



City of Richmond

Report to Committee

To: Planning Committee
From: John Hopkins
Director, Policy Planning

Date: June 19, 2023
File: 08-4045-30-02/Vol 01

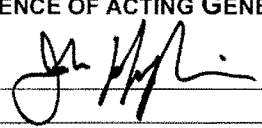

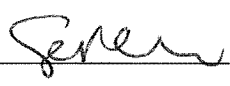
Re: Updated Market Rental Housing Policy – One Year Review

Staff Recommendation

That the staff report titled “Updated Market Rental Housing Policy – One Year Review” dated June 19, 2023 from the Director, Policy Planning be received for information.

 for

John Hopkins
Director, Policy Planning
(604-276-4279)

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|--|---|
| REPORT CONCURRENCE | |
| CONCURRENCE OF ACTING GENERAL MANAGER | |
|  | |
| SENIOR STAFF REPORT REVIEW | INITIALS:  |
| APPROVED BY CAO | |
|  | |

Staff Report

Origin

On June 20, 2022, Council adopted several amendments to the City's Market Rental Housing Policy in the Official Community Plan (OCP). As requested by Council, this report provides an annual progress report on the Market Rental Housing Policy by highlighting findings related to its implementation.

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.

2.2 Develop and implement innovative and proactive solutions that encourage a range of housing options and prioritize affordability.

Findings of Fact

The City of Richmond has taken a leading role in securing rental housing, and continues to collaborate with senior levels of government to address housing affordability and development of affordable housing options.

In June 2022, City Council adopted amendments to the Market Rental Housing Policy which are embedded into Richmond's OCP. These amendments focused on applying the City's regulatory tools to introduce City-wide requirements for new developments to provide purpose-built market rental housing, as well as clarifying parking rate reductions associated with these developments.

A summary of approved amendments to the Market Rental Housing Policy is provided below. Please note that the following policy requirements are in addition to the 15% Low End Market Rental (LEMR) requirements for applications inside of the City Centre Area Plan (CCAP), as well as the 10% LEMR requirements for applications outside the CCAP.

- For applications that include more than 60 apartment units, an associated density bonus of 0.1 floor area ratio (FAR) is applied when 15% of the total habitable residential floor area is to be secured as market rental units (excluding floor area secured as affordable housing);
- For applications that include 60 apartment units or less or townhouse developments with five or more units, the applicant has the option to provide one of the following:
 - a cash-in-lieu contribution to the Affordable Housing Reserve Fund; or
 - make use of the 0.1 FAR density bonus (conditional to the density bonus being used exclusively to secure habitable purpose-built market rental floor area) and construct market rental units.

- Conditional to exhausting all parking rate reduction provisions in the Zoning Bylaw, and subject to staff review of site specific considerations, new purpose-built market rental units may be eligible for the following parking reductions:
 - up to a total 50% parking reduction on sites that are within 800 m (10 minute walking distance) of a Canada Line Station;
 - up to a total 30% parking reduction on all other sites; and
 - parking requirement may be further reduced, as determined by Council, on a site specific basis for projects that provide additional rental housing to address community need.

Other requirements that are part of the existing Market Rental Housing Policy include:

- A minimum of 40% of market rental units in a development should include two or more bedrooms;
- Market rental units should incorporate all of the basic universal housing features described in the City's Zoning Bylaw; and
- Stratification of individual market rental housing units is prohibited unless otherwise approved by Council.

With respect to proposals for 100% market rental developments, the following considerations apply in the Market Rental Housing Policy:

- Density Bonusing – proposal would be eligible for the following:
 - 0.20 FAR above the base density set out in the OCP or Area Plan for ground oriented townhouses and wood frame apartment inside or outside of the CCAP;
 - 0.25 FAR above the base density set out in the OCP or Area Plan for concrete buildings inside or outside of the CCAP; and
 - For new development that provides additional rental housing to address community need (e.g., LEMR units), the density bonus may be increased on a site-specific basis.
- Other Incentives – proposals are also eligible for the following incentives:
 - exemption from affordable housing requirements in recognition of the significant community benefit provided by the market rental housing units;
 - exemption from public art and community planning contributions; and
 - expedited rezoning and development permit application review ahead of in-stream applications.

Analysis

One Year Review

City of Richmond Rental Housing Initiatives Summary (June 2023)

Attachment 1 to this report provides a quarterly update on the number of shelter beds, affordable rental housing, and purpose-built market rental housing units that have been secured since the adoption of the Affordable Housing Strategy (AHS) in 2007.

Since the AHS was first adopted in 2007 and as of June 2023:

- 448 purpose-built market rental units have been built and/ or occupied;
- 1,166 purpose-built market rental units have been approved by Council and/ or are under construction; and
- 820 purpose-built market rental units are in-stream and being reviewed by City staff.

Since amendments to the Market Rental Housing Policy came into effect in June 2022 and as of June 2023:

- **Seven development applications containing purpose-built market rental units have come in-stream and are being reviewed by City staff.** In total, these applications provide 777 out of the 820 purpose-built market rental units being reviewed by City staff;
- **Four development applications containing purpose-built market rental units have been approved by Council.** In total, these applications provide 634 out of the 1,166 purpose-built market rental units approved by Council and/ or are under construction.

Spatial Analysis on Purpose-Built Market Rental Housing in Richmond

Attachment 2 to this report provides a visual map of development projects in Richmond, which contain purpose-built market rental units, that are currently in-stream and approved and/ or under construction.

To support the spatial analysis, development projects are organized and visualized into two categories. Each dot represents a development project, and its size is based on the number of purpose-built market rental units that the project contains:

- up to 60 purpose-built market rental units; and
- more than 60 purpose-built market rental units.

Based on the attached visual maps, key findings regarding purpose-built market rental developments in Richmond include:

- **As of June 2023, there are 19 development projects in Richmond that contain purpose-built market rental units, which are either in-stream and approved and/ or under construction. Together, these projects provide 1,986 purpose-built market rental units – the sum of all purpose-built market rental units currently being reviewed by City staff (820) and approved by Council (1,166):**
 - Of these projects, the majority are situated in Richmond’s City Centre neighbourhood. Other neighbourhoods where purpose-built market rental units are being developed include West Cambie (3 projects), Thompson (1), Blundell (1), and Broadmoor (1).
- **As of June 2023, there are eight development projects in Richmond that contain purpose-built market rental units being reviewed by City staff. Together, these projects provide 820 purpose-built market rental units.**

- Of these projects, six contain less than 60 purpose-built market rental units respectively, while the remaining two contain more than 60 purpose-built market rental units each.
- **As of June 2023, there are 11 development projects in Richmond that contain purpose-built market rental units that have been approved by Council. Together, these projects provide 1,166 purpose-built market rental units:**
 - Of these projects, four contain less than 60 purpose-built market rental units, while the remaining seven contain more than 60 purpose-built market units each.

Financial Impact

None.

Conclusion

The one year review of the Market Rental Housing Policy demonstrates that the policy is working accordingly, with many projects that are underway utilizing incentives introduced through the policy to deliver more market rental housing options in Richmond. Staff recommend that this report be received by Planning Committee for information.



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LW:cas

- Att. 1: City of Richmond Rental Housing Initiatives Summary Table (June 2023)
2: Map – Spatial Analysis on Purpose-Built Market Rental Housing in Richmond (June 2023)

City of Richmond Rental Housing Initiatives Summary (June 2023)

| Housing Type | # of Units (as of June 2, 2023) | | | Comments |
|--|---------------------------------|-----------------------------------|-------------------------------|--|
| | Built/ Occu pied | Approved/ Under Development | Under Review (Estimate) | |
| SHORT TERM ACCOMMODATION | | | | |
| Emergency Shelter Spaces Temporary accommodation and services for residents experiencing homelessness (e.g. Richmond House Emergency Shelter). | 45 beds | N/A | N/A | The City contributed land for the emergency shelter, developed in partnership with BC Housing and operated by The Salvation Army. The temporary Emergency Response Centre (ERC), operated by Turning Point Recovery Society, closed in 2022 once all individuals accommodated at the ERC has moved into Aster Place. |
| AFFORDABLE RENTAL HOUSING | | | | |
| Supportive Housing Self-contained units with on-site supports for people who have experienced homelessness (e.g., Alderbridge Supportive Housing, Storeys) | 118 | 0 | 60 | Aster Place (Bridgeport Supportive Housing,) developed by BC Housing on City-owned land and operated by Community Builders, achieved occupancy in September 2022. |
| Non-Market Housing Rental units for households with annual incomes less than \$40,000 (e.g., Kiwanis Towers, Storeys). | 528 | 80 | 137 | The City continues to explore opportunities to partner with senior levels of government and non-profit organizations. A partnership between the City, Pathways, and BC Housing is in process to create 80 non-market housing units. There is also a project that is in the preliminary stages that will add additional non-market housing units. |
| Modest Market Rental Below market rental units for households with an average income range between \$40,000 and \$60,000 (e.g. West Cambie). | 0 | 14 | 19 | Located along Garden City Road, these units are the result of innovative mixed-use, mixed-income policy in the West Cambie Area Plan. |
| Low-End Market Rental (LEMR) Below market rental units for households with an average income range between \$40,000 and \$70,000 (e.g. Rivermark Apartments). | 511 | 720 | 582 | This made in Richmond program secures LEMR units and cash-in-lieu contributions to the Affordable Housing Reserve Fund from developments throughout the city. |
| Moderate Income Housing A rent geared to income approach that calculates the rent contribution based on BC Housing's Housing Income Limits (HILs), with an average income range generally between \$44,000 to \$81,500 | 0 | 245 | 0 | HILs income for eligibility are established by Canada Mortgage and Housing Corporation and calculated based on the BC Rent Scale. Secured rental units that apply HILs rates are proposed within three separate 100% rental developments. |
| SUB-TOTAL | 1,157 | 1,059 | 798 | |
| MARKET RENTAL HOUSING | | | | |
| Secondary Suites and Coach Houses Legal self-contained rental units located in a single-detached house or townhome, and separate rental units in the back yard of a single-detached house. | 1,584 | 221 | 37 | The City requires that all new single family rezonings to have a secondary suite or contribute to the Affordable Housing Reserve Fund. Secondary suites are also encouraged in duplexes and townhouses. |
| Purpose Built Market Rental Units secured in perpetuity as rental units based on market rental rates. | 448 | 1,166 | 820 | Since the adoption of the Market Rental Housing Policy in 2018, there has been a high level of interest in 100% market rental projects. |
| SUB-TOTAL | 2,032 | 1,387 | 857 | |
| GRAND TOTAL | 3,189 | 2,446 | 1,655 | |

