

Schedule 2 to the Minutes of the Special Planning Committee meeting of Richmond City Council held on Wednesday, June 23, 2021.

From: MayorandCouncillors
Sent: June 23, 2021 9:25 AM
To: MayorandCouncillors
Subject: UDI Letter - Proposed New Market Rental Policy and Increased LEMR Requirements - Planning Committee - June 23, 2021
Attachments: UDI Letter - Additional Comments on Proposed Market Rental and LEMR Requirements - Richmond Planning Committee, June 23, 2021.pdf

**TO: MAYOR & EACH COUNCILLOR
FROM: CITY CLERK'S OFFICE**

From: Cassandra McColman <cmccolman@udi.org>
Sent: June 22, 2021 2:20 PM
To: McPhail,Linda <LMcPhail@richmond.ca>; Loo,Alexa <ALoo@richmond.ca>; Day,Carol <CDay@richmond.ca>; McNulty,Bill <BMcNulty@richmond.ca>; Steves,Harold <hsteves@richmond.ca>
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Subject: UDI Letter - Proposed New Market Rental Policy and Increased LEMR Requirements - Planning Committee - June 23, 2021

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Good afternoon Councillor McPhail,

Ahead of tomorrow's Planning Committee meeting, please find attached UDI's additional comments regarding the proposed new market rental policy and increased LEMR requirements and the supplementary information provided for consideration.

If you have any questions regarding our comments, please let us know.

Warm regards,

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June 22, 2021

Councillor Linda McPhail
Chair, Planning Committee
City of Richmond
6911 No. 3 Road
Richmond BC V6Y2C1

Dear Cllr. McPhail:

RE: Draft Low End Market Rental and Secured Market Rental Policies

We would like to thank the Council for its continued leadership on rental housing policies for both market rental and Low End Market Rental (LEMR) homes in new projects to address the housing crisis. Following discussions at our UDI Liaison Committee meeting in May, and after reviewing the supplementary information provided by staff, UDI does have additional comments on the implementation of the policy that would assist our members in delivering the affordable housing Richmond needs.

Clarification of Proposed Density Bonus and the Need for Certainty

UDI appreciates the clarification of the density bonus approach currently in place to secure additional rental units. This is helpful to our members in providing an enhanced sense of certainty and predictability for calculating the viability of projects with market rental and LEMR requirements.

The existing 0.1 FAR density bonus for the provision of market rental units, and .2/.25 FAR density bonus for additional rental provision or 100% purpose-built rental projects are helpful offsets – especially since Richmond faces unique challenges for increasing density as the result of soil conditions and the YVR flight path. We encourage Council to consider additional options to incentivize rental housing given these constraints, such as:

- Allowing builders to retain Low Carbon District Energy Systems (LCES) instead of providing them to the City at no cost; and
- Allowing an aggregation of the required market rental and LEMR units to be provided in stand-alone PBR buildings.

UDI further recommends that Council consider a menu of options with additional incentives to increase the provision of additional rental homes. This would provide greater certainty for builders than a negotiated approach does. By creating a moving target for the provision of rental units, it is difficult for builders to purchase sites because they do not know what their costs will be – ultimately this undermines their ability to move forward with projects. In addition, unanticipated costs or expectations jeopardize the viability of new projects, contradicting the goal to provide more rental and affordable housing.

New DCC Waivers for LEMR Offsets

UDI supports the new recommendation brought forward by staff to Council to request a review and assessment of the feasibility of reducing or waiving DCCs for affordable housing provided in new developments. A DCC waiver would help support the delivery of affordable housing in the City. If Council supports this recommendation, we would be pleased to work collaboratively with staff to support this review.

Review of Additional Parking Rates

While further assessment of parking rates is currently conducted on a case-by-case basis, UDI encourages additional review of parking rates. We would like to see further parking reductions to enable our members to deliver more affordable housing. In the Metro Vancouver *2018 Regional Parking Study*, it was found there was a substantial surplus of parking spaces in projects, with parking supply exceeding utilization by over 35%. With parking spaces costing \$50,000 per stall, our members have found that enabling reduction of parking can create substantial savings if parkades no longer require additional below-grade floors. This is particularly relevant given Richmond's soil conditions. These savings increase viability of market rental and LEMR units in projects, in addition to promoting transit use.

We ask that Planning Committee consider the recommendations provided in this letter while evaluating the proposals brought forward by staff. UDI looks forward to working collaboratively with Richmond in delivering more affordable homes for City residents, as well as other key issues.

Yours sincerely,



Anne McMullin
President and CEO