillor Bill McNulty
Chair

Raman Grewal
Legislative Services Associate



AZ-ZAHRAA HOUSING SOCIETY

3103-667 Howe Street, Vancouver BC V6C 0B5
www.azhousing.ca

Schedule 1 to the Minutes of the
Planning Committee meeting of
Richmond City Council held on
Tuesday, November 5, 2024.

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Planning Committee
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

Re: Updating the Low-End Market Rental (LEMR) Program to Support the Delivery of Affordable Housing

Dear Members of the Richmond City Planning Committee,

Az-Zahraa Housing Society is a non-profit organization dedicated to providing affordable, low-end market housing to members of our Richmond community. For years, our mission has been to ensure that every resident we serve has access to safe, stable, and affordable housing. Thanks to the generosity of our donors, we have upheld this commitment and provided an essential lifeline for families who would otherwise struggle to secure an affordable unit in Richmond's challenging housing market.

However, we are now facing significant financial challenges that threaten the sustainability of this mission. Our operating costs have surged by nearly 30%, driven by substantial increases in strata fees, insurance premiums (which have risen by 300% over the past five years), and an upcoming mortgage renewal at a significantly higher rate. Despite these cost pressures, rental increases regulated under the Residential Tenancy Act have been capped at only 7%, leaving us with limited ability to cover our expenses.

Currently, we are operating at a deficit of approximately \$500 per month per unit. This reliance on donor funding alone is not a sustainable model, and we are concerned about the potential impact if donor circumstances were to change. Without a model that allows us to balance our operating costs with rental income, our ability to provide affordable housing in the long term is at serious risk.

For these reasons, we respectfully request the City Council's support in approving a modest rental increase to help bridge the gap between our rising costs and limited rental income. This adjustment would allow us to better address the \$500 monthly deficit per unit while continuing to fulfill our mission of providing affordable housing to those who need it most. We are open to collaborating with the Council to explore solutions that uphold our shared commitment to Richmond's well-being.

Thank you for considering this request. Your support is essential in helping Az-Zahraa Housing Society continue its work in providing affordable homes for our community.

Sincerely,

Riyaz Devji
Director,
Az-Zahraa Housing Society

