

Schedule 6 to the Minutes of the
Public Hearing meeting of
Richmond City Council held on
Monday, December 18, 2017.

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

MayorandCouncillors

From: TERESA MURPHY <tmmurphy@shaw.ca>
Sent: Friday, 15 December 2017 13:01
To: MayorandCouncillors
Subject: Here is an article about Onni worth reading

Hi,
Did you see this article about Onni?

https://globalnews.ca/news/3910790/vancouver-onni-rentals/?utm_source=GlobalBC&utm_medium=Facebook

All the best,
Teresa Murphy, 9651 Finn Road



Vancouver approved a condo project, in part, because it had rentals. They cost \$5,400/month

By Jesse Ferreras and Tanya Beja Global News

A new building in Downtown Vancouver is under fire, with critics saying it does nothing to increase market rentals in the city. Tanya Beja reports.

The City of Vancouver is pushing to secure more rental housing so that its people can find a place to live.

That's a tough task to accomplish when units are going for \$5,400 — precisely for a building by developer Onni that's located on Richards Street downtown.

WATCH: Vancouver 'kickback' to prominent developer

Years ago, the city granted Onni a rezoning for the building with an increased floor space ratio (FSR) — meaning it could take up more room on the land it was located upon.

The project was to be located in a zone that only allowed for an FSR of 5.0, but city staff recommended that the ratio be hiked up to 8.87 — increasing the buildable floor space from 150,000 sq. ft. to 265,945 sq. ft.

READ MORE: EXCLUSIVE: City of Vancouver says it mistakenly gave \$1.5M break to real estate developer

The city recommended this after the developer pledged numerous features in the building.

One was that it would include a 37-space daycare — an amenity that city staff “welcomed.”

Another was that it would include 130 market rental units.

Said a staff report: “the provision of rental housing advances a significant housing policy goal of the city since rental housing is affordable to a broader range of household incomes than home ownership.”

Council voted it through. But at least one councillor regrets supporting it now that she's seen how much it costs to rent there.

A Craigslist post shows a 450-sq.-ft. unit being offered for \$5,400 per month, and a two-bedroom for \$6,600.

"This is not for the local market," said Coun. Adriane Carr. "This is not solving the housing affordability crisis in this city."

She was concerned that units at the building would function less like rental housing and more like an extended-stay hotel.



Condo buildings in Vancouver.

THE CANADIAN PRESS/Darryl Dyck

"I absolutely would not have approved it" had she known, Carr told Global News.

This isn't the first time that Onni has come under scrutiny for taking rental units and renting them out for short periods.

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Earlier this year, the developer paid a \$24,000 fine for taking nightly rentals at its building on Seymour Street.

A spokesperson for the project said units there won't be rented for less than a month at a time — and that's legal.

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Carr wants city bylaws changed so that units are preserved as rental housing.

“It should be very clear in our bylaw that it’s long-term rentals, not one month,” she said.

This very building also faced scrutiny late last year when Onni received a \$1.5-million Development Cost Levy (DCL) waiver under the city’s Rental 100 program, even though it didn’t qualify for one.

In the wake of the waiver, Vancouver city Coun. George Affleck pushed a motion that the city carry out an external audit looking into how it was granted.

Council approved that motion, but in a June 1 memo, Vancouver city manager Sadhu Johnston said internal audit work done by staff “achieves council’s directive for a thorough and transparent review of this situation.”

READ MORE: Developer under fire for years of luxury short-term rentals in Vancouver without hotel license

He said an external audit would cost anywhere between \$230,000 and \$350,000 “to replicate the full scope of the internal audit review.” So they didn’t proceed with an external audit.

As for Onni, it repaid the \$1.5-million waiver to the city.

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