



City of Richmond

Report to Committee

To: General Purposes Committee

Date: April 9, 2025

From: Peter Russell
Director, Housing

File: 08-4057-05/2025-Vol 01

**Re: Referral Response:
Charging Fees for Parking Allocated to Low-End Market Rental Units**

Staff Recommendations

1. That changes be made to the terms of affordable housing agreements to enable the owner of Low-End Market Rental units to charge tenants for parking as detailed in Option 4 in the report titled "Referral Response: Charging Fees for Parking Allocated to Low-End Market Rental Units", dated April 9, 2025, from the Director, Housing;
2. That the terms used to enable owners of Low-End Market Rental units to charge for the use of parking 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 May 12, 2025, notwithstanding the terms of any executed rezoning considerations letter; and
3. That the terms used to enable owners of Low-End Market Rental units to charge for the use of parking 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.

Peter Russell
Director, Housing
(604-276-4130)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF DEPUTY CAO
Transportation	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

At the February 24, 2025 Council meeting, staff were directed to explore the possibility of setting a limit on parking charges, if any, considering areas of the City that are not well served by transit. The following referral motion was passed:

That the staff report titled “Referral Response: Charging Fees for Parking Allocated to Low-End Market Rental (LEMR) Units in Transit-Oriented Areas (TOA)”, be referred back to staff to recommend limits to parking fees and other options for parking stalls for Low-End Market Rental units.

Building on previous consultation, a broader scan of municipal approaches was undertaken to confirm if limits are being placed on the ability to charge affordable housing tenants for parking. Several non-profit housing operators (NPOs) were also engaged on the matter. None of the municipalities or NPOs consulted establish a prohibition on charging for parking. This report recommends that charges be permitted within TOA and that a limited, below-market, charge for parking be permitted outside TOA.

This report supports Council’s Strategic Plan 2022–2026 Focus Area #2 Strategic and Sustainable Community Growth:

Strategic and sustainable growth that supports long-term community needs and a well-planned and prosperous city.

2.3 Ensure that both built and natural infrastructure supports sustainable development throughout the city.

2.4 Enhance Richmond’s robust transportation network by balancing commercial, public, private and active transportation needs.

Analysis

The City of Richmond’s Affordable Housing Strategy (AHS) sets out a framework for the delivery of housing for all members of the community. The City has been successful in securing housing for low- and moderate-income households through its LEMR Program. The Program leverages private sector development to secure housing with rents set below market rates. Since 2007, changes have been made to the Program to ensure it remains sustainable over the long term. These changes include parking relaxations along transit corridors, lessening the costs of accommodating the use of private automobiles while promoting the use of public transportation. Similar policy objectives are found in the Official Community Plan and the City Centre Area Plan, which emphasize the benefit of concentrating residential uses in areas well-served by transit, focusing largely on areas around Canada Line SkyTrain stations. The Community Energy and Emissions Plan also sets targets to reduce greenhouse gas emissions by 50% by 2030. Recent changes to housing legislation similarly uphold these policy objectives.

Removal of Ability to Require Parking in Transit Oriented Areas

In December 2023, the Province amended the *Local Government Act* to stimulate the development of housing with a focus on areas well served by public transit. Amendments introduced through Bill 47 (Housing Statutes (Transit-Oriented Areas) Amendment Act), require that local governments designate Transit-Oriented Areas (TOA) as prescribed by regulation. Richmond's prescribed TOAs reflect a measured radius, being 800m, from five Canada Line SkyTrain stations. Local governments are also now required to exempt residential uses within each TOA from the requirement to provide off-street vehicle parking, other than any accessible parking supply requirement. In June 2024, the City adopted bylaw amendments and passed a TOA Designation Bylaw, as required by the Province through Bill 47.

Supply of LEMR Units within Transit-Oriented Areas

The majority of built LEMR units are situated in TOA, shown in Attachment 1. LEMR units being proposed through in-stream applications are similarly concentrated in areas well served by transit. One of the primary objectives of the noted legislative reform is to prompt a transition away from private automobile use by removing residential parking supply requirements in TOA. Constraints on the ability of local governments to require parking in these areas has the potential to reduce development costs and improve the overall financial feasibility of building housing.

Comparing Richmond's Affordable Housing Parking Charges to Others in the Province

As detailed in the referral response report dated January 18, 2025, the cities of Burnaby, New Westminster, Port Moody, Surrey and the District of North Vancouver do not prohibit the owner of an affordable housing unit to charge tenants for parking. Further engagement with the cities of Victoria, Kelowna, West Kelowna, Prince George and Nanaimo confirmed that they too do not prohibit a parking charge. These cities also confirmed that their housing agreements do not place any limit on the amount that owners can charge tenants for parking.

Feedback from Non-Profit Housing Owners / Operators

Several non-profit LEMR homeowners and operators were also consulted to determine whether a charge for parking is warranted. All of those consulted voiced their support for a charge, recognizing that such would help make operations more financially sustainable. One non-profit LEMR homeowner shared that the demand for parking by tenants of their units exceeds the supply allocated to the units. In order to serve their tenants, the non-profit has had to rent additional parking spaces from another partner in the building, at additional expense. The ability to charge the LEMR tenants for parking would allow them to recover this cost and reduce overall operating expenses. Another non-profit operator mentioned that the ability to charge for parking would allow them to reinvest more into building improvements and support services, both of which would directly benefit their tenants.

Application to Completed and In-Stream Affordable Housing Developments

There are several developments that contain LEMR units currently under construction and / or nearing completion. These projects are tied to executed housing agreements that do not allow LEMR tenants to be charged for parking. Three of these projects are the subject of applications for amendments to their housing agreement, the purpose of which is to enable the owner to

charge LEMR tenants the City's updated LEMR rent rates, being 10% below the CMHC Market Average for Richmond. The three applications are being presented on the same General Purposes Committee agenda and include:

- Polygon Talistar Homes Ltd. [3488 Ketcheson Road] – 156 LEMR homes;
- Hamilton Village Ltd. Partnership [23200 Gilley Road] – 14 LEMR homes; and
- Luxe Richmond Nominee Ltd. [5593 No. 3 Road] – 20 LEMR homes

The requested amendments would also enable the LEMR homeowner to collect fees for parking, with such fees being limited to market rates. Through discussions with members of the development community and based on responses to a recent statutory declaration process, it is understood that market charges for parking in Richmond fall between \$100 and \$150 per month.

Options to Enable a Charge for the Use of Parking by LEMR Tenants

The following four options are presented for Committee consideration as they relate to enabling a LEMR homeowner to charge tenants for the use of parking in multi-family development.

Option 1: Maintain the Status Quo (Not Recommended)

No change to the language in housing agreements that currently prohibits the owner of LEMR units from charging tenants for parking. Option 1 would maintain LEMR unit affordability for tenants. The option does not provide cost recovery as it relates to building and maintaining parking which could stifle the delivery of LEMR housing. As residential parking is no longer required in TOA, a limit on the ability to charge for parking in these areas may also deter a developer from providing any parking to LEMR unit tenants.

Option 2: Permit Parking Charge Citywide (Not Recommended)

This option would permit the owners of LEMR homes to charge for parking citywide, at a market rate. The rate would be set considering comparable developments within comparable contexts. The market rate would be informed by the rates observed through the City's statutory declaration process. For enhanced transparency the City could publish an accepted market rate annually. The option would improve the financial sustainability of operating LEMR homes and bring Richmond into alignment with other municipal approaches. This option may also lessen the potential for developers building in TOA, where residential parking is not required, to limit the supply of parking as supply could be tailored to address market demand. The option would increase costs for LEMR tenants who choose to own and operate vehicles.

Option 3: Permit a Market Rate Parking Charge in TOA Only (Not Recommended)

TOA areas are those served by Canada Line SkyTrain Stations and represent the most frequent transit areas of Richmond. Option 3 would permit the owners of LEMR units in any prescribed TOA to charge tenants for parking at the market rate with the benefits being aligned with those in Option 2. The option would maintain affordability for the tenants of LEMR units living in areas with less frequent transit service.

Option 4: Permit Parking Charge at the Market Rate in TOA, and at a Below-Market rate outside of TOA (Recommended)

This option would allow the owners of LEMR units in TOA to charge for parking at the market rate. Outside of these areas, the owners of LEMR units would only be permitted to charge LEMR tenants 50% of the current market rate. For the purposes of clarity, it is recommended that this below-market rate be initially set at \$75 per month, with annual increases at the rate of any increase in the Consumer Price Index (CPI). The \$75 per month rate represents roughly half of the upper range of monthly market rents, being \$100 to \$150 per space.

Option 4 would lead to increased revenue for the owners of LEMR units, making the operation of those units more sustainable. The option would also encourage developers to provide parking in TOA in line with market-driven demand. Outside of TOA, where the City requires parking for affordable housing units, allowing a limited charge would provide the owner some revenue to offset initial construction costs and support ongoing operations. Holding the parking charge at less than market rates would maintain some level of affordability for LEMR tenants who may rely more heavily on private automobile use. The City would use the statutory declaration process to ensure that the parking charge limitations are upheld.

Table 1 provides a summary of the benefits and challenges / shortfalls of each of the options.

Table 1 - LEMR Parking Charges - Benefits & Challenges Summary

Option	Short Description	Incentive to Supply Parking	Improved Project Viability	Increased Revenue to Support Operations	Affordability to Tenant	Increased Administrative Oversight / Complexity	Alignment with Other Municipal Approaches	Discouragement of Private Auto Use
Option 1	No Charge				✓			
Option 2	Citywide Charge (Market Rate)	✓	✓	✓			✓	✓
Option 3	Charge in TOA only (Market Rate)	✓	✓	✓	✓ ¹	✓		✓
Option 4	Charge in TOA (Market Rate) and Charge (Below-Market) Outside TOA	✓	✓	✓	✓ ²	✓		✓

¹ Maintained affordability for tenants living outside TOA | ² Limited increase in costs to LEMR tenants living outside TOA

Parking Charge Permissions in Existing, New, and Amended Housing Agreements

The City uses housing agreements to set maximum rents, define tenant eligibility, and establish other terms and conditions, such as the ability of unit owners to charge tenants for parking. Housing agreements are implemented via bylaw and can only be amended by a Council-approved bylaw amendment. Any changes to City policy and standard housing agreement terms

allowing the owner of LEMR units to charge for parking would apply to new housing agreements. The recommended changes would also be incorporated into housing agreements tied to 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 May 12, 2025, notwithstanding the terms of any executed rezoning considerations letter.

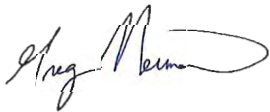
For developments with existing housing agreements that have been approved by bylaw, the owners could apply to the City to amend the bylaw to enable a charge for parking. If Council were to approve of a charge for parking through the adoption of the recommendations offered in this report, or an iteration of the recommendations, terms within housing agreements currently subject to an application for amendment would allow for such a charge to be implemented by the LEMR homeowner. Where a development includes occupied LEMR homes, the owner could only charge the LEMR tenant for the use of an assigned parking space on tenant turnover.

Financial Impact

None.

Conclusion

Since the establishment of the LEMR Program, the owners of LEMR units have been prohibited from charging LEMR unit tenants for parking. A review of other municipal approaches has revealed that other cities allow the owners of affordable housing units to charge for parking. Non-profit LEMR homeowners and operators have expressed their support for enabling a charge for parking, recognizing the need for additional revenue to sustain long term operations. This report recommends that the City permit the owner(s) of LEMR units to charge tenants for the use of parking within TOA and that a below-market charge be permitted outside TOA.



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Att. 1: Map of Transit-Oriented Areas

