



# City of Richmond

## Report to Committee

**To:** Planning Committee

**Date:** February 15, 2018

**From:** Kim Somerville  
Manager, Community Social Development

**File:** 08-4057-01/2018-Vol  
01

**Re:** Final Affordable Housing Strategy 2017-2027

### Staff Recommendation

That the final Affordable Housing Strategy 2017-2027 and companion documents, as outlined in the report titled "Final Affordable Housing Strategy 2017-2027" dated February 15, 2018 from the Manager, Community Social Development, be adopted.

Kim Somerville  
Manager, Community Social Development  
(604-247-4671)

Att. 4

| REPORT CONCURRENCE                                       |                                     |                                |
|--|-------------------------------------|--------------------------------|
| ROUTED TO:   | CONCURRENCE                         | CONCURRENCE OF GENERAL MANAGER |
| Communications   | <input checked="" type="checkbox"/> |                                |
| Real Estate Services                                     | <input checked="" type="checkbox"/> |                                |
| Development Applications                                 | <input checked="" type="checkbox"/> |                                |
| Policy Planning  | <input checked="" type="checkbox"/> |                                |
| Finance  | <input checked="" type="checkbox"/> |                                |
| Transportation   | <input checked="" type="checkbox"/> |                                |
| REVIEWED BY STAFF REPORT /<br>AGENDA REVIEW SUBCOMMITTEE | INITIALS:<br>                       | APPROVED BY CAO<br>            |

## Staff Report

### Origin

The purpose of this report is to present the final Affordable Housing Strategy 2017-2027 (Attachment 1) for adoption. The Affordable Housing Strategy 2017-2027 is the second strategy undertaken by the City since 2007, which provides strategic direction to the City and other stakeholders. The Affordable Housing Strategy 2017-2027 will guide future housing policy and outline actions for implementation. The updated Housing Affordability Profile, including 2016 Census data (Attachment 2) and Final Policy Recommendations Report (Attachment 3), have been re-designed to complement the Affordable Housing Strategy 2017-2027 format, and will function as two companion documents to the primary strategy document. Both companion documents include detailed information about housing need in Richmond and how policy recommendations will respond to housing challenges in the community. Should the Affordable Housing Strategy 2017-2027 be adopted, the strategy's implementation plan will direct staff work plans for the 10-year timeframe.

This report outlines the five strategic directions of the Affordable Housing Strategy 2017-2027, results from public engagement initiatives and the final implementation framework.

This report supports Council's 2014-2018 Term Goal #2 A Vibrant, Active and Connected City:

*Continue the development and implementation of an excellent and accessible system of programs, services, and public spaces that reflect Richmond's demographics, rich heritage, diverse needs, and unique opportunities, and that facilitate active, caring, and connected communities.*

2.2. *Effective social service networks.*

This report supports Council's 2014-2018 Term Goal #3 A Well-Planned Community:

*Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.*

3.4. *Diversity of housing stock.*

This report supports Council's 2014-2018 Term Goal #5 Partnerships and Collaboration:

*Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.*

5.2. *Strengthened strategic partnerships that help advance City priorities.*

This report also supports Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

*Strategic Direction #1: Expand Housing Choices*

## Analysis

### Affordable Housing Strategy: Process Summary

The City’s first Affordable Housing Strategy was adopted in 2007 and was centred on the following three priorities:

1. Non-market (subsidized) rental – targeted to households with incomes below \$34,000
2. Low-end market rental – targeted to households with incomes of \$57,500 or less (depending on unit type)
3. Entry-level homeownership – targeted to households with incomes of \$60,000 or less

Through the 2007 Affordable Housing Strategy, the City has successfully utilized various policies and mechanisms to support the creation of non-market housing projects, private market rental housing, and secondary suites and to encourage units incorporating basic universal housing design features through the zoning bylaw.

A comprehensive and multi-phased approach has been undertaken to update the 2007 Affordable Housing Strategy in light of changing market and demographic trends, as well as the evolving role of the Federal and Provincial government in housing. The following chart displays each phase and deliverable.

Figure 1 – Affordable Housing Strategy Update Process

| Phase                   | Purpose   | Process   | Deliverable   |
|-------------------------|---|---|---|
| <b>1. Data Analysis</b> | <ul style="list-style-type: none"> <li>• Identify housing gaps, challenges, and opportunities in Richmond to develop policies that respond to community need.</li> </ul>  | <ul style="list-style-type: none"> <li>• Statistics and data analysis.</li> <li>• Public consultation: pop-up events, open house and online surveys.</li> <li>• Stakeholder consultation: focus groups and meetings with representatives from the non-profit housing/ service sector, development industry, and government agencies.</li> <li>• Updated with 2016 Census data.</li> </ul>                             | <p><b>Housing Affordability Profile</b><br/>(endorsed by Council on November 14, 2016) outlining key housing gaps and priority groups in need.<br/>*Updated Housing Affordability Profile with 2016 Census statistics forms one of the companion documents to the Affordable Housing Strategy 2017-2027</p> |
| <b>2. Policy Review</b> | <ul style="list-style-type: none"> <li>• Review progress in creating new housing units since 2007 Strategy adoption</li> <li>• Examine successes and challenges with current affordable housing policies.</li> <li>• Evaluate options for overall affordable housing policy approach.</li> <li>• Develop a series of recommended policy actions to respond to the identified priorities.</li> </ul> | <ul style="list-style-type: none"> <li>• Extensive policy review including environmental scans and analysis of various housing policy actions (completed by housing policy consultant).</li> <li>• Economic analysis (completed by two third-party land economists).</li> <li>• Focus groups with stakeholder groups involved with implementation of housing policies (e.g. non-profit housing and service</li> </ul> | <p><b>Final Policy Recommendations</b><br/>(approved by Council on July 24, 2017)</p>   |

| Phase                                       | Purpose  | Process  | Deliverable   |
|---|--|--|---|
|   |  | providers, large-scale developer and small builder representatives, and staff from government agencies).   |   |
| <b>3. Draft Affordable Housing Strategy</b> | <ul style="list-style-type: none"> <li>• Develop an implementation framework which outlines action items to achieve policy goals.</li> <li>• Identify timelines for completion</li> <li>• Consult on implementation plan and future actions</li> </ul> | <ul style="list-style-type: none"> <li>• Create implementation plan with timeline.</li> <li>• Update Affordable Housing Strategy document.</li> <li>• Final round of consultation: two open houses and online survey to seek feedback on implementation plan</li> <li>• Refine implementation plan and future actions</li> </ul> | <b>Draft Affordable Housing Strategy 2017-2027</b><br>(endorsed by Council for consultation purposes on January 15, 2018)   |
| <b>4. Final Affordable Housing Strategy</b> | <ul style="list-style-type: none"> <li>• Finalize the strategy (primary reference document)</li> <li>• Update and re-design the Housing Affordability Profile with current statistics and re-design of Final Policy Recommendation Report</li> </ul>   | Bring forward a final Affordable Housing Strategy for Council consideration.   | <b>Final Affordable Housing Strategy 2017-2027</b> with Housing Affordability Profile and Final Policy Recommendations companion documents to be presented for adoption |

The Affordable Housing Strategy 2017-2027 is the final phase of the Affordable Housing Strategy update process. The document showcases the City's significant involvement and/or investment in innovative projects as a result of successful Affordable Housing Strategy Policy tools. The Affordable Housing Strategy 2017-2027 will continue the balanced approach of collecting cash-in-lieu contributions to support the creation of non-market rental housing, and securing affordable rental units through development. Richmond also continues to be the only municipality that consistently applies Affordable Housing Policy requirements to developments across the city. The Affordable Housing Strategy 2017-2027 prioritizes how cash-in-lieu contributions to the Affordable Housing Reserve Fund can be used by identifying specific policy actions that will require financial resources, such as developing partnership projects and land acquisition opportunities.

#### Final Affordable Housing Strategy 2017-2027 Priorities

As part of the first phase of the Affordable Housing Strategy update process, a Housing Affordability Profile was created and identified key housing gaps and priority groups in need (endorsed by Council in November 2016). Through extensive data analysis and feedback from stakeholder and public consultation sessions, the priority groups identified face additional barriers to finding affordable and appropriate housing in Richmond:

- Families;
- Low-to-moderate income households;
- Persons with disabilities;

- Seniors; and
- Vulnerable groups including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, persons with mental health and addictions issues, and Aboriginal populations.

The analysis and feedback also revealed key housing gaps experienced by households while searching for suitable and affordable housing in the community:

- Family-friendly units across the housing continuum;
- Accessible and adaptable units along the housing continuum;
- All types of rental housing;
- Non-market housing with supports; and
- Emergency shelter spaces for women and children.

The gaps and groups in need reflect the changing demographics in Richmond and demonstrate the impact of low rental vacancy rates and escalating housing prices on diverse households in need of housing. Despite the variety of housing types available and the successes in creating new affordable rental stock in Richmond, the appropriate housing options may not be available for priority groups in need, such as families requiring multiple bedrooms or accessible units. The housing gaps and priority groups informed the final policy recommendations (adopted by Council on July 24, 2017) and the development of the Affordable Housing Strategy 2017-2027's strategic directions and creation of the proposed implementation framework.

#### Highlights from 2016 data

Since the endorsement of the Housing Affordability Profile in November 2016, statistics from the 2016 Census have been released. Staff have updated the Housing Affordability Profile with new information from the 2016 Census. Overall, the population trends show:

- The number of family households are growing in Richmond: There are 57,965 families reported, increasing by 16.7% over a 10-year period (2006-2016)
- The proportion of seniors in Richmond is expected to increase: Seniors currently make up 17% of the population, and the group is expected to rise to a proportion of 26% by 2041
- The median income of renters remains lower at \$48,989 compared to owners at \$71,840
- 22.2% of Richmond residents are reported as low-income<sup>1</sup>
  - 19.7% of low-income households are led by persons below 18 years old
  - 16.3% of low-income residents are seniors, which experienced the greatest increase in this category since 2011

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<sup>1</sup> This statistic may not reflect an accurate number of those who are truly low-income due to Canadian and foreign tax laws and underreporting of household income.

The 2016 Census data highlights the growing number of low-income seniors in Richmond and the need for more family-friendly housing options. The priority groups in need and key housing gaps still remain relevant, especially as the gap between renter and owner household incomes point to a need for increased affordable rental options in Richmond.

### Strategic Directions and Priority Policies

In responding to the identified housing gaps and priority groups in need, the Affordable Housing Strategy 2017-2027 has organized the policies (approved by Council in July 2017) under five strategic directions. The directions include:

1. Use of City regulatory tools to encourage a diverse mix of housing types and tenures;
2. Maximize use of City resources and financial tools;
3. Build capacity with non-profit housing and service providers;
4. Facilitate and strengthen partnership opportunities; and
5. Increase advocacy, awareness and education roles.

The Affordable Housing Strategy 2017-2027 will span over 10 years, with actions identified as short-term (1-3 years), medium-term (4-6 years), long-term (7-10 years), and ongoing. While there are 22 approved policy actions, the following priority policies will be the initial focus of the Affordable Housing Strategy 2017-2027:

- **Securing Low-End Market Rental (LEMR) units through development** – the City continues to work with the development industry to secure LEMR units through development. The LEMR units are targeted for low-to-moderate income households, and intended to create mixed-income buildings across the city. Amendments to the LEMR policy (adopted by Council in July 2017 and which are now in place), include:
  - Increasing the built unit requirement from 5% to 10% of the total residential floor area to be secured as LEMR units;
  - Decreasing the unit threshold from 80 units to 60 units in developments where LEMR units are required;
  - Identifying family-friendly targets for secured LEMR units of a minimum of 15% 2 bedroom and 5% 3 bedroom units; and
  - Changes in methodology to calculating the maximum rent and maximum annual household income thresholds.
- **Increasing the cash-in-lieu contribution rates** – the cash-in-lieu contributions will be primarily used to support partnerships to create additional non-market units in Richmond, or other innovative projects which respond to the key housing gaps and priority groups in need. The following cash contribution rates (adopted in July 2017) are now in place:
  - Single family rezoning: \$4/ft<sup>2</sup>;
  - Townhouse developments: \$8.50/ft<sup>2</sup>;
  - Developments with 60 units or less (wood-frame): \$10/ft<sup>2</sup>; and
  - Developments with 60 units or less (concrete): \$14/ft<sup>2</sup>.

- **Maximizing the Affordable Housing Reserve Fund** – set an annual target of collecting a minimum of \$1.5M in cash contributions to support innovative affordable housing projects, partnerships and land acquisition. The Affordable Housing Strategy 2017-2027 endeavours to identify specific uses for the cash contributions, prioritizing the use of funds for land acquisition and partnership opportunities.
- **Use of City-owned land for affordable housing** – review affordable housing land needs and consideration of utilizing City-owned land as a contribution to partnership projects with other levels of government and the non-profit housing sector to create new affordable housing. Funds will need to be set aside to acquire properties for affordable housing. Projects could include non-market rental, low-end market rental or a mix of rents to facilitate cross-subsidization of rents within a building.
- **Use of municipal financial incentives to support affordable housing objectives** – consider waiving development cost charges and municipal permit fees for new eligible affordable housing developments which are owned and operated by non-profit housing providers and where affordability is secured in perpetuity. A review will consist of assessing implications on the City’s tax base, costing out development cost charge waivers and developing an implementation framework. With respect to property tax exemptions for non-market housing managed by non-profit housing providers, a review and best practice analysis will also be undertaken.
- **Facilitating non-profit housing development opportunities** – develop policies and practices which empower non-profit housing providers to secure and/or create affordable housing in Richmond. Further policy work will include:
  - Creating criteria for reviewing and prioritizing City-supported non-profit housing projects;
  - Allowing flexibility for affordable housing developments which are non-profit driven and owned to present innovative rent structures that support a mix of affordable rental rates for consideration; and
  - Developing a list of pre-qualified housing providers for partnership opportunities on potential housing developments and ownership/management of LEMR units.

Since adoption of the original Affordable Housing Strategy in 2007, the City has been successful in securing a variety of housing types and cash contributions to support innovative standalone affordable housing projects. The strategic directions in the Affordable Housing Strategy 2017-2027 will position the City to capitalize on partnership opportunities, while continuing to be a leader in inclusionary housing policies in the region.

### Public Engagement Feedback

Staff conducted public engagement on the City’s Affordable Housing Strategy 2017-2027 implementation plan and actions over the next 10 years by holding stakeholder meetings, two open houses (located at City Centre Community Centre and Cambie Community Centre) and providing the information and feedback form on LetsTalkRichmond.ca. A total of 119 people completed the survey (online and paper) and approximately 60 individuals attended the open houses. The chart below highlights the key themes emerging from the public engagement:

| Theme   | Summary of Comments   |
|---|---|
| <b>General</b>  | <ul style="list-style-type: none"> <li>• General support for the Affordable Housing Strategy 2017-2027 and related actions</li> <li>• Many commented that housing is an urgent issue that the City is facing now</li> <li>• More focus should be placed on short term actions due to the current housing affordability crisis</li> </ul>  |
| <b>Family-Friendly</b>  | <ul style="list-style-type: none"> <li>• Respondents indicated the need for family-friendly units containing two and three bedrooms</li> <li>• More options needed for diverse household types (e.g. families, seniors looking to downsize) beyond a studio or 1BR apartment</li> <li>• City should look at regulations that require new (strata) buildings to contain a minimum number of two and three bedroom units for families.</li> </ul>   |
| <b>Accessibility/<br/>Co-location</b>   | <ul style="list-style-type: none"> <li>• Support for affordable housing options for low-income households, especially seniors.</li> <li>• Need more affordable housing for low-income seniors in Richmond.</li> <li>• Accessibility is important, and seniors housing should be close (walking distance) to services/amenities minimizing the need to drive or use transit</li> </ul>   |
| <b>Cash-in-lieu &amp;<br/>Low-end Market<br/>Rental (LEMR)</b>                | <ul style="list-style-type: none"> <li>• General support of the LEMR policy</li> <li>• Some concerns that non-market and market housing may not be located across Richmond, and would be concentrated in one neighbourhood</li> <li>• LEMR requirements and cash-in-lieu contributions could be further increased</li> <li>• Respondents indicated that a mix of unit types and tenures could create a socially and economically diverse community.</li> <li>• Non-profit agencies should manage LEMR units in order to ensure that the units are rented out to people who meet the eligibility criteria.</li> </ul>  |
| <b>Affordable<br/>Housing<br/>Tenancies</b>                                   | <ul style="list-style-type: none"> <li>• Affordable housing, including co-op housing and LEMR units, should be targeted towards households in need</li> <li>• An audit process was recommended to ensure incomes match the criteria for affordable housing.</li> </ul>  |
| <b>Foreign<br/>Ownership/<br/>Speculation/<br/>Empty Homes</b>                | <ul style="list-style-type: none"> <li>• Many respondents attributed the cause of the housing affordability crisis in Richmond to foreign ownership, speculation, and empty homes.</li> <li>• Suggestions include banning the sale of properties to foreigners and non-residents, imposition of an empty homes tax and limiting the sale of real estate to those who live and pay taxes in Canada.</li> <li>• Some comments relating to the current ALR house size consultation process.</li> </ul>   |
| <b>Density/<br/>Secondary<br/>Suites/<br/>Co-op Housing/<br/>Micro Suites</b> | <ul style="list-style-type: none"> <li>• Many respondents are supportive of greater densification in the City Centre neighbourhood, as well as other areas of the city.</li> <li>• Densification of existing family homes could allow multi-generational housing.</li> <li>• More co-op housing, as well as micro housing with low rent (e.g. \$500/month) to allow young adults to move out of family homes.</li> <li>• Zoning changes to encourage more secondary suites in single-family neighbourhoods.</li> <li>• There is a sense that respondents would like to see a diverse range of housing options to meet people's needs.</li> <li>• Some respondents noted how larger homes have changed the character of their neighbourhoods. Others noted how greater density has also changed their neighbourhoods.</li> </ul> |
| <b>Supportive/<br/>Transitional<br/>Housing</b>                               | <ul style="list-style-type: none"> <li>• Some respondents would like to see the City address homelessness and provide more transitional and supportive housing.</li> </ul>  |

Further information is included in the Public Engagement Summary Report (Attachment 4).



### Implementation Framework

The implementation framework in the Affordable Housing Strategy 2017-2027 identifies short-term (1-3 years), medium-term (4-6 years), long-term (7-10 years) and ongoing actions to be undertaken over the 10-year timeframe of the plan. Over 60 actions are proposed to advance the affordable housing policies to increase supply and respond to priority groups in need and housing gaps. Although feedback on policies was not sought through the final round of consultation, staff received comments on certain policies (e.g. low-end market rental and family-friendly) and will be undertaking further research and reporting back as necessary. The Low-End Market Rental (LEMR) policy and cash-in-lieu contribution rates will be reviewed on a bi-annual basis, and any policy changes will be brought forward for consideration at that time.

It was also made clear from feedback received during the final round of feedback that more emphasis is needed on short-term actions to address the current housing crisis. As a result, the following additions and/or revisions to the implementation plan are proposed:

- Review family-friendly targets, explore options to increase family-friendly targets in developments providing 30+ LEMR units, and revise policy if necessary (**new** short-term action)
- Undertake further analysis on occupancy management practices and potential policy changes to be completed through the bi-annual review of the LEMR policy (**new** short-term action)
- Work with other municipalities in Metro Vancouver to explore a coordinated approach to incentivize non-profit management of units secured through development (**new** short-term action)
- Clarify flexibility for non-profit housing providers to set a mix of rents and incomes in standalone affordable rental projects that are owned and operated by non-profit providers to allow for cross-subsidization of rents (**revised** short-term action)
- Undertake analysis of development cost charge waivers and potential creation of a new development cost charge bylaw for new affordable housing developments that are owned and operated by a non-profit (**revised** short-term action)
- Undertake a property tax exemption review for affordable housing developments that are owned and operated by a non-profit (**move** from medium-term to short-term action)
- Track data on secondary suites that are lost through redevelopment, and continue to track suites gained through rezoning or subdivision (**new** short-term action)
- Prioritize use of City-owned land to secure a site for permanent supportive housing (**move** from long-term to medium-term action)
- Advocate to senior levels of government to implement policies and actions regarding foreign ownership, speculation and empty homes, which may contribute to rising property prices and low vacancy rates (**new** short-term action)

A key assumption of the Affordable Housing Strategy 2017-2027 is that adequate resources will be available to support implementation. Due to the housing crisis in the Metro Vancouver region,

the affordable housing portfolio has grown in volume and complexity since adoption of the City's initial 2007 Affordable Housing Strategy. In addition, provincial capital and operating funding opportunities for affordable housing projects have increased in recent years. To capitalize on these partnership opportunities and in order to carry out the identified actions in the Affordable Housing Strategy 2017-2027, more staff resources will be required.

Partnerships will also be critical for the successful implementation of the Affordable Housing Strategy 2017-2027's strategic directions and policies. While the City can play an active role in addressing affordable housing, it cannot do so in isolation and will require support from other levels of government and key stakeholders to advance the City's affordable housing objectives.

### **Financial Impact**

Should the Affordable Housing Strategy 2017-2027 be adopted, it is anticipated that more staff resources will be needed to implement the identified actions. The funding for the staff resources would either come from additional level requests or through the Affordable Housing Reserve Fund.

### **Conclusion**

The final Affordable Housing Strategy 2017-2027 proposes high-level strategic directions and detailed actions for implementation to increase the City's affordable housing supply. With the accompanying documents, the Housing Affordability Profile and the Final Policy Recommendations Report, the Affordable Housing Strategy provides a clear understanding of the housing needs and the foundation for work to address housing affordability in Richmond over the ten-year timeframe. Should the document be adopted, it will mark the second iteration of an affordable housing strategy process completed by the City. The Affordable Housing Strategy 2017-2018 places emphasis on partnerships to position Richmond for success in securing funding and project opportunities with other levels of government and key stakeholders. It also clearly defines the City's role and authority in affordable housing, and aims to enhance Richmond's innovative inclusionary housing approach.



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- Att. 1: Affordable Housing Strategy 2017-2027 (5756920)
- 2: Housing Affordability Profile (updated with 2016 Census data) (5756956)
- 3: Final Policy Recommendations Report (5756958)
- 4: Public Engagement Summary Report (5730836)



CITY OF RICHMOND  
**AFFORDABLE  
HOUSING STRATEGY**

2017-2027



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## Summary

The 2017–2027 City of Richmond Affordable Housing Strategy is the second strategy undertaken by the City since 2007. The purpose of the updated Affordable Housing Strategy is to provide direction to the City of Richmond and other stakeholders in response to the current and future affordable housing needs of the community.

Market conditions have changed considerably over the last 10 years. Housing affordability remains an urgent issue across Metro Vancouver and in Richmond and the lack of affordable housing is increasingly emerging as a key public policy crisis. In response to the increasingly complex nature of creating and maintaining affordable housing, the City embarked on a process in 2016 to update the 2007 Strategy, building on successes to date, and maintaining the City's leadership on housing policy.

The Affordable Housing Strategy is an action-oriented framework that guides the City's response, within its authority, to maintain and create safe, suitable and affordable housing options for Richmond's residents. The Affordable Housing Strategy is the result of a multi-phase process, which included a review of existing policies and practices in Richmond, best practice research from other cities, economic analysis, and input from stakeholders and Richmond residents.

The issues raised during the community engagement process led to valuable insights into the current state of housing affordability in Richmond. This valuable input helped to set the stage for the five strategic directions that will shape the City's response to affordable housing over the next 10 years.

### Five strategic directions:

1. Use the City's regulatory tools to encourage a diverse mix of housing types
2. Maximize use of City resources and financial tools
3. Build capacity with non-profit housing and service providers
4. Facilitate and strengthen partnership opportunities
5. Increase advocacy, awareness and education roles



### Note to Readers

*The Affordable Housing Strategy features terminology specific to housing policy and city planning in general. Key terms have been bolded, and their definitions can be found in the **Glossary** under **Appendix 2**.*

The City recognizes that a diverse range of housing choices for families and individuals of different incomes and circumstances is essential in creating a well-planned and liveable community in Richmond. While the entire Housing Continuum is referenced in the Affordable Housing Strategy, the strategic directions and associated policies and actions for implementation, specifically focus on transitional and supportive housing, non-market rental housing, and low-end market rental units targeted to the priority groups in need.

**The priority groups in need were identified in the Housing Affordability Profile and endorsed by City Council in November 2016:**

- Families (including lone-parent families, families with children, and multi-generational families);
- Low and moderate income earners;
- Low and moderate income seniors;
- Persons with disabilities; and
- Vulnerable populations (including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health and addictions issues, and indigenous people).

Among Metro Vancouver municipalities, Richmond is known and respected as a leader in addressing affordable housing issues. As the first municipality in Metro Vancouver to establish an Affordable Housing Reserve Fund for the development of affordable housing units in the mid-1990s, the City has consistently used its local government authority to facilitate the development of affordable housing. Since the first Affordable Housing Strategy was adopted in 2007, the City has been instrumental in supporting the creation of more than 1,500 new affordable homes.

The City cannot solve housing affordability concerns alone, but can play a key role in partnership with the federal and provincial governments, who have the primary responsibility, along with the private and non-profit sectors. The Housing Action Plan sets out actions for implementation that can only be accomplished with the continued involvement of all stakeholders.

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## Introduction and Context

The Affordable Housing Strategy is an action-oriented framework that guides the City's response, within its authority, to maintain and create safe, suitable and affordable housing options for Richmond's residents. The updated Affordable Housing Strategy was developed from a review of existing policies and practices in Richmond, best practice research from other cities, economic analysis, and input from stakeholders and Richmond residents. The multi-phased process to update the Affordable Housing Strategy began in late 2016 with the creation of a Housing Affordability Profile, informed by research and community consultation from stakeholders and the public, which identified key housing needs. A policy review phase followed, which identified potential policy options for addressing housing needs, informed by consultation with stakeholders on the suitability and practicality of proposed policy options. These stakeholder consultations led to the refinement of proposed policy options into final housing policy recommendations, which serve as the basis of the Affordable Housing Strategy.

**Some of the trends impacting housing affordability in Richmond include:**

- Sustained population growth, with a high rate of growth expected to continue;
- An aging population, which will result in seniors being a much higher proportion of the population in the future;
- Aging rental housing buildings;
- Persistently low vacancy rates (below a healthy rate of 3%);
- Significant and increasing gap between housing prices and household incomes;
- Growing number of households on waitlists for **non-market/social housing**;
- Decreasing number of affordable **family-friendly** housing options; and
- Growing number of individuals experiencing homelessness.

## Purpose of the Affordable Housing Strategy

The purpose of the Affordable Housing Strategy is to ensure that the City's response to housing affordability challenges remains relevant and reflects key priority groups in need, as well as housing gaps. Specific elements of the Affordable Housing Strategy include:

- Highlighting past achievements.
- Providing background on past and current housing affordability.
- Identifying key issues, current housing affordability pressures, and priority groups.
- Setting out ways to meet future affordable housing needs.



The Strategy has five strategic directions, with 22 individual policies:

**Strategic Direction 1:** Use the City's regulatory tools to encourage a diverse mix of housing types

**Policies:**

- 1.1:** Low End of Market Rental (LEMR) Contribution (Priority)
- 1.2:** Cash in Lieu Contribution (Priority)
- 1.3:** Family-Friendly Housing
- 1.4:** Secondary Suites
- 1.5:** Market Rental Housing
- 1.6:** Basic Universal Housing
- 1.7:** Micro-Unit Rental Housing (Compact Living Rental Units) Policy
- 1.8:** Transit-Oriented Affordable Housing Development Policy

**Strategic Direction 2:** Maximize use of City resources and financial tools

**Policies:**

- 2.1:** Use City Land for Affordable Housing (Priority)
- 2.2:** Affordable Housing Reserve Fund (Priority)
- 2.3:** Financial Incentives (Priority)
- 2.4:** Special Development Circumstances and Value Transfer
- 2.5:** Rent Bank Program

**Strategic Direction 3:** Build capacity with non-profit housing and service provider

**Policies:**

- 3.1:** Non-Profit Housing Development (Priority)
- 3.2:** Facilitating Stakeholder Partnerships
- 3.3:** Re-new Non-Profit Housing Stock
- 3.4:** Encourage Accessible Housing

**Strategic Direction 4:** Facilitate and strengthen partnership opportunities

**Policies:**

- 4.1:** Co-Location of Non Profit and Community Facilities
- 4.2:** Community Land Trust

**Strategic Direction 5:** Increase advocacy, awareness and education roles

**Policies:**

- 5.1:** Building Awareness and Information Sharing
- 5.2:** Monitoring and Reporting
- 5.3:** Prepare Position Papers

Companion documents to the Affordable Housing Strategy include:

- Housing Affordability Profile, including a statistical report and a report on consultation activities, which was endorsed by Council in October 2016; and
- Affordable Housing Policy Recommendations Report, which was endorsed by Council in June 2017.

## Housing Affordability Defined

Affordability is a relative term linking housing costs to a household's total income. For the purposes of the Affordable Housing Strategy, affordable housing is defined as housing that a single person or household can afford to rent or purchase without spending more than 30% of their before-tax income. For homeowners, these costs include mortgage payments, strata fees, mortgage and home insurance, as well as utilities. For renters, costs include rent and some utilities. The 30% measurement is a common standard for defining affordability nationally and provincially.

### A Household is in Core Housing Need if...

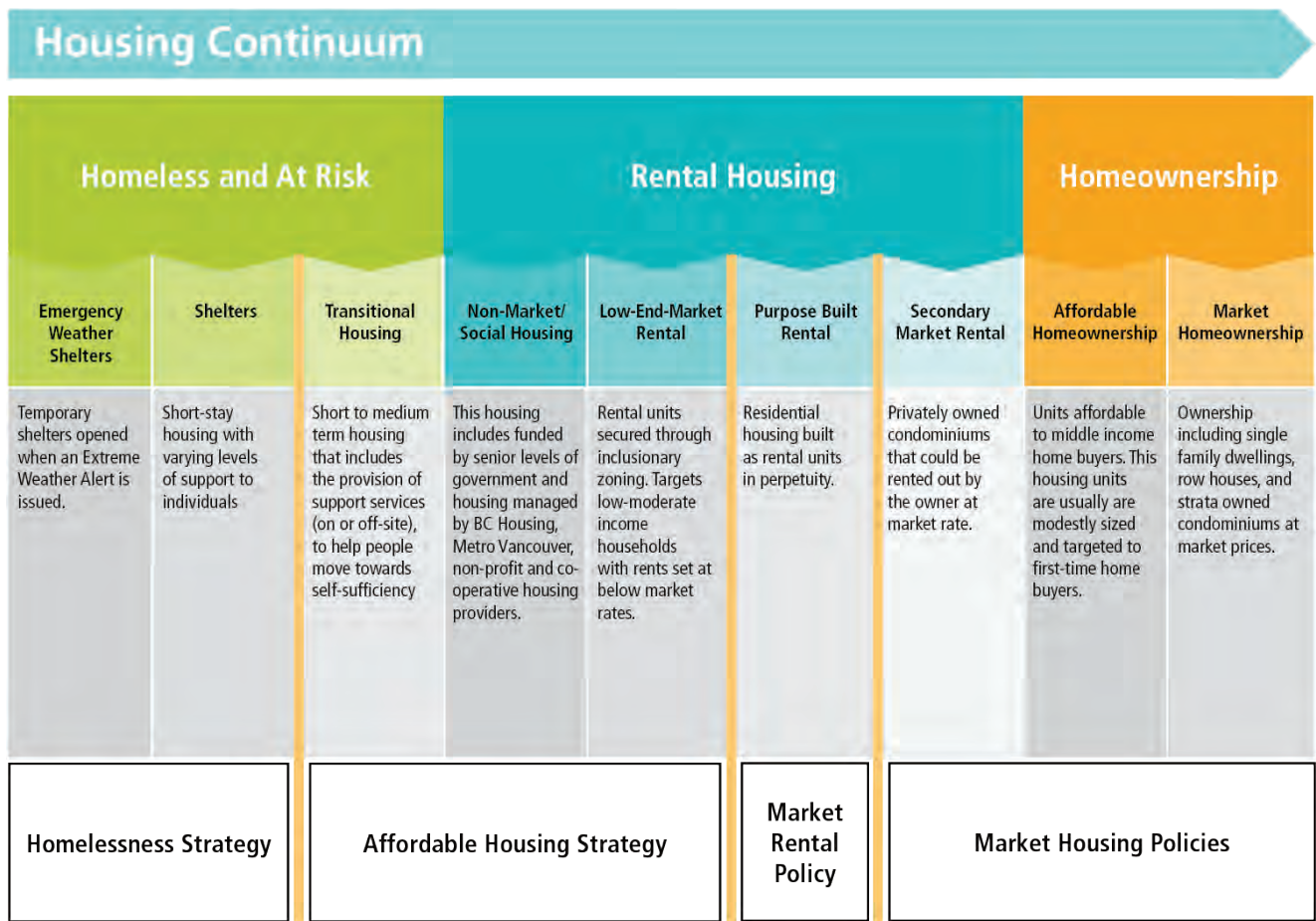
- i. its housing does not meet one or more of the adequacy, suitability or affordability standards, and
- ii. it would have to spend 30% or more of its before-tax income to access acceptable local housing.
  - Acceptable housing is adequate in condition, suitable in size, and affordable.
  - Adequate housing does not require any major repairs, according to residents.
  - Suitable housing has enough bedrooms for the size and makeup of resident households, according to National Occupancy Standard (NOS) requirements.
  - Affordable housing costs less than 30% of before-tax household income

## Benefits of Affordable Housing

Affordable housing benefits the entire community by creating:

- Support for economic growth by providing local workers and residents with local affordable housing options;
- Opportunities for households to live and work in Richmond, which may lead to reduced pressure on urban sprawl and traffic congestion;
- Sustainable, resilient, and well-integrated neighbourhoods;
- Social diversity and inclusion by allowing low and moderate income households to find adequate housing within their communities; and
- A healthy environment for families with children to live and thrive in the community.





## Housing Continuum

Every household should have access to housing that is affordable, adequate, and suitable for their incomes, household size, and specific needs. The Housing Continuum highlighted in Figure 2 provides a useful framework that identifies the spectrum of options from emergency shelters to market homeownership.

The strategic directions, policies, and actions in the implementation framework specifically focus on the transitional and supportive housing, non-market rental housing, and LEMR sections of the housing continuum, targeted to the priority groups in need.

## Alignment with City Policies

The Affordable Housing Strategy aligns with the goals of Richmond’s Official Community Plan 2041 — “Moving Towards Sustainability,” which are:

- Encourage a variety of housing types, mixes and densities to accommodate the diverse needs of residents;
- Continue to implement the 2007 Richmond Affordable Housing Strategy and update it periodically;
- Support development of a range of housing types (e.g. secondary suites, coach houses, granny flats, live-work, row housing, and affordable housing);

- Encourage partnerships with government and non-governmental agencies to support the creation of affordable, rental, and special needs housing; and
- Support the location of affordable housing choices close to transit, shops and services.

The Affordable Housing Strategy also supports the Social Development Strategy (2013–2022), specifically Strategic Direction #1: Expand Housing Choices.

Figure 3: Key Actors in Community Housing Development



## The Role of Government and Key Partners

### Federal and Provincial Governments

Historically, the federal government has played a major role in providing subsidized social housing since the 1930s. The federal government drastically cut back funding for social housing and co-operatives in 1993. Currently, the federal government primarily targets funding to urgent priorities, most recently towards homelessness. In April 2017, Canada Mortgage & Housing Corporation (CMHC) committed to spending \$11.2 billion over the next 11 years towards the creation of affordable housing across the country. The first step of the financial commitment is to provide \$2.5 billion over five years in loans and financing for new rental housing construction across Canada. More details are expected to come as the CMHC releases the National Housing Strategy in late 2017.

After the federal funding cuts in the mid-1990s, the provincial government increased its funding for affordable housing, with BC Housing playing the lead role. The development of thousands of shelter beds, as well as transitional and new non-profit housing for seniors, families, and people with special needs has been facilitated across the province through financing, along with rent supplements for seniors and working families with low incomes for use in the private rental market. More recently, the government committed to develop 114,000 affordable housing units over the next 10 years.





## Metro Vancouver Regional District

Metro Vancouver maintains the Regional Growth Strategy and the Regional Affordable Housing Strategy to guide growth in the region and encourage affordable development. Metro Vancouver also owns and operates affordable housing units through the Metro Vancouver Housing Corporation.

The Regional Growth Strategy is a consensus-based document in which all municipalities agree to be guided by the same set of principles. The Regional Growth Strategy does not directly provide tools or strategies to provide affordable housing, but it does require municipalities to respond to the goal areas in their Official Community Plans called Regional Context Statements.

The Regional Growth Strategy plots out population trends until the year 2040, and the corresponding number of housing units needing to be built in each municipality to house 1 million additional people in the region between 2011 and 2040.

Metro Vancouver continues to be one of the most dynamic urban areas in Canada with a growth rate of approximately 5% between 2011 and 2016, which is similar to Richmond. In terms of projected population increases, Richmond's 2016 population was 213,891 and is estimated to grow to approximately 280,000 by 2041.

This population growth translates into increased demand for housing. The Regional Affordable Housing Strategy provides estimates for municipal housing demand for the next 10 years. These estimates provide guidance to municipalities in their long range planning. The Regional Affordable Housing Strategy also provides a vision, goals, strategies and recommended actions for key housing stakeholders. While recognizing a range of rental and homeownership options in a variety of forms, sizes and price points are important to support economic growth and the development of complete communities, the Regional Affordable Housing Strategy focuses primarily on:

- Rental housing (both market and non-market);
- Transit oriented affordable housing developments; and
- The housing needs of very low and low income households (e.g. households earning approximately \$30,000 annually, and between \$30,000 and \$50,000 annually).



## Municipalities

Shifting federal and provincial government roles have continued to place considerable pressure on municipalities to become more active in providing and facilitating affordable housing. These additional roles include:

- Various fiscal measures, such as the use of municipal land, direct funding, and relief from various fees and charges (e.g. development cost charges, community amenity charges);
- Regulatory policies to mandate affordable housing, such as the Inclusionary Housing Policy;
- Education and advocacy to help raise community awareness of local affordability issues, and to encourage an increased role and greater support by senior governments to address affordability challenges; and
- Direct provision of affordable housing either through a civic department or agency, such as a municipal housing authority;

The City of Richmond has long acknowledged that providing a range of affordable and diverse housing types for all residents is an important part of creating a liveable community and has made considerable financial and land contributions to affordable housing development since 2007. See the Richmond's Response section (p.9) for more detailed information.

## Private Sector

This sector includes landowners, developers and builders, investors, and landlords, and is responsible for the development, construction, and management of a range of housing forms and tenures, including ownership and rental. The private sector works closely with local governments to provide a range of housing choices aimed at addressing short and longer term local housing needs and demand. Since other levels of government have stepped away from providing housing directly, the private sector has been increasingly involved in providing the majority of rental units across Canada. **Secondary suites** are one significant example of private rental housing.

## Non-Profit Sector

The non-profit housing sector creates and manages housing units that rent at low-end of market and below market rates and may include support services (e.g. life skills, employment training). The sector includes community-based non-profit organizations that typically receive some form of financial assistance from other levels of government to enable them to offer affordable rents. Currently, this financial assistance is in the form of **reduced-rate mortgages** and capital grants, but does not involve ongoing operating subsidies.







## Richmond’s Response

Among Metro Vancouver municipalities, Richmond is known as a leader in addressing affordable housing issues. After being the first municipality in the region to establish an Affordable Housing Reserve Fund in the mid-1990s, the City has consistently used its local government authority to facilitate the development of affordable housing. Appendix B provides a comparison of Richmond’s affordable housing initiatives to selected municipalities in Metro Vancouver.

The City acknowledges that it cannot solve housing affordability issues on its own; however, the City can play a key role within its authority in partnership with other levels of government, and the private and non-profit sectors to response to local affordability challenges. Key elements in the City’s response continue to include:

- Affordable housing policy development;
- Strategic review and planning on specific projects and issues;
- Utilizing the Affordable Housing Reserve Fund to provide funding to specific affordable housing projects;
- Strategic land acquisition and below market rate leasing of City-owned land for non-profit managed affordable housing; and
- Providing capital funding and facilitating the development of innovative affordable housing projects.

The City continues to monitor housing issues and trends and examine best practice affordable housing policies, programs, and regulations used in other municipalities and their potential application to Richmond.

## Highlights

Since the City’s first comprehensive Affordable Housing Strategy was adopted in 2007, the City, in partnership with other stakeholders, has been instrumental in supporting the creation of more than 1,500 new affordable homes for residents. Figure 4 highlights this investment in affordable housing.

Figure 4:

| Year to date summary of projects approved through development |              |
|---|--------------|
| Subsidized Rental/Non-Market Housing                          | 477          |
| Affordable Rental (LEMR)—Secured with Housing Agreement       | 429          |
| Market Rental   | 411          |
| Entry Level Home Ownership                                    | 19           |
| Secondary Suite/Coach House                                   | 229          |
| <b>Annual Total of Units Resulting from AHS</b>               | <b>1,565</b> |



Figure 5 highlights a timelines of major achievements in affordable housing development from 2007–present.

Figure 5

|      |  |
|------|--|
| 2007 | Affordable Housing Strategy Adopted  |
| 2007 | Richmond Formalizes Inclusionary Zoning / Density Bonusing approach to secure affordable Housing                               |
| 2008 | Richmond Secures first Low-End Market Rental Units at 6888 Cooney Rd   |
| 2009 | Richmond Secures the 100th LEMR Unit   |
| 2010 | Richmond Secures the 250th LEMR Unit   |
| 2011 | Storeys Partnership formed to develop 129 units for low income residents   |
| 2012 | Council approves financial & policy considerations for Kiwanis Towers seniors' housing development                             |
| 2013 | Partnership for Cadence units featuring affordable housing and daycare formed  |
| 2014 | Richmond Secures the 400th LEMR Unit   |
| 2015 | Kiwanis Seniors Housing is approved for occupancy  |
| 2016 | Council approves development cost charge waiver grant towards the Habitat for Humanity project for 12 affordable housing units |
| 2017 | Cadence housing development for female-led, lone-parents families with adjacent child care is approved for occupancy           |
| 2017 | Storeys affordable housing project for vulnerable residents is approved for occupancy  |
| 2017 | Updated Affordable Housing policy recommendations adopted by Council   |

As shown in Figure 5, the City has facilitated and approved over 1,500 affordable housing units since adoption of the Affordable Housing Strategy in 2007. Appendix D shows a map of the over 400 Low-End Market rental units that are approved or in the process of being approved as of 2017.

## Case Studies: Kiwanis Towers, Cadence, and Storeys

The City implemented tools outlined in the 2007 Affordable Housing Strategy to facilitate partnerships and support the development of three innovative affordable housing projects for low-income and vulnerable households. These projects include Kiwanis Towers, Cadence and the Storeys projects. The success and lessons learned from these projects have been integrated into the new Affordable Housing Strategy.

Below are brief summaries for each project, with full descriptions provided in Appendix C.

| Kiwanis Towers                  |  |
|---------------------------------|--|
| Project Goal                    | Replacement of aging seniors' housing development and redevelop an underutilized site to meet the needs of a growing seniors population  |
| Stakeholders Involved           | City of Richmond, BC Housing, CMHC, Kiwanis Senior Citizens Housing Society, Polygon Homes Ltd   |
| City Policies & Strategies Used | <ul style="list-style-type: none"> <li>▪ Affordable Housing Value Transfers (AHVT)</li> <li>▪ Affordable Housing Reserve Fund</li> </ul> |
| City Contribution               | \$24.1 million   |
| Unit Types                      | 296 units (all 1BR units)  |
| Groups Served                   | Low-income senior households   |
| Completion Date                 | Summer 2015  |



| Storeys                         |  |
|---------------------------------|--|
| Project Goal                    | Use City-owned site to provide non-market/ subsidized housing opportunities for some of Richmond's most vulnerable residents   |
| Stakeholders Involved           | City of Richmond, BC Housing, CMHC, Service Canada, and a non-profit consortium: consisting Coast Mental Health, Tikva Housing, S.U.C.C.E.S.S, Turning Point Housing Society and Pathways Clubhouse Society of Richmond  |
| City Policies & Strategies Used | <ul style="list-style-type: none"> <li>▪ Use of City-owned land</li> <li>▪ Significant City contribution towards capital construction costs, development cost charges, permit fees and servicing costs</li> <li>▪ <b>Affordable Housing Reserve Fund</b></li> <li>▪ Affordable Housing Value Transfers (AHVT)</li> </ul> |
| City Contribution               | \$19.8 million and the long-term lease of City-owned land  |
| Unit Types                      | 129 units (including studio, 1BR, 2BR and 3BR)   |
| Groups Served                   | Low-income families, female-led families, individuals at-risk of homelessness, individuals with mental health and/or addictions challenges, low-income seniors   |
| Completion Date                 | Fall 2017  |



| Cadence                         |  |
|---------------------------------|--|
| Project Goal                    | Use of inclusionary housing policy and targeting units for female-led lone-parent families at non-market rental level  |
| Stakeholders Involved           | City of Richmond, Atira Women’s Resource Society, Cressey Developments   |
| City Policies & Strategies Used | <ul style="list-style-type: none"> <li>▪ Inclusionary Housing &amp; <b>Density Bonusing</b></li> <li>▪ Affordable Housing Special Development</li> <li>▪ Partnership with non-profit agency and private sector</li> </ul>  |
| City Contribution               | In exchange for an increase in density, the development was permitted to cluster the affordable housing built contribution on site, which provided an opportunity for a non-profit to manage the units and provide housing and additional supports to a priority group in need |
| Unit Types                      | 15 units (1 studio, 14 2BR)  |
| Groups Served                   | Female-led lone-parent families  |
| Completion Date                 | Summer 2017  |







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## Consultation and Research

The strategic directions, policies, and actions outlined in the Affordable Housing Strategy are built upon the successes of the 2007 Affordable Housing Strategy. Considering there are many facets to housing affordability with numerous stakeholders involved, the update to the 2007 Affordable Housing Strategy started with a consultation process with Richmond residents, the private sector, non-profit housing and service providers, and representatives from other levels of government to determine current housing needs and trends.

### Consultation

Consultation began in May 2016 and included “pop-up” events throughout Richmond, stakeholder workshops and meetings, and a public open house. One-on-one meetings were held with senior government and quasi-government representatives. The City also received written feedback through an online survey and comment forms at the “pop-up” events and open house. In June 2017, targeted consultation took place with key stakeholders, including workshops with for-profit housing developers, and non-profit housing organizations. A final round of consultation took place in January and February 2018 including two open houses and an online survey to seek feedback on the implementation plan and actions.

**Other activities used to develop the Affordable Housing Strategy included:**

- Development of a Housing Affordability Profile (endorsed by Council in November 2016), which identified key housing gaps and priority groups in need of housing;
- Examining the City’s existing policy tools and a best practice assessment of additional policy options;
- Undertaking economic analysis by two external land economists that reviewed recommended policy actions (final policy recommendations approved by Council in July 2017); and
- Reviewing strategic directions and preparing a supporting implementation framework, to be addressed in the next section of the Affordable Housing Strategy.


### Research

In addition to the consultation process, a review of key statistics and data was conducted to identify groups in need and housing gaps in the community. The information was compiled in a Housing Affordability Profile (endorsed by Council in November 2016 and updated in 2018), providing an overall picture of the community need and gaps in Richmond.



A key indicator of housing need is the percentage of households that are spending 30% and 50% or more of their income on housing costs. The table below shows that Richmond renters were more likely to be spending greater than 30% of their income on housing than owner households, meaning that their current housing situation is not affordable. The data also showed that a higher proportion of renters were spending 50% or greater of their household income on housing.

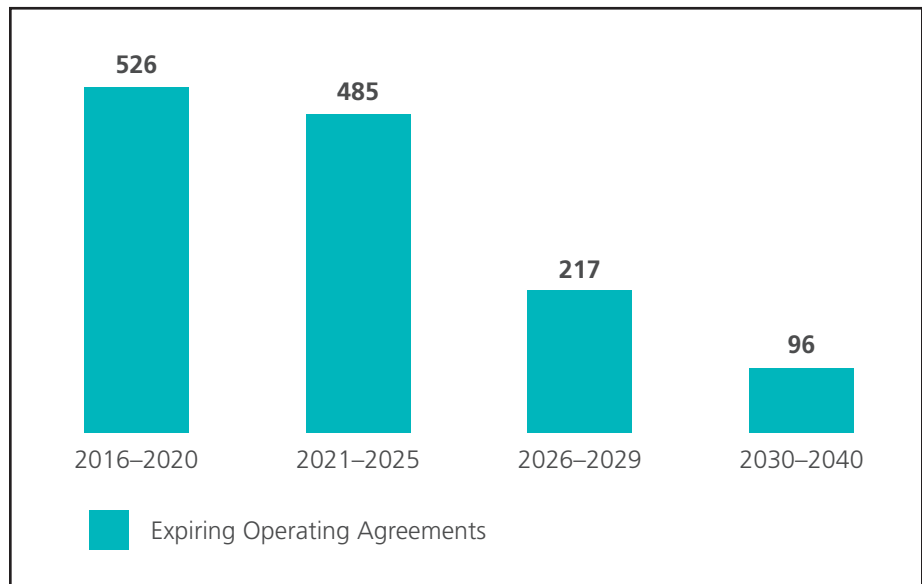
Table 1: Households Spending 30% or More on Housing Costs (2011 Census Data)

| Richmond Residents  | Spending 30% or more on Housing Costs |                             |                             | Spending 50% or more on Housing Costs |                             |                |
|---|---------------------------------------|-----------------------------|-----------------------------|---------------------------------------|-----------------------------|----------------|
|   | Total # Housholds                     | # of housholds in Core Need | % of housholds in Core Need | Total # Housholds                     | # of housholds spending 50% | % of housholds |
|  Renters | 13,455                                | 4,485                       | 33.3%                       | 13,455                                | 1,805                       | 13.4%          |
| Owners  | 47,885                                | 7,440                       | 15.5%                       | 47,885                                | 3,515                       | 7.3%           |

Source: Metro Vancouver Housing Data Book, July 2017

Another critical issue impacting housing affordability is the expiry of **operating agreements** for 1,276 non-market/social housing units in the city, with a majority of units expiring between 2016 and 2020. Additionally, the waitlist for households in need of this type of housing has grown annually with 680 persons on the BC Housing Registry (as of 2017). The waitlist includes a high proportion of families and persons with disabilities, pointing to a need for affordable family-friendly and accessible housing in the community.

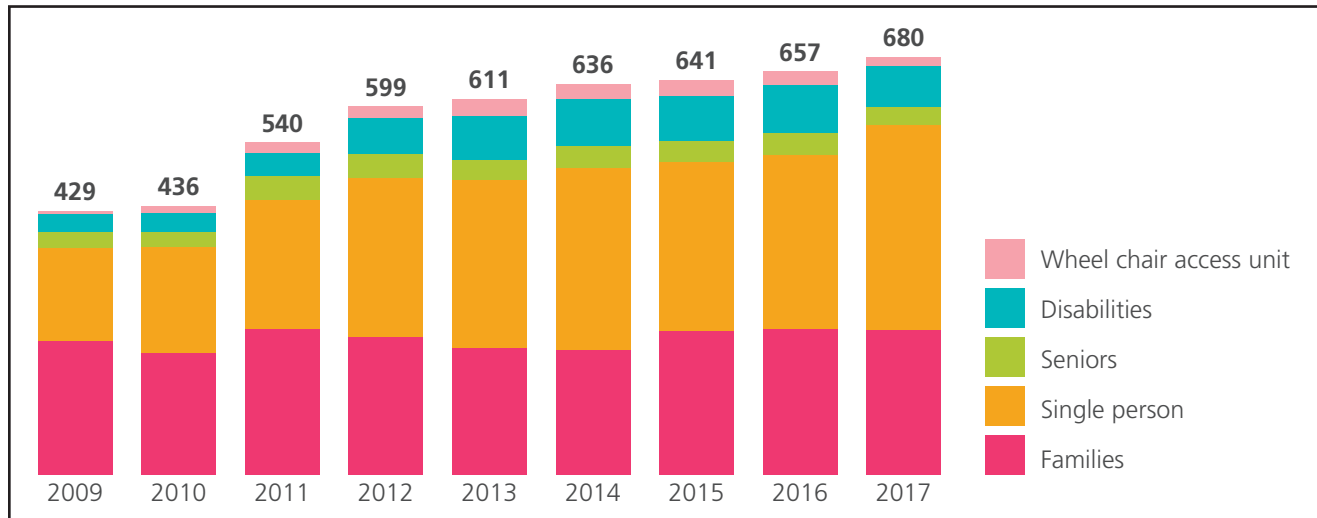
Figure 5: Units Impacted by Expiry of Operating Agreements by Expiry Year



Source: Metro Vancouver, 2017, Housing Data Book.



Figure 6: Richmond Households on Social Housing Waitlists by Household Type



Source: Metro Vancouver, 2017, Housing Data Book.

Persistently low vacancy rates, far below what is considered to be a ‘healthy’ rental market (3%) and a growing gap between increasing rents and stagnant incomes have led to a critical situation for all renter households in Richmond.

Based on Metro Vancouver Regional Affordable Housing Strategy housing demand estimates, 10,800 ownership homes and 3,200 rental homes will be needed in Richmond by 2026 to meet the projected population growth.

Table 2: Housing Demand Estimates by Tenure and Household Income Levels

| Housing Type                  | Demand Estimates (2016–2026) | Annual Estimated Demand | Corresponding Annual Household Incomes |
|-------------------------------|------------------------------|-------------------------|--|
| Rental — Very low income      | 1,300                        | 130                     | <\$30,000                              |
| Rental — Low income           | 700                          | 70                      | \$30,000–\$50,000                      |
| Rental — Moderate income      | 600                          | 60                      | \$50,000–\$75,000                      |
| Rental — Above average income | 300                          | 30                      | \$75,000–\$100,000                     |
| Rental — High Income          | 300                          | 30                      | >\$100,000                             |
| Homeownership                 | 10,800                       | 1,080                   | *varies                                |

\*Metro Vancouver anticipates that many households of all income ranges will continue to make necessary trade-offs in order to purchase a home.

Source: Metro Vancouver, Regional Affordable Housing Strategy

The Regional Affordable Housing Strategy acknowledges that meeting estimated demand for very low-income and low-income households will require funding from the federal and provincial governments. The City can play a key role in securing units for low-to-moderate income households, however this will in part depend on the number of development applications received.

The implications of not meeting housing demand for different household types and income levels in Richmond have greater community impacts, such as the recent trend of decreasing enrolment in public schools and the growing number of individuals experiencing homelessness in the city. The trends indicate a need for more opportunities for families and other low-income/vulnerable households to find suitable, affordable housing in Richmond.





# Housing Action Plan Priorities

Using demographic data and feedback from community consultation, priority groups in need of housing and associated housing gaps were identified. Understanding the priority groups and housing gaps in Richmond have helped create and enhance the policies presented in the Housing Action Plan to better respond to the housing need in the community.

Table 3: Priority Groups and Housing Gaps

| Priority Groups   | Identified Housing Gaps*   |
|---|--|
| Families, including lone-parent families, families with children, and multigenerational families.   | <ul style="list-style-type: none"> <li>▪ Family-friendly 2-3 bedroom units</li> <li>▪ Low-end of market rental housing</li> <li>▪ Purpose built rental housing</li> </ul>  |
| Low and moderate income earners, including seniors, families, singles, couples, students, and persons with disabilities.  | <ul style="list-style-type: none"> <li>▪ Low-end of market rental housing</li> <li>▪ Purpose built rental housing</li> </ul>   |
| Persons with disabilities.  | <ul style="list-style-type: none"> <li>▪ Accessible, Adaptable, and VISIBLE Housing</li> <li>▪ Low-end of market rental housing</li> </ul>                                 |
| Low- and moderate-income seniors.   | <ul style="list-style-type: none"> <li>▪ Low-end of market rental housing</li> </ul>   |
| Vulnerable populations, including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health/addiction issues, and indigenous people | <ul style="list-style-type: none"> <li>▪ Low-barrier housing*</li> <li>▪ No-barrier housing*</li> <li>▪ Non-market housing for singles, couples, &amp; families</li> </ul> |

\*Endorsed by Richmond City Council in November 2016 as part of the Richmond Housing Affordability Profile







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## Strategic Framework

The Affordable Housing Strategy sets out specific strategic directions that the City will take to address housing affordability that respond to the identified housing priority groups in housing need. The framework supports the City of Richmond's overall balanced approach to securing cash contributions to support the creation of non-market rental units and securing built **low-end market rental (LEMR)** units through development. The strategic directions will include corresponding policies and actions for implementation.

### Vision

Ensure that Richmond remains a liveable, sustainable community and that the City continues to take an active role to maintain, create, and facilitate diverse and affordable housing choices for current and future residents.

#### Strategic Direction 1: Use Regulatory Tools to Encourage a Diverse Mix of Housing Types and Tenures

The City's most effective tool within its legislative authority to address housing affordability is long-term land use planning and the review of development applications to ensure that a diverse mix of housing types and tenures are available. In addition, the City can require developers to make a contribution towards affordable housing in exchange for additional density beyond what is permitted in the Zoning Bylaw.

### Policies:

#### 1.1: Low End of Market Rental (LEMR) Contribution (Priority)

LEMR units are secured as affordable in perpetuity through legal agreement on title, which restricts the maximum rents and tenant eligibility by income. This policy is intended to ensure the development of mixed income communities and provide rental homes for low-moderate income households.

#### 1.2: Cash-in-Lieu Contribution (Priority)

Developers provide a cash-in-lieu contribution when the threshold for built LEMR units is not met. These contributions are collected in the Affordable Housing Reserve Fund. The Fund is intended to support the development of innovative affordable housing projects, such as the Kiwanis Towers and Storeys project.

#### 1.3: Family-Friendly Housing

Family-friendly housing meets the needs of families, including but not limited to the appropriate number of bedrooms. This policy is intended to ensure that housing appropriate for families continues to be available in Richmond so that households can remain within their community as they grow.





#### **1.4: Secondary Suites**

Secondary suites are self-contained units within single-family houses and townhouses that may be rented at market rates. This policy is intended to ensure densification in single-family neighbourhoods and to provide more rental options for low and moderate income households.

#### **1.5: Market Rental Housing**

Market rental housing is purpose-built rental housing in the private market. The City is undertaking a separate but complementary process aimed at increasing the supply of purpose-built market rental. The Official Community Plan encourages a 1:1 replacement when existing rental housing in multi-unit developments are converted to strata or where existing sites are rezoned for redevelopment. The goal of this policy is to create more rental options for moderate income households in Richmond who may not qualify for non-market/low-end market rental units, while protecting the existing rental stock. The policy will also propose mechanisms to protect tenants who may be displaced during redevelopment/renovation of existing rental housing.

#### **1.6: Basic Universal Housing**

Basic universal housing includes accessibility features, such as wider doorways and accessible windows and outlets/switches for individuals in a wheelchair. Currently, the City provides a floor area exemption for residential units that incorporate basic universal housing features in new developments. This policy is intended to help increase the availability of accessible and affordable units for persons with mobility challenges.

#### **1.7: Micro-Unit Rental Housing (Compact Living Rental Units)**

Micro-units are self-contained units that are smaller in size than typical units. The goal of this policy is to increase the diversity of unit types that are available in Richmond, and provide an affordable option in the private or rental market.

#### **1.8: Transit-Oriented Affordable Housing Development**

The Regional Affordable Housing Strategy promotes the development of affordable rental housing units in close proximity to transit, as the location may provide better access to community benefits and cost-savings to low and moderate income renter households. The goal of this policy is to increase the amount of affordable units located in close proximity to the Canada Line and along Frequent Transit Routes on major arterial roads.

## Strategic Direction 2: Maximize Use of City Resources and Financial Tools

The City can make use of its resources, including land and cash contributions gained through development, to best address the needs of Richmond's residents. To maximize the use of funds generated in the Affordable Housing Reserve Fund, the City can direct its resources towards innovative affordable housing partnership projects. In addition, the City can utilize financial tools within municipal jurisdiction to mitigate costs associated with the development of affordable housing, such as waiving permit fees and development charges.

### Polices:

#### 2.1: Use City Land for Affordable Housing (Priority)

Federal and provincial investment in affordable housing is primarily directed towards partnership projects and municipalities are increasingly encouraged to provide municipally-owned land to support these projects. The goal of this policy is to ensure that the City continues to acquire land for the purposes of affordable housing and is made available to capitalize on potential partnership opportunities for the development of new affordable housing projects. Affordable housing units can include a variety of rents including non-market rate rents, rents at income-assistance levels, low-end market rents, or a mix to encourage cross-subsidization within a development.

#### 2.2: Affordable Housing Reserve Fund (Priority)

As part of the current cash-in-lieu contribution policy, cash contributions towards affordable housing are collected through rezoning applications involving townhouses, single-family and apartment developments with 60 units or less. The contributions are held in the Affordable Housing Reserve Fund, and the policy sets out spending priorities of the fund to ensure that cash contributions are used to create affordable housing units or purchase land for affordable housing projects.

#### 2.3: Financial Incentives (Priority)

Under municipal jurisdiction, the City can waive development cost charges and municipal planning and permit fees for affordable housing developments. Some municipalities offer property tax exemptions of non-market/social housing developments. The goal of this policy is to minimize the costs associated with affordable housing development for non-profit housing providers.

#### 2.4: Affordable Housing Special Development Circumstances and Value Transfer

The Special Development Circumstance allows developers to transfer the value of their built LEMR requirement to an offsite, stand-alone affordable housing development. The goal of this policy is to ensure sufficient financial support for stand-alone affordable housing developments and to increase the number of non-profit driven projects in Richmond.



## 2.5: Rent Bank Initiative

A rent bank allows municipalities to work with community non-profit organizations to provide one-time loans/grants to low-income households who are not able to make their rent due to financial hardship or other factors. The goal of this program is to ensure households are able to remain in their home if they are experiencing a temporary financial crisis or shortage of funds.

### Strategic Direction 3: Build Capacity with Non-Profit Housing and Service Providers

Non-profit organizations play a critical role in meeting the needs of groups or households that may experience barriers to housing or are considered vulnerable. Non-profit housing providers have expertise in tenant qualification and selection as well as ongoing occupancy management. Further, wraparound services such as employment training, education, addictions recovery, and immigration services can be integrated into housing projects. This strategic direction ensures that City will continue to empower non-profit housing and social service providers, as they have the mandate and capacity to support tenants in achieving successful housing outcomes.

### Policies:

#### 3.1: Non-Profit Housing Development (Priority)

Non-profit housing and service providers continue to express interest in becoming more active in housing provision in Richmond, specifically with partnership projects and the potential ownership and management of affordable housing units secured through development. The purpose of this policy is to facilitate the creation of non-market and non-profit driven housing developments and to increase the opportunities for non-profit housing providers to own or manage affordable housing units in Richmond.

#### 3.2: Facilitating Stakeholder Partnerships

The City can play an active role in facilitating relationships between developers and non-profit housing providers when LEMR units are secured through development. Non-profit housing providers have the mandate to provide affordable housing to households in need, and have the capacity and expertise to select/screen tenants and provide management services that support tenants to achieve housing stability. The goal of this policy is to increase the non-profit ownership and management of LEMR units secured in residential developments to ensure the occupancy management practices are aligned with the values and intent of the LEMR policy.



### 3.3: Re-new Non-Profit Housing Stock

Many non-profit and social housing buildings are aging and approaching the end of their operating agreements with the federal government. In these cases, the federal or provincial governments are providing operating funding so the non-profits can subsidize the rents for households in need. Upon expiry, many developments may face significant costs associated with major repairs/upgrades and ongoing costs necessary to subsidize rents. In some cases, the costs may be too high and the developments may consider redevelopment of their housing stock to generate additional revenue. The purpose of this policy is to support organizations to renew ageing non-market housing buildings and to ensure that this supply of affordable housing is maintained in the community.

#### Strategic Direction 4: Facilitate and Strengthen Partnership Opportunities

As a leader, the City is well-positioned to facilitate partnerships among key stakeholders to encourage the development of affordable housing. This strategic direction guides the City to capitalize on partnership opportunities ensuring that additional affordable housing options for priority groups in need are available, in addition to units secured through development contributions.

#### Policies:

#### 4.1: Co-Location of Non Profit and Community Facilities

The co-location of community facilities with affordable housing on one site may provide tenants with improved access to important community amenities, such as child-care, health and wellness services, education, recreation and training services. The goal of this policy is to increase the access to important services for the priority groups in need in affordable housing developments. This policy can also have positive impacts on creating community and increased social interaction between building and neighbourhood residents.

#### 4.2: Community Land Trust

A community land trust is one method of ensuring the long-term affordability of land for non-profit housing providers through ground-leases. The trust acts as a community-based organization that acquires land and removes it from the private rental market, and leases it to non-profit housing providers for affordable housing projects. The intention of this policy is to explore options to maintain affordability in Richmond and explore opportunities to work with community land trusts in Richmond. This policy would not involve City-owned land.



## Strategic Direction 5: Increase Advocacy, Awareness and Education Roles

As local governments are increasingly involved in addressing housing affordability, the City is in a position to communicate and advocate on behalf of its residents and key stakeholders to address Richmond's housing affordability needs. As the federal and provincial governments continue to have the primary responsibility for providing affordable housing, this strategic direction ensures that City plays an active role in bringing awareness to the housing issues faced by residents and stakeholders in the community, and is able to advocate for increased resources and funding.

### Policies:

#### 5.1: Building Awareness and Information Sharing

Regular reporting to Council and the public on housing achievements keeps the City accountable to meeting its targets. The purpose of this policy is to monitor the progress of affordable housing development in Richmond and to provide information on the changing housing affordability needs in the community.

#### 5.2: Position Papers

Position papers provide background information on housing affordability needs and innovative municipal policies and projects. The goal of this policy is to inform other stakeholders, municipalities, and the provincial and federal governments of best practice policies and projects originating in Richmond.



## Actions for Implementation

The Affordable Housing Strategy provides a foundation for work that can be implemented over the next 10 years. The Implementation Framework sets out more than 60 specific actions to meet the intent of the five strategic directions over the 2017–2027 timeframe. Bi-annual progress reports will be presented to Council and shared with key stakeholders to report out on what has been accomplished.

Dedicated resources, including City staff time and financial contributions will be required to meet the demands of implementing the Strategy. Overall, a partnership approach, requiring federal and provincial governments, Richmond residents, non-profit organizations, and the private sector is needed to address the complexity of housing affordability.

While the Affordable Housing Strategy recognizes other aspects of the Housing Continuum, the strategic directions, policies, and actions in the Implementation Framework specifically focus on transitional and supportive housing, non-market rental housing, and LEMR targeted to the priority groups in need. This is supported by policy, cash contributions and partnerships. Within this context, the Implementation Framework is presented with a suggested timeline for each policy action.



## **Strategic Direction 1:** Use Regulatory Tools to Encourage a Diverse Mix of Housing Types and Tenures

### **1.1 Low End of Market Rental (LEMR) unit contribution**

#### **Actions:**

#### **1–3 years**

- Amend the LEMR policy to include: increase the built affordable contribution from 5% to 10% of total residential floor area, decrease in the threshold from 80 units to 60 units, flexibility to cluster or disperse LEMR units, and set minimum unit size targets so the LEMR units are not smaller than the average size of a comparable market unit in the development (in place as of July 24, 2017)
- Undertake further analysis on occupancy management practices and review potential LEMR policy changes
- Work with other municipalities in Metro Vancouver to explore a coordinated approach to incentivize non-profit management of units secured through development

#### **Ongoing**

- Review bi-annually the LEMR program, including maximum household income thresholds and rents
- Review bi-annually the overall built LEMR contribution and threshold requirement and assess with changing market conditions
- Review occupancy management challenges and opportunities as they arise, and review policies regularly to ensure issues are addressed



## 1.2 Cash-in-Lieu Contribution

### Actions:

#### 1–3 years

- Increase the cash-in-lieu contributions (in place as of July 24, 2017):
  - from \$2 square feet (ft<sup>2</sup>) to \$4 ft<sup>2</sup> for detached homes;
  - from 4 ft<sup>2</sup> to \$8.5 ft<sup>2</sup> for townhouses;
  - from \$6 ft<sup>2</sup> to \$10 ft<sup>2</sup> for wood frame multi-family developments, and;
  - from \$6 ft<sup>2</sup> to \$14 ft<sup>2</sup> for concrete multi-family development

### Ongoing

- Continue to accept cash contributions for all townhouse developments and multi-family developments below the 60 unit threshold
- Review bi-annually cash-in lieu contributions and assess with changing market conditions
- Work collaboratively with partners to help ensure other levels of government funding is directed towards non-market housing development, lowering the rents of LEMR units, or creating additional units above the 10% City requirement

## 1.3 Family-friendly Housing

### Actions:

#### 1–3 years

- Adopt policy to require a minimum of 15% two bedrooms and 5% three plus bedrooms for all units secured through development to accommodate low-to-moderate income families (in place as of July 24, 2017)
- Review family-friendly targets for developments providing 30+ LEMR units and adjust if necessary
- Continue with the practice of negotiating the follow unit breakdowns:
  - 10% studio
  - 30% one-bedroom
  - 30% two-bedroom
  - 30% three-bedroom

#### 4–6 Years

- Monitor the success of the policy and consider applying the same percentages of family-friendly units in all market developments

### Ongoing

- Review by-annually the family-friendly policy for LEMR units secured through development and assess with changing market conditions

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## 1.4 Secondary Suites

### Actions:

#### 1–3 years

- For single-family rezonings, continue to review development applications and secure one of the following: (a) secondary suites on 100% of new lots developed, (b) secondary suites on 50% of new lots developed and a cash contribution on the remaining 50% of new lots created, or (c) a cash contribution on 100% of the new lots developed
- As part of the forthcoming Market Rental Policy, consider implementing a policy to facilitate “lock-off suites,” or secondary suites, in townhouse developments
- Track data on secondary suites that are lost through redevelopment, and continue to track suites gained through rezoning or subdivision

## 1.5 Market Rental Housing

### Actions:

#### 1–3 years

- As per the forthcoming Market Rental Policy, continue to require replacement of existing market rental housing lost through redevelopment or stratification as LEMR units
- As per the forthcoming Market Rental Policy, consider policy options to protect existing market rental housing stock and tenants from displacement due to renovation/redevelopment
- As per the forthcoming Market Rental Policy, consider policy options to increase the supply of market rental units in Richmond

## 1.6 Basic Universal Housing

### Actions:

#### 1–3 years

- Set a target of securing 85% of all LEMR and non-market units as Basic Universal Housing

### Ongoing

- Continue to secure LEMR and non-market units with Basic Universal Housing features
- Continue to encourage market developments to be built with Basic Universal Housing features
- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application/rezoning stage of development to ensure that some LEMR units are designed with adaptable features to support the priority groups in need (i.e. persons with disabilities)

## 1.7 Micro-Unit Rental Housing (Compact Living Rental Units)

### Actions:

#### 1–3 years

- Develop policy to determine appropriate locations, livability regulations and any other requirements for micro-units in Richmond
- Look at best practices where micro-units have been implemented successfully in developments in other jurisdictions
- Explore a potential pilot project involving micro-units in Richmond

## 1.8 Transit-Oriented Affordable Housing Development

### Actions:

#### 1–3 years

- Revisit parking requirements for LEMR units located along the Frequent Transit Network

#### 7–10 Years

- Explore opportunities to acquire land along the Frequent Transit Network (e.g. close proximity to the Canada Line) for an affordable housing project

### Ongoing

- Continue to encourage diverse forms of housing along the Frequent Transit Network
- Through the development applications process, consider further parking relaxations for non-profit owned projects along transit corridors that are oriented towards priority group households based on further traffic studies.



## Strategic Direction 2: Maximize use of City Resources and Financial Tools

### 2.1 Use of City Land for Affordable Housing

#### Actions:

##### 1–3 years

- Review affordable housing land acquisition needs during the annual review of the City's Strategic Real Estate Investment Plan

##### 4–6 Years

- Explore opportunities to secure a site for a transitional housing project (bridging the gap between the emergency shelter and permanent supportive housing)

##### 7–10 Years

- Work with senior levels of government and non-profit housing providers to develop an affordable family-friendly housing project on City-owned land
- Prioritize opportunities with City-owned land to secure a site for a permanent supportive housing project

##### Ongoing

- Continue to seek opportunities to allocate City-owned land specifically for the use of affordable housing development
- Review practices around use of City-owned land to achieve affordable housing objectives





## 2.2 Affordable Housing Reserve Fund

### Actions:

#### 1–3 years

- Set a target of securing \$1.5 million in developer cash contributions annually in order to support affordable housing projects and leverage partnership opportunities

#### 4–6 Years

- Review the Affordable Housing Reserve Fund Policy to determine if criteria still allows the City to meaningfully respond to partnership opportunities and housing needs
  - Review how the funds are split (70% capital and 30% operating)
  - If needed, revise criteria so the funds are targeted towards priority groups in need and addressing housing gaps

#### 7–10 Years

- Utilize cash-in-lieu contributions in the Affordable Housing Reserve Fund for affordable housing land acquisition

#### Ongoing

- Continue to use the Affordable Housing Reserve Fund for capital contributions towards innovative non-market housing projects that involve partnerships with other levels of government, and includes supportive programming, to meet the requirements of the identified priority groups in need



## 2.3 Financial Incentives

### Actions:

#### 1–3 years

- Undertake an analysis on practices to waive development cost charges and municipal permit fees for new affordable housing developments that are owned/operated by a non-profit and where affordability is secured in perpetuity
- Undertake a best practice analysis of waiving development cost charges for low-end market rental units purchased by non-profit housing provider to incentivize non-profit ownership
  - Examine funding sources for the development cost charges and municipal permit fees waiver and create a new development cost charge exemption bylaw, if feasible

#### 4–6 Years

- Explore various opportunities for the City to provide capital funding contributions towards standalone non-profit housing developments

## 2.4 Special Development Circumstances and Value Transfer

### Actions:

#### Ongoing

- Continue to use the Affordable Housing Reserve Fund for capital contributions when partnership opportunities become available
- Allow flexibility for large scale developments (or combination of developments) to cluster LEMR units in one, stand-alone building if a partnership with a non-profit housing provider is established
- Encourage innovation (i.e. rental structure that allows a variety of subsidized rents) in clustered projects that are 100% rental and non-profit driven
- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application/rezoning stage of development

## 2.5 Rent Bank Initiative

### Actions:

#### 1–3 years

- Undertake a review and best practice analysis of opportunities to support local rent bank initiatives
- Connect with local financial institutions to determine how a rent bank initiative could be supported and remain financially sustainable

#### 4–6 Years

- Determine the feasibility of implementing a rent bank initiative



## Strategic Direction 3: Build Capacity with Non-Profit Housing and Service Providers

### 3.1 Non-Profit Housing Development

#### Actions:

#### 1–3 years

- Adopt criteria for reviewing and fast-tracking City-supported non-profit housing projects (i.e. federal and provincial government funding, partnerships, the ability to offer rents close to the shelter/income assistance rate and programming to support the priority groups in housing need)
- In non-profit driven standalone projects with 100% affordable rental, permit flexibility for non-profit housing providers to implement a mix of rents (e.g. non-market, low-end market, near market) to allow cross-subsidization of units and more opportunities to offer lower rents

#### 4–6 Years

- Review City incentives, such as reduced parking requirements and municipal fees for non-profit driven affordable housing projects

#### 7–10 Years

- Undertake best practice research on non-profit housing development in other jurisdictions, and determine the municipal role
- Work with non-profit organizations to determine the feasibility of developing an integrated housing model (e.g. a combination of emergency shelter spaces and supportive housing with wraparound services on one site)

#### Ongoing

- Continue to build relationships with established non-profit housing providers throughout Richmond and Metro Vancouver that have expertise in housing the Strategy's priority groups in need
- Permit greater flexibility for innovative rent structures that support a mix of affordable rental rates



## 3.2 Facilitating Stakeholder Partnerships

### Actions:

#### 1–3 years

- Develop a list of pre-qualified non-profit housing providers for partnering on potential housing projects
- Consider waiving development cost charges for low-end market rental units purchased by a non-profit housing provider to incentivize non-profit ownership if feasible
- Work with other municipalities and stakeholders to examine management practices of units secured through development

#### Ongoing

- Review and update pre-qualified list of non-profit housing providers
- Identify potential opportunities for partnership with the private sector to facilitate the development of affordable housing (example: Kiwanis Towers)

## 3.3 Renew Non-Profit Housing

### Actions:

#### 1–3 years

- Track non-profit agencies and co-op organizations that have expiring operating agreements
- Identify options and mechanisms to preserve affordable housing units throughout future redevelopment opportunities
- Review research undertaken by BC Housing and BC Non-Profit Housing Association regarding the expiry of operating agreements and identify opportunities to partner

#### 4–6 Years

- Develop a set of guidelines to support faith-based organizations to redevelop lands with a component of affordable housing
- Develop a set of guidelines to support co-op and non-profit organizations considering redevelopment upon expiry of operating agreements

#### 7–10 Years

- At the time of agreement expiry, continue working with organizations to preserve and potentially increase the number of affordable housing units through redevelopment



### 3.4 Encourage Accessible Housing

#### Actions:

##### Ongoing

- Continue to build relationships with non-profit organizations to obtain input into housing needs and design for program clients that require accessibility features
- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application/rezoning stage of development to ensure that some LEMR units are designed with adaptable features to accommodate

### Strategic Direction 4:

### Facilitate and Strengthen Partnership Opportunities

#### 4.1 Co-location of Non-Market and Community Assets

#### Actions:

##### 1–3 years

- Consider the needs of non-profit supportive services (i.e. amenity space for programming) within co-location opportunities to accommodate the Strategy's priority groups in need

##### 4–6 Years

- Review successful examples of co-location in other jurisdictions and develop a set of guidelines for co-locating affordable housing and community amenities

##### Ongoing

- Explore project opportunities to co-locate affordable housing with community assets (existing or new) and facilitate potential partnerships with non-profit housing providers

## 4.2 Community Land Trust

### Actions:

#### 1–3 years

- Review best practices of community land trusts in other jurisdictions and determine municipal involvement
- Consider conducting a feasibility study for the purpose of initiating a Richmond-based community land trust

#### Ongoing

- Explore opportunities to maintain land affordability and projects involving community land trusts

## Strategic Direction 5: Increasing Advocacy, Awareness and Education Roles

### 5.1 Building Awareness and Information Sharing

#### Actions:

#### Ongoing

- Advocate to senior levels of government to request funding or resources to meet the housing needs of the community
- Communicate the needs of non-profit housing and service providers to federal and provincial governments, key stakeholders, and Richmond's residents
- Continue participation at regional, provincial and national housing tables and conferences to bring awareness to Richmond's work in affordable housing
- Continue to submit applications for awards to recognize Richmond's continued innovation in addressing housing affordability
- Continue to organize and/or support housing-related events and workshops to encourage information sharing and building awareness of housing issues in Richmond
- Advocate to senior levels of government to implement policies and actions regarding foreign ownership, speculation, and empty homes which may contribute to increasing home purchase prices and low vacancy rates



## 5.2 Monitoring and Reporting

### **Actions:**

#### **Ongoing**

- Publish an updated annual report (housing report card) on affordable housing targets and track progress achieved to date
- Continue to update City's affordable housing website reporting out on projects and initiatives

## 5.3 Prepare Position Papers

### **Actions:**

#### **Ongoing**

- Draft position papers on housing affordability issues to send to senior levels of government, and communicate through forums such as the Federation of Canadian Municipalities (FCM) or Union of BC Municipalities (UBCM).



## Concluding Comments

Given the high cost of housing, it is important that municipalities are leaders in working towards an appropriate mix of housing for a socially inclusive community. The Affordable Housing Strategy will be the guiding document to further goals for affordable housing in Richmond and provides a foundation for work that can be implemented over the 2017-2027 period to meet the intent of the strategic directions. Given that the City can only act within its legislative authority, the Affordable Housing Strategy is critical in identifying partnership opportunities to work with the federal and provincial governments, and the private and non-profit sectors. Continued partnerships with all stakeholders are needed to address the complexity of housing affordability within the community. Dedicated resources, including City staff time and financial contributions will be required to meet the demands of implementing the Affordable Housing Strategy.

Affordable housing benefits the entire community, offering both social and economic benefits. In addition to creating social diversity, inclusion and well-integrated neighbourhoods, affordable housing ensures that households, families, and local employees can continue to live, thrive and contribute to their community in Richmond. With continued leadership from the City of Richmond, and a commitment from the federal and provincial governments, the development of diverse affordable housing options will continue to ensure that Richmond remains a liveable community.









# Appendix A: Glossary

## Affordable Housing

A relative term where households pay no more than 30% of their gross income towards housing costs, including rent or mortgage, utilities, maintenance fees, property taxes and insurance.

## Affordable Housing Reserve Fund

A municipal fund used to support and facilitate the implementation of affordable housing policies including the development of affordable housing projects, initiatives and research. Revenue generated from applicable rezoning applications is directed to the reserve fund via the City's Cash-in-Lieu Contribution Policy.

## Cash-in-Lieu Contributions

Cash contributions are collected in exchange for a density bonus for applicable rezoning applications. Cash-in-lieu contributions apply to rezoning applications such as apartments with fewer than 60 units, townhouse developments and single detached housing. Revenue generated through the cash-in-lieu policy is directed to the City's affordable housing reserve fund.

## Coach House

A dwelling unit that is self-contained and is either attached or detached from and accessory to a single detached dwelling unit, except in the Edgemere neighbourhood where the suite must be detached from the principal dwelling unit. Regulatory requirements are outlined in the City's Zoning Bylaw.

## Co-operative Housing ('Co-op')

A type of housing tenure where occupants form associations or corporations (typically non-profit) to own and operate a group of housing units including common areas and other amenities. Members own a share in the co-operative, are entitled to occupy a unit, have access to the common areas and amenities, may vote for members of the Board of Directors, have operational and maintenance responsibilities and actively participate in business and day-to-day life of the co-op.

## Canada Mortgage and Housing Corporation (CMHC)

The Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency that provides housing research, advice to consumers and the housing industry, and reports to Parliament and the public on mortgage loan insurance and financial reports.



### **Core Housing Need**

Housing that does not meet one or more of the adequacy, suitability or affordability standards; and, where households spend 30% or more of their before-tax income to access acceptable local housing. Acceptable housing is adequate in condition, suitable in size, and affordable. Adequate housing does not require any major repairs. Suitable housing has enough bedrooms for the size and makeup of resident households, according to National Occupancy Standard requirements.

### **Community Land Trust**

An organization, either public or non-profit, that acquires and secures land for the future development and preservation of affordable housing. Land secured through the CLT is exclusively provided to non-profit housing societies through ground-leases to build and operate affordable housing projects, and is not available for other types of development.

### **Family-Friendly Housing**

Housing that meets the needs of families including units with enough bedrooms to accommodate all members of a family household. This includes multi-unit development projects with a greater mix of two and three bedroom units. To best serve priority groups, projects with low-end market rental (LEMR) units are encouraged to have a minimum of 15% 2 bedroom units and 5% 3+ bedroom units.

### **Housing Authority**

An arm's length housing management body, which may or may not be incorporated, that manages, operates and administers housing on behalf of owner(s), which can include a local government.

### **Housing Agreement**

An agreement in a form satisfactory to the City that limits the occupancy of the dwelling unit that is subject to the agreement to persons, families and households that qualify for affordable housing based on their household income level, that restricts the occupancy of the dwelling unit to rental tenure, and that prescribes a maximum rental rate and the rate of increase of rental rate for the dwelling unit.

### **Housing Covenant**

A document registered on title to ensure that units are secured for affordable housing purposes in perpetuity.

### **Housing Income Limits (HILs)**

The income required to pay the average market rent for an appropriately sized unit in the private market, as defined and annually updated by BC Housing.



## Inclusionary Housing (Zoning)

Housing policy that requires the provision of an affordable housing contribution as part of new residential development projects in exchange for a density bonus. For apartment developments greater than 60 units, developers are required to construct affordable housing units on-site. A cash-in-lieu contribution is required for apartments with fewer than 60 units, townhouse developments and single detached rezoning applications.

## Low-Barrier / Minimal Barrier Housing

Housing or shelter that has few requirements for entry, is physically accessible, includes storage for belongings and is typically pet-friendly.

## Low-End Market Rental Units (LEMR)

Rental housing units affordable for low to moderate income households secured through the City's inclusionary housing policy. Maximum rents are based on 10% below BC Housing's Housing Income Limits.

## Market Rental Housing

Private rental market units provided by the private market. This includes purpose-built rental housing as well as rental housing delivered through the secondary rental market such as secondary suites, rental condominium units, or other investor-owned houses/units.

## Micro Units

Self-contained housing units which are smaller than the average studio unit, between 275 to 350 square feet.

## Non-market Housing

Affordable housing that is subsidized by an external party such as the government or a non-profit agency in order to serve specific populations such as those experiencing homelessness, with disabilities, or other challenges.

## Operating Agreements

Operating agreements are subsidy agreements provided by senior governments to non-profit and co-operative (co-op) societies to support the financial viability of affordable housing projects. These agreements were secured during the 1960s and 1970s and were usually tied to a mortgage, meaning that when the mortgage expires, non-profits and co-ops will be solely responsible for the housing project's ongoing financial viability.

## Reduced-Rate Mortgages

Financing offered by the provincial or federal government with lower interest rates for construction or pre-construction in order to reduce expenses for affordable housing projects. Other financial institutions can offer reduced-rate mortgages as well.



### **Rent Geared to Income (RGI)**

Subsidized rental housing units where rents do not exceed 30% of income earned by tenant. The ongoing operating costs of the units are typically subsidized by the federal or provincial government.

### **Secondary Suites**

Self-contained accessory dwelling units within a single-detached dwelling or townhouse that may be rented out at market rates.

### **Universal Housing**

The design of housing that meets the needs of a wide range of individuals. It addresses the needs of those with mobility or cognitive disabilities as well as the general population by ensuring that housing designs are useful, functional, intuitive, safe and accessible to a wide variety of people.

### **Accessible Housing**

Dwelling units that include features, amenities or products to better meet the needs of people with disabilities.

### **Visitable Housing**

Dwelling units that include basic accessibility features allowing most people to visit even if they have limitations such as impaired mobility. Basic features include a level entry, wider doors throughout the entrance level and an accessible washroom on the entrance level.

# Appendix B: Municipal Initiatives for Affordable Housing

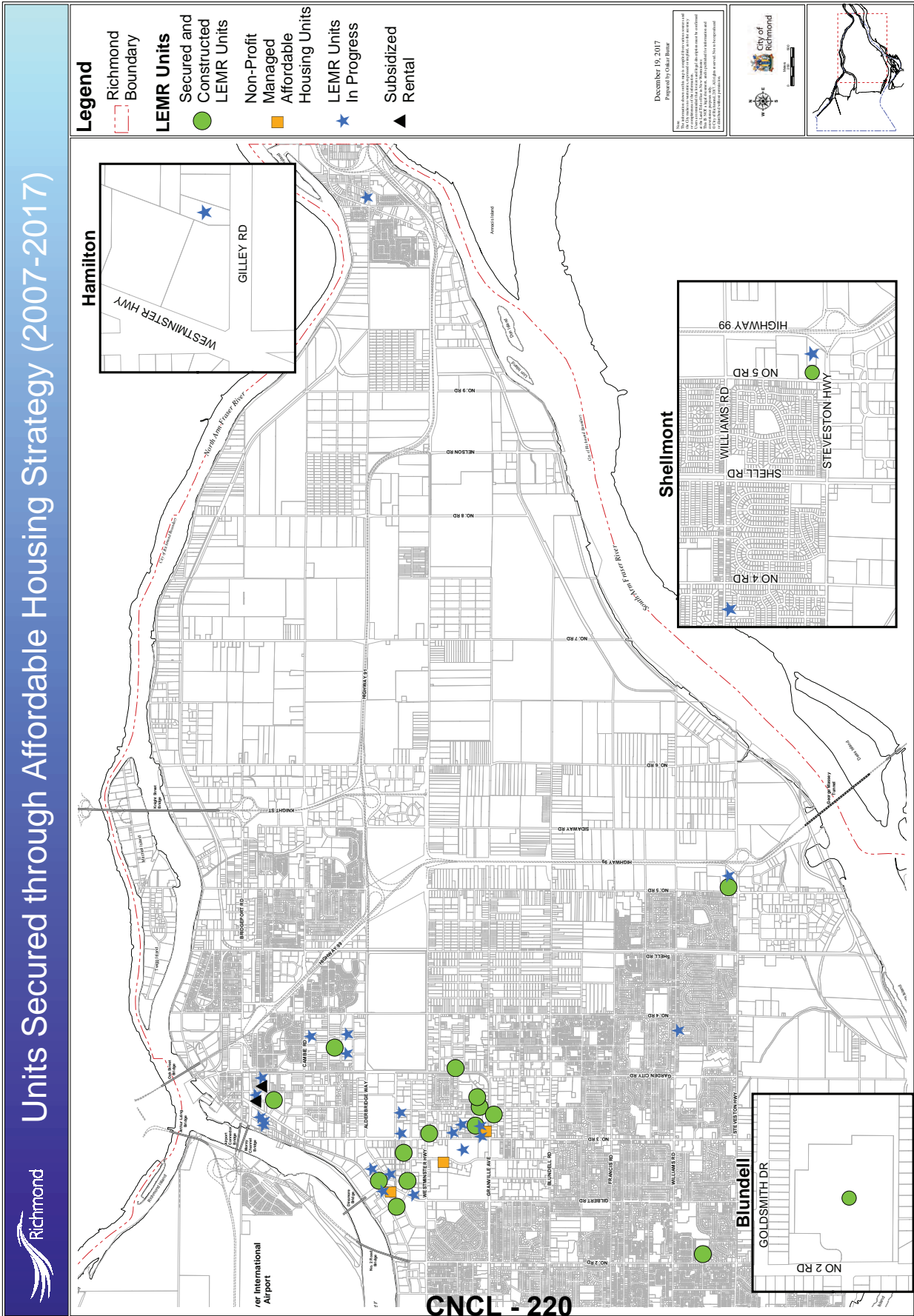
## Comparison of Affordable Housing Initiatives in Select Metro Vancouver Municipalities

| Municipal Measures  | Burnaby | Coquitlam | Maple Ridge | New Westminster | North Van City | Richmond  | Surrey  | Vancouver |
|---|---------|-----------|-------------|-----------------|----------------|-----------|---------|-----------|
| <b>Fiscal Measures</b>  |         |           |             |                 |                |           |         |           |
| City owned sites appropriate for affordable housing for lease to non-profits                | Yes     | Yes       | Yes         | Yes             | Yes            | Yes       | Yes     | Yes       |
| Donate City-owned land to facilitate affordable housing                                     |         | Yes       | Yes         | Yes             | Yes            |           | Yes     | Yes       |
| Grants to facilitate affordable housing   | Yes     | Yes       | Yes         |                 | Yes            | Yes       | Yes     | Yes       |
| Property tax exemption or forgiveness for supportive affordable housing                     |         |           | Yes         | Yes             | Yes            |           | No      | Yes       |
| Waiving development fees/ DCCS for affordable housing                                       | Yes     | Yes       | Exploring   | Yes             |                | Grants    | Yes     | Yes       |
| Waiving other fees for affordable housing (ie. Building permit fees)                        | Yes     | Yes       | Exploring   | Yes             | Yes            | Grants    | Yes     |           |
| Land trust for affordable housing   |         |           | Exploring   |                 | Exploring      | Exploring | No      | Yes       |
| Affordable housing reserve/trust fund   | Yes     | Yes       | Exploring   | Yes             | Yes            | Yes       | Yes     | Yes       |
| <b>Planning Process or Policies</b>   |         |           |             |                 |                |           |         |           |
| Affordable Housing Strategy or Housing Action Plan  |         | Yes       | Yes         | Yes             | Yes            | Yes       | Pending | Yes       |
| Official Community Plan policies showing commitment to providing a range of housing choices | Yes     | Yes       | Yes         | Yes             | Yes            | Yes       | Yes     | Yes       |
| Identifying suitable affordable housing sites in neighbourhood and area planning processes  | Yes     |           | Yes         | Yes             |                | Yes       |         | Yes       |
| Adaptable housing policy  |         |           | Yes         | Yes             | Yes            | Yes       |         | Yes       |
| Family friendly policy (bedroom diversity requirement)                                      |         |           | Support     | Yes             | Exploring      | Yes       |         | Pending   |

|  | Burnaby      | Coquitlam | Maple Ridge | New Westminster | North Van City | Richmond  | Surrey | Vancouver |
|--|--------------|-----------|-------------|-----------------|----------------|-----------|--------|-----------|
| <b>Municipal Measures</b>  |              |           |             |                 |                |           |        |           |
| Tenant Relocation policy   | Yes          | Yes       | Yes         | Yes             | Yes            | Exploring |        | Yes       |
| <b>Zoning/Regulatory Measures</b>  |              |           |             |                 |                |           |        |           |
| Inclusionary zoning policy for affordable housing  | Yes          |           | Yes         |                 | Exploring      | Yes       |        | Yes       |
| Increased density in areas appropriate for affordable housing  | Yes          |           | Yes         | Yes             | CNV            | Yes       | No     | Yes       |
| Micro housing units (municipal policy exists)  |              | Yes       | n/a         |                 |                | Exploring | No     | Pending   |
| Smaller Lots   | Yes          | Yes       | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |
| Coach Houses   |              | Yes       | Yes         | Exploring       | Yes            | Yes       | Yes    | Yes       |
| Secondary suites in single family zones  | Yes          | Yes       | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |
| Secondary suites in other zones  |              |           | Exploring   | Exploring       | Yes            | Yes       |        | Yes       |
| Lock-off units in apartment and/or row housing   | Yes          | Yes       | Exploring   |                 | Yes            | Yes       |        | Yes       |
| Infill Housing   | Yes          |           | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |
| Broadening row house/ townhouse & duplex zoning  | Yes          | Yes       | Exploring   | Yes             | Yes            | Yes       | Yes    | Yes       |
| Density bonus provisions for affordable housing  | Yes          | Yes       | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |
| Reduced parking requirements for housing located in areas with good access to transit / for affordable housing | Case-By-Case |           | Yes         | Yes             | Exploring      | Yes       | Yes    | Yes       |
| Comprehensive development zone guidelines favour affordable housing (if guidelines exist)                      |              |           |             |                 |                | Yes       | Yes    | Yes       |
| Housing Agreements   | Yes          | Yes       | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |
| Fast track approval of affordable housing projects   | Yes          | Yes       | Yes         | Yes             | Yes            | Yes       | Yes    | Yes       |

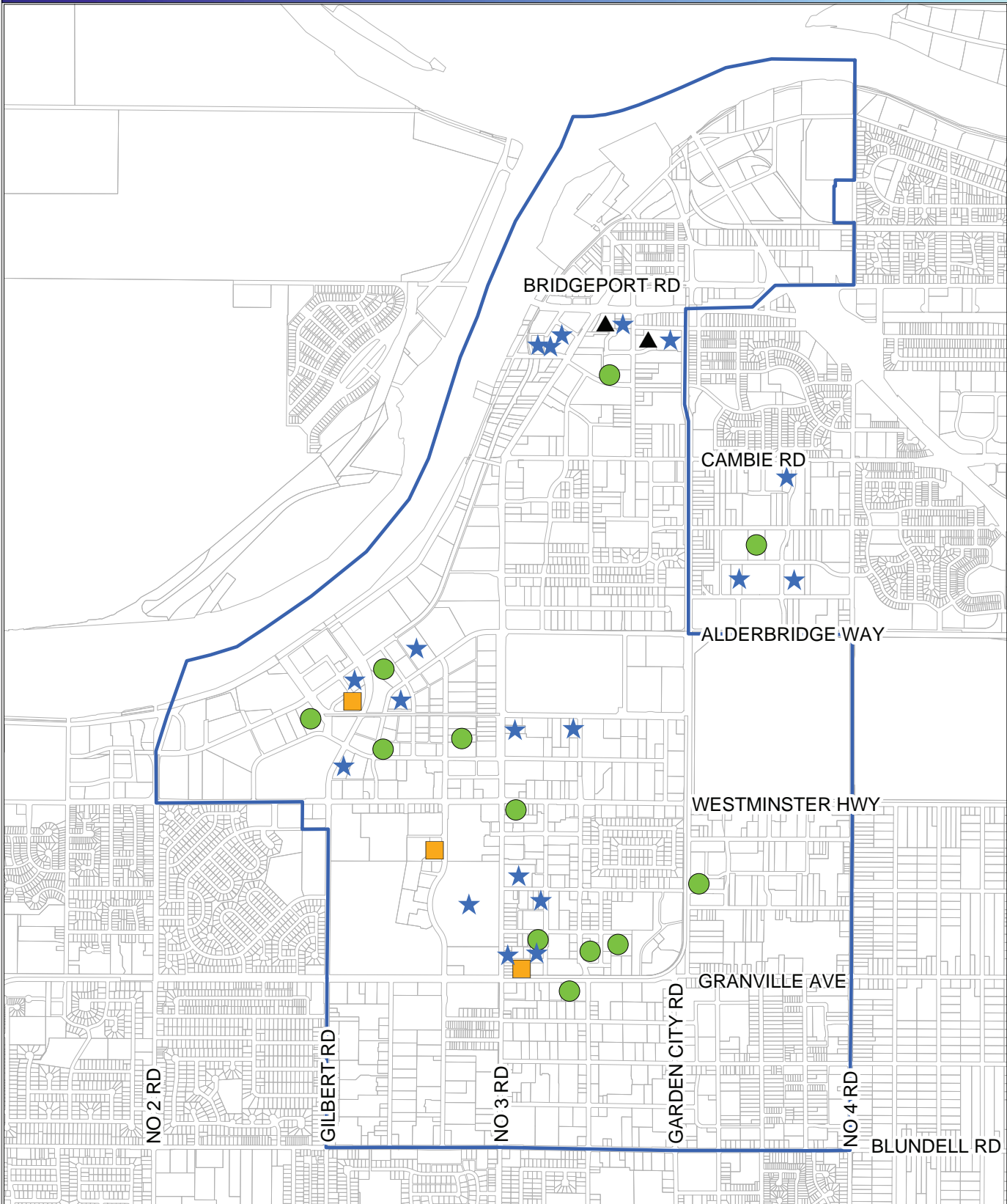


# Appendix C: Map of Low-End Market Rental Units





# Units Secured through Affordable Housing Strategy in City Centre (2007-2017)

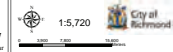


- Legend**
- City Centre Boundary
  - LEMUR Units**
  - Secured and Constructed LEMR Units
  - ★ LEMR Units In Progress
  - Non-Profit Managed Affordable Housing Units
  - ▲ Subsidized Rental

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December 18, 2017  
Prepared by Odette Bostic

Note:  
The information shown on this map is compiled from various sources and the City does not warrant, represent or certify, or in any way be responsible for any use and legal interpretation made for purposes other than that for which it was prepared.  
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## Appendix D: Select Case Studies

### Cadence: Family Housing

#### Project Highlights

|  |  |
|--|--|
| <b>Target Population</b>               | <ul style="list-style-type: none"> <li>Low-income families</li> </ul>  |
| <b>Units</b>                           | <ul style="list-style-type: none"> <li>15 units total</li> <li>1 studio unit</li> <li>14 two-bedroom units</li> </ul>  |
| <b>Rental Rates</b>                    | <ul style="list-style-type: none"> <li>Studio unit: Maximum \$925 per month</li> <li>Two-bedroom units: Maximum \$1,137 per month</li> <li>Currently, all units are being rented at shelter rates (\$375 for an individual and \$575 for a family)</li> </ul>  |
| <b>Project Partners And Roles</b>      | <ul style="list-style-type: none"> <li>City of Richmond: Local approving authority; facilitation of partnerships; owner of childcare space</li> <li>Cressey Development Group: Project developer</li> <li>Atira Women's Resource Society: affordable units owner/operator; childcare operator; building maintenance</li> </ul> |
| <b>Tools Used</b>                      | <ul style="list-style-type: none"> <li>Inclusionary zoning and density bonusing</li> <li>Affordable housing value transfers (AHVT)</li> <li>Housing agreement and covenants</li> </ul>   |
| <b>Municipal Applications Required</b> | <ul style="list-style-type: none"> <li>Rezoning application and zoning text amendment</li> <li>Development permit</li> </ul>   |
| <b>Timeline</b>                        | <ul style="list-style-type: none"> <li>Rezoning application: November 2012</li> <li>Updated Rezoning proposal: January 2013</li> <li>Project completion (affordable units / childcare building): Spring 2017</li> </ul>  |

In late 2012, Cressey Development Group applied to redevelop a former warehouse site in the Oval Village Neighbourhood into a mixed-use development project to feature 245 residential units in three residential buildings, ranging from five to fifteen stories. The City of Richmond's 2007 Affordable Housing Strategy required Cressey to provide a minimum of 5% of units to be affordable as part of their application.

The preliminary proposal planned for five studio and one-bedroom units, and nine two-bedroom units. After review and consideration, Council requested Cressey Development Group and staff to incorporate more two-bedroom units.



The concept redesign consisted of fourteen affordable two-bedroom units and one one-bedroom unit integrated with the childcare space in one, stand-alone building.

The City of Richmond facilitated a partnership between Cressey Development Group and Atira Women's Society (Atira), transferring the responsibility of operating and maintaining the stand-alone affordable housing units and childcare building to Atira. The City transferred childcare space requirements (\$874,000 financial contribution) from another nearby development project to the Cadence site to create a larger childcare space. This flexibility offered by the City resulted in the co-location of family housing units and childcare spaces on one site, rather than scattered through several projects. Due to the co-location and management of both amenities by Atira, tenants are able to access child care services at a subsidized rate.

Unique to this project, the stand-alone affordable housing and childcare building operated by Atira is legally separated as its' own "air space parcel" while remaining on the same strata parcel as the market buildings. Tenants of the affordable housing units have full access to all building amenities.

## Kiwanis Towers: Seniors' Housing

### Project Highlights

|  |   |
|--|---|
| <b>Target Population</b>               | Low-income seniors  |
| <b>Units</b>                           | 296 one-bedroom units   |
| <b>Rental Rates</b>                    | Between \$660 to \$780 per month  |
| <b>Project Partners And Roles</b>      | <ul style="list-style-type: none"> <li>▪ City of Richmond: Local approving authority; funding towards capital costs; grants to offset development cost charges, permit fees and servicing costs</li> <li>▪ Polygon Homes: Project developer</li> <li>▪ BC Housing: Construction financing</li> <li>▪ Kiwanis Seniors Housing Society: Contributed land; project owner / operator</li> </ul> |
| <b>Tools Used</b>                      | <ul style="list-style-type: none"> <li>▪ Inclusionary zoning and density bonusing</li> <li>▪ Affordable housing value transfers (AHVT) utilized towards capital construction costs</li> <li>▪ Housing agreement and covenants</li> <li>▪ City grants for development cost charges, permit fees, servicing costs</li> </ul>  |
| <b>Municipal Applications Required</b> | <ul style="list-style-type: none"> <li>▪ OCP amendment</li> <li>▪ Rezoning application and zoning text amendment</li> <li>▪ Development permit</li> </ul>   |
| <b>Timeline</b>                        | <ul style="list-style-type: none"> <li>▪ Redevelopment proposal: February 2011</li> <li>▪ Rezoning application: October 2011</li> <li>▪ Project completion (first tower): Fall 2015</li> <li>▪ Project completion (second tower): Fall 2015</li> </ul>  |

The Kiwanis Seniors Housing Society originally had several low density townhouses onsite developed in the 1960s, located along Minoru Boulevard in Richmond City Centre. The surrounding area has since developed to accommodate growth, including the expansion of rapid transit and high-density transit-oriented mixed-use projects. The townhouses had reached the end of their economic life and were in need of major repair, however the society did not have enough funds to invest in substantial upgrades. The site was also under-utilized and appropriate for densification.

Kiwanis did not have the financial resources to redevelop their aging infrastructure on their own, or maintain affordable rents for their tenants. As such, Kiwanis sold a portion of their land to Polygon Homes to be developed for market housing. The equity generated from the land sale was invested to redevelop the remaining portion of the land into 296 affordable rental units for low-income seniors, of which 122 replaced the existing stock plus an additional 174 units.





The City of Richmond's Affordable Housing Special Development Circumstance policy was utilized in this development project to allow Polygon to transfer their required affordable housing contributions from multiple sites to the Kiwanis Seniors Housing Project. This flexibility offered by the City resulted in a cluster of seniors housing units on one site, rather than scattered through several projects.

The completed Kiwanis Seniors Housing Project provides affordable housing for low-income seniors in Richmond, located within walking distance to health services, grocery stores, shopping, rapid transit, and seniors-friendly amenities including a large park, library, seniors centre and aquatic facility.

## Storeys Affordable Housing Project Development

### Project Highlights

|                                   |   |
|-----------------------------------|---|
| <b>Target Population</b>          | Vulnerable populations / persons experiencing or at-risk of homelessness, low-income families and seniors, persons with mental health and addictions  |
| <b>Units</b>                      | <ul style="list-style-type: none"> <li>▪ 129 units total</li> <li>▪ 85 studio units</li> <li>▪ 32 one-bedroom units</li> <li>▪ 4 two-bedroom units</li> <li>▪ 8 three-bedroom units</li> </ul>  |
| <b>Rental Rates</b>               | <ul style="list-style-type: none"> <li>▪ Studios and one-bedroom units: between \$375 to \$850 per month</li> <li>▪ Two-bedroom units: between \$510 to \$1,375 per month</li> <li>▪ Three-bedroom units: between \$595 to \$1,375 per month</li> </ul>   |
| <b>Project Partners And Roles</b> | <ul style="list-style-type: none"> <li>▪ City of Richmond: Local approving authority; funding towards capital costs; grants to offset development cost charges, permit fees and servicing costs</li> <li>▪ BC Housing: Construction financing</li> <li>▪ Service Canada: Capital funding</li> <li>▪ CMHC: seed funding to support the development of the project</li> <li>▪ Coast Foundation Society, Tikva Housing, S.U.C.C.E.S.S Affordable Housing Society, Turning Point Housing Society, Pathways Clubhouse Society of Richmond: Contributed capital for construction; financing; project operator</li> <li>▪ Integra Architecture: Project designer and applicant</li> <li>▪ CPA Development: Project consultant and developer</li> </ul> |



|  |  |
|--|--|
| <b>Tools Used</b>                      | <ul style="list-style-type: none"> <li>▪ Inclusionary zoning and density bonusing</li> <li>▪ Affordable housing value transfers (AHVT) utilized towards capital construction costs</li> <li>▪ Affordable housing reserve fund</li> <li>▪ Housing agreement and covenants</li> <li>▪ City grant towards development cost charges, municipal permit fees, servicing costs</li> </ul> |
| <b>Municipal Applications Required</b> | Development permit   |
| <b>Timeline</b>                        | <ul style="list-style-type: none"> <li>▪ Request for proposal: March 2011</li> <li>▪ Development permit application: 2012</li> <li>▪ Development permit approval: February 2014</li> <li>▪ Project completion: Fall 2017</li> </ul>  |

The City of Richmond acquired land along No.3 Road in Richmond City Centre in anticipation of developing it into below market rental housing for vulnerable populations. In partnership with BC Housing, the City issued an Expression of Interest to develop the site. The successful applicant was Integra Architecture on behalf of a non-profit consortium consisting of Coast Mental Health, S.U.C.C.E.S.S Affordable Housing Society, Tikva Housing Society, Turning Point Housing Society and the Canadian Mental Health Association for their Pathways Clubhouse.

The City supported this project by providing financial contributions to pay for development cost charges and \$17 million for construction costs. The City's Affordable Housing Special Development Circumstance policy was utilized in this development project which compiled required developer contributions from several sites to be transferred to the Storeys project. The financial contributions and policy flexibility made the Storeys project attractive to other project partners, including BC Housing.

The final project contains a total of 129 affordable rental housing units for vulnerable populations including persons experiencing or at-risk of homelessness. The five non-profit housing providers own and manage the units, offering safe and secure housing to clients including low-income families and seniors, as well as persons with mental health issues and addictions. The project also includes social purpose retail space and onsite support services.



## City of Richmond

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**CNCL - 228**

CITY OF RICHMOND

# HOUSING AFFORDABILITY PROFILE

Affordable Housing Strategy 2017–2027 Companion Document



CNCL - 229







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# 1. Introduction

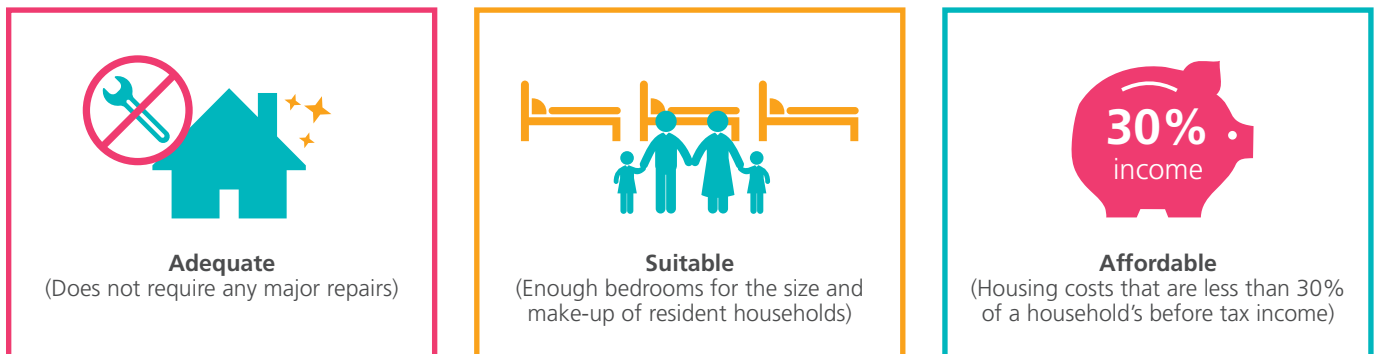
Housing affordability continues to be a critical issue both regionally and at the local level. Richmond's Affordable Housing Strategy 2017–2027 has been updated to reflect current and future needs of the community and to align with City and regional planning goals. Central to this update is an understanding of the housing affordability context in Richmond and the needs of existing and future residents so that anticipated policy recommendations can effectively address identified gaps and priorities. The Housing Affordability profile helps to identify current and emerging trends relative to Richmond's housing market and highlights affordability needs through an analysis of available current demographic and housing data. The document combines quantitative analysis with feedback from a broad range of stakeholders including the public, senior government and the private and non-profit housing sectors, to determine housing gaps and needs in Richmond. The Housing Affordability Profile is one of two companion documents to the Affordable Housing Strategy 2017–2027.

## 1.1 Housing and Complete Communities

### 1.1.1 What is Housing Affordability?

Housing affordability is a relative term linking housing costs to a households' gross income. According to Canadian Mortgage Housing Corporation (CMHC), households should not spend more than 30% of their before tax income on housing costs. For renters, this includes rent and utilities and for homeowners, includes mortgage payments, utilities, property taxes and house insurance.

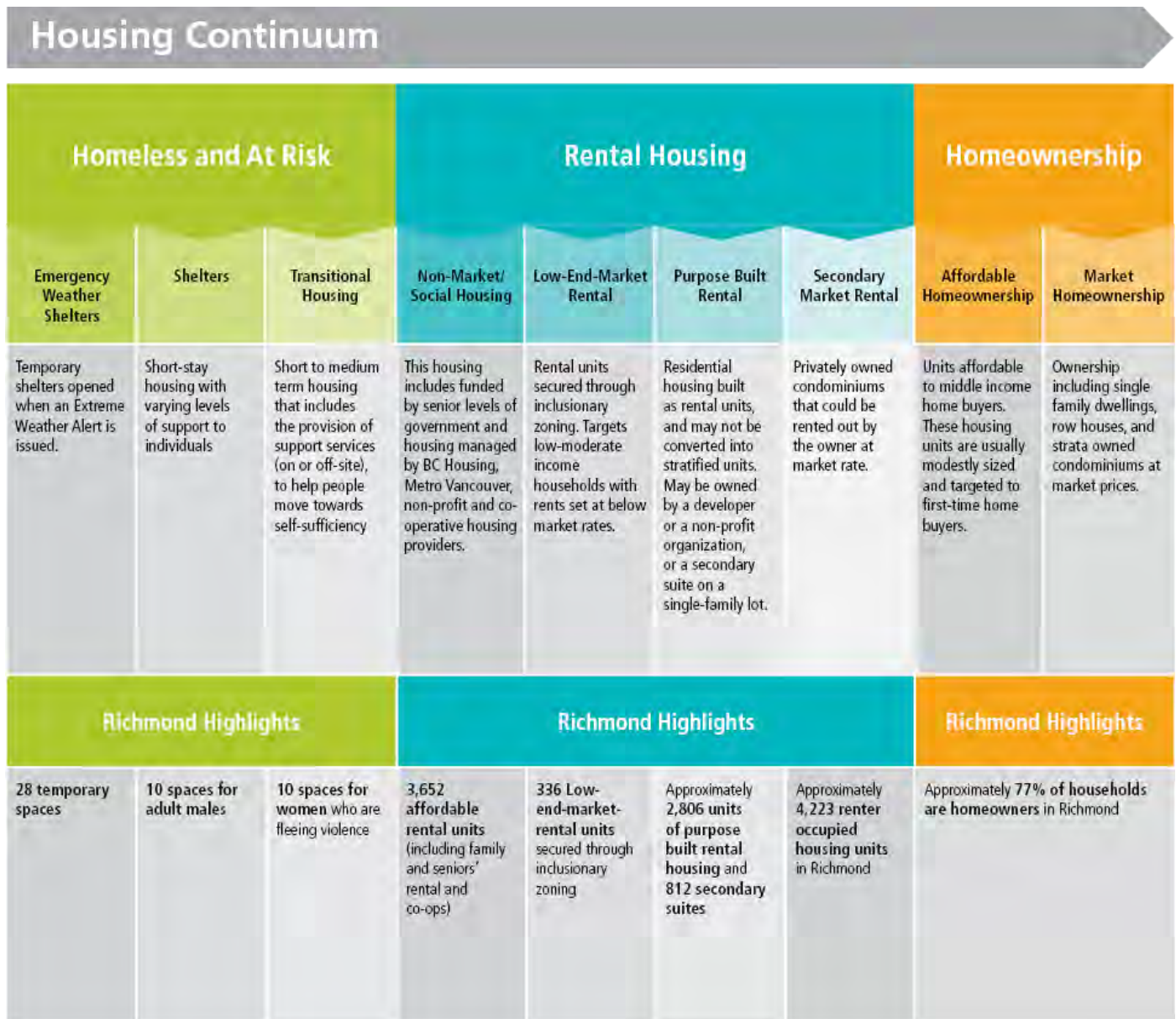
Appropriate housing is defined as housing that is affordable, adequate and suitable:



### 1.1.2 The Benefits of Affordable Housing

Every household should have access to housing that is affordable, adequate and suitable for their income and specific needs. A community should include an appropriate mix of housing choices for a diversity of households that need them. The housing continuum highlighted in Figure 1 is a useful framework that identifies this spectrum of choices including ownership and rental, as well as government supported non-market housing such as non-profit, co-op and emergency shelters.

Figure 1: Housing Continuum



Communities with a mix of housing options will provide a range of benefits including:

- Supporting economic growth by providing local workers and residents with appropriate local housing options;
- Reducing pressure on urban sprawl and traffic congestion by ensuring households can afford housing within their community;
- Creating diversity by allowing different housing forms and sizes to accommodate growing families, local workers and seniors for example; and
- Social diversity by supporting options for all income levels and housing with supports for households with barriers to housing.



## 2. Policy Context

### 2.1 Senior Levels of Government

Historically, the federal government has played a major role in the provision of subsidized social housing since the 1930s. The federal government drastically cut back funding for social housing and co-operatives in 1993. Currently, the federal government primarily targets funding to urgent priorities, most recently towards homelessness. In April 2017, Canada Mortgage & Housing Corporation (CMHC) committed to spending \$11.2 billion over the next 11 years towards the creation of affordable housing across the country. The first step of the financial commitment is to provide \$2.5 billion over five years in loans and financing for new rental housing construction across Canada. Priorities for funding, including rental housing, are highlighted in the National Housing Strategy (November 2017). More details regarding allocation of funding will be released in 2018.

After the federal funding cuts in the mid-1990s, the provincial government increased its funding for affordable housing, with BC Housing playing the lead role. The development of thousands of shelter beds, as well as transitional and new non-profit housing for seniors, families, and people with special needs has been facilitated across the province through financing, along with rent supplements for seniors and working families with low incomes for use in the private rental market. More recently, the Provincial government committed to develop 114,000 affordable housing units over the next ten years, and has announced further funding opportunities for affordable housing.

### 2.2 Metro Vancouver

Metro Vancouver maintains the Regional Growth Strategy and the Regional Affordable Housing Strategy to guide growth in the region and encourage affordable development. Metro Vancouver also owns and operates affordable housing units through the Metro Vancouver Housing Corporation. The Regional Growth Strategy is a consensus-based document in which all municipalities agree to be guided by the same set of principles. The Regional Growth Strategy does not directly provide tools or strategies to provide affordable housing, but it does require municipalities to respond to the goal areas in their Official Community Plans called Regional Context Statements. The Regional Growth Strategy plots out population trends until the year 2040, and the corresponding number of housing units needing to be built in each municipality to house one million additional people in the region between 2011 and 2040.

Metro Vancouver continues to be one of the most dynamic urban areas in Canada with a growth rate of approximately 5% between 2011 and 2016, which is similar to Richmond. In terms of projected population increases, Richmond's 2016 population was 213,891 and is estimated to grow to approximately 280,000 by 2041.

This population growth translates into increased demand for housing. The Regional Affordable Housing Strategy provides estimates for municipal housing demand for the next 10 years. These estimates provide guidance to municipalities in their long range planning. The Regional Affordable Housing Strategy also provides a vision, goals, strategies and recommended

actions for key housing stakeholders. While recognizing a range of rental and homeownership options in a variety of forms, sizes and price points are important to support economic growth and the development of complete communities, the Regional Affordable Housing Strategy focuses primarily on:

- Rental housing (both market and non-market);
- Transit oriented affordable housing developments; and
- The housing needs of very low (e.g. household earning approximately \$30,000 annually) and low income households (e.g. households earning between \$30,000 and \$50,000 annually).

## 2.3 City of Richmond

Shifting federal and provincial government roles have continued to place considerable pressure on municipalities to become more active in providing and facilitating affordable housing.

The City of Richmond has long acknowledged that providing a range of affordable and diverse housing types for residents is an integral part of creating a liveable community. The City recognizes that it cannot solve local affordable housing issues on its own, but can play a role within its authority in partnership with senior levels of government, the private and non-profit sectors. Many affordable units in Richmond, especially those built prior to 2007, when the first Affordable Housing Strategy (AHS) was adopted, are the result of collaboration among key partners.



The City continues to use an integrated approach to tackle local housing affordability issues including land use planning (Official Community Plan), social planning (Social Development Strategy), and the Affordable Housing Strategy. Through the Housing Affordability Profile, five priority groups in need of affordable housing were identified:

| Priority Groups   |
|---|
| Families, including lone-parent families, families with children, and multigenerational families.   |
| Low and moderate income earners, including seniors, families, singles, couples, students, and persons with disabilities.  |
| Persons with disabilities.  |
| Low- and moderate-income seniors.   |
| Vulnerable populations, including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health/addiction issues, and indigenous people |

The Affordable Housing Strategy 2017–2027 has 5 strategic directions, 21 policies and 60 actions to respond to the priority groups in need of affordable housing. The Strategic Directions are as follows:

1. Use the City's regulatory tools to encourage a diverse mix of housing types
2. Maximize use of City resources and financial tools
3. Build capacity with non-profit housing and services providers
4. Facilitate and strengthen partnership opportunities
5. Increase advocacy, awareness and education roles

Figure 2: Richmond's Achievements Highlights

# Highlights

## Affordable Housing Achievements (as of December 2017)

### Affordable Housing Inventory

- 1,415 units secured through the Affordable Housing Strategy since 2007:



- 3,175 affordable rental units secured outside of the Affordable Housing Strategy (including family and seniors' rental, and co-ops)

### City Contributions to Affordable Housing Projects

- The City has made significant contributions over the past three years towards the construction costs and municipal fees for two local housing developments:
  - \$24.1 million to the Kiwanis Towers for low-income seniors' rental housing (*project completed*).
  - \$19.1 million to the Storeys development for vulnerable individuals and families (*project under construction*).
  - The City also contributed the site for the upcoming relocation and expansion of the Salvation Arm's emergency shelter.

### Land Partnerships

- The City has leased eight (8) City-owned properties at below market rates to non-profit housing providers

**Affordable**  
(Housing costs that are less than 30% of a household's before tax income)

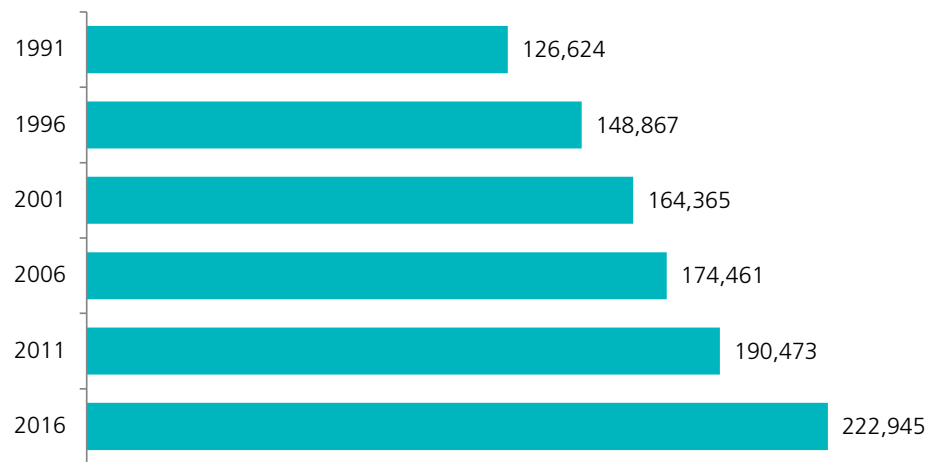
## 3. Richmond at a Glance—Population and Housing

### 3.1 Population

According to the City of Richmond's projections (with Urban Futures), the City's estimated population is 222,945 making Richmond the fourth largest municipality in British Columbia after Vancouver, Surrey and Burnaby.

Richmond's population is both growing and getting older. Total population growth between 2011 and 2016 was 4.1%, slightly lower than the regional growth rate of 6.5% (Census, 2016). The fastest growing planning areas of Richmond during this time period were City Centre, Steveston, Shellmont, West Cambie and Broadmoor neighborhoods. By 2041, the City's population is projected to grow to 280,000 residents – a 30.9% increase from 2016.

Figure 3: City of Richmond Population Growth 1991–2016

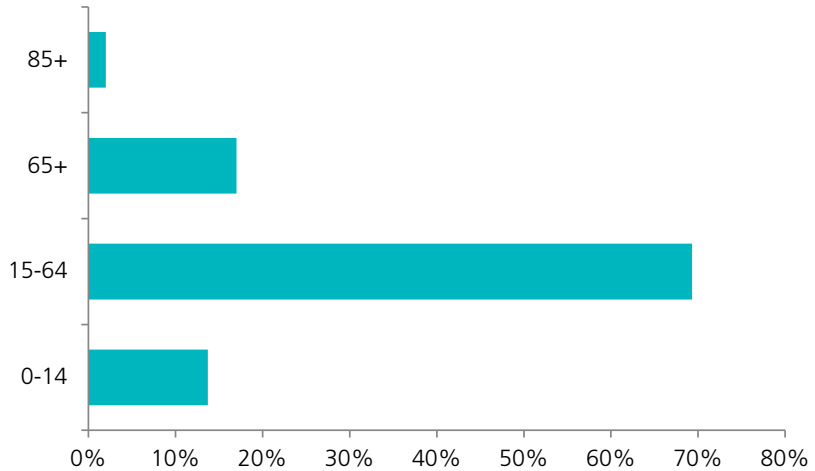


Source: Statistics Canada

In 2016, individuals over the age of 65 accounted for 17% of the total population – a 3.3% (7,630 residents) increase from 2011 (2011 & 2016 Census). The percentage of seniors is expected to increase significantly – accounting for 26% of the population by 2041 (City of Richmond, 2012 Official Community Plan). This trend will have a strong influence on future housing demand in the City, such as the need for more affordable and accessible forms of housing that will allow seniors to age in place.



Figure 4: City of Richmond Populations, 2016 by Age Groups

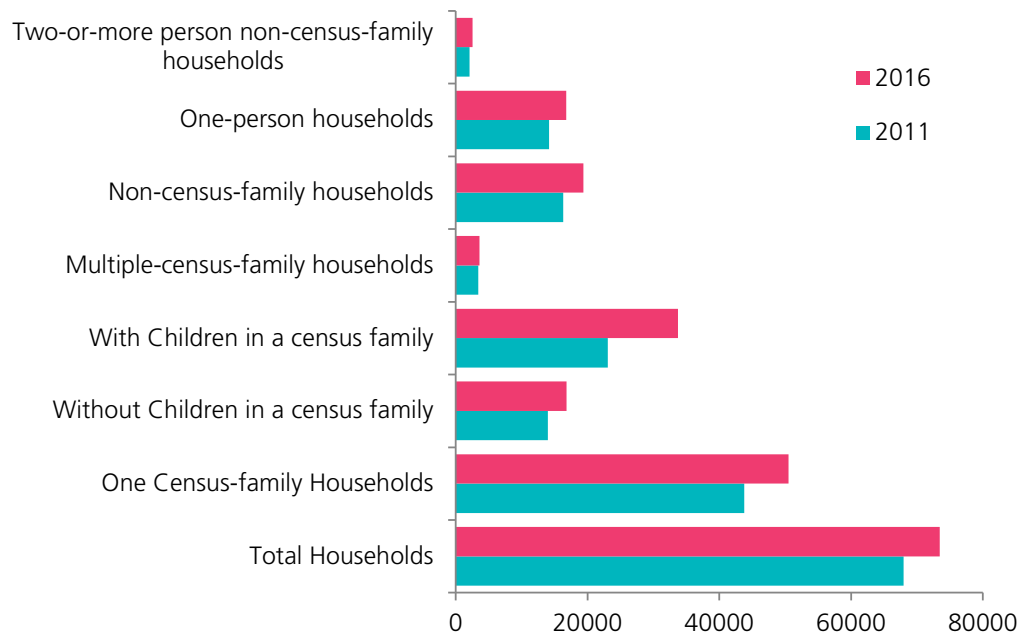


Source: Statistics Canada 2016 Census of Population

In 2016, the number of census families in Richmond was 57,975, which is an increase of 16.7% from 2006, and 4.65% from 2001<sup>1</sup>). According to the 2016 Census, Richmond has an average of 2.9 persons per census family which is slightly higher than the average family size in Metro Vancouver (2.5) and the province of BC (2.4) (2016 Census).

Figure 5 highlights family composition comparisons between 2011 and 2016 in Richmond.

Figure 5: Percentage of Census Family, by Type<sup>2</sup>



Source: 2011, 2016 Census

<sup>1</sup> According to Statistics Canada, a "census family" refers to related individuals who may or may not live in the same private dwelling. In comparison, private households refer to a person or a group of persons who occupy a private dwelling as their usual place of residence. The number of private households in Richmond increased 10.6% from 2006 (61,435) to 2011 (67,975) (2011 Census).

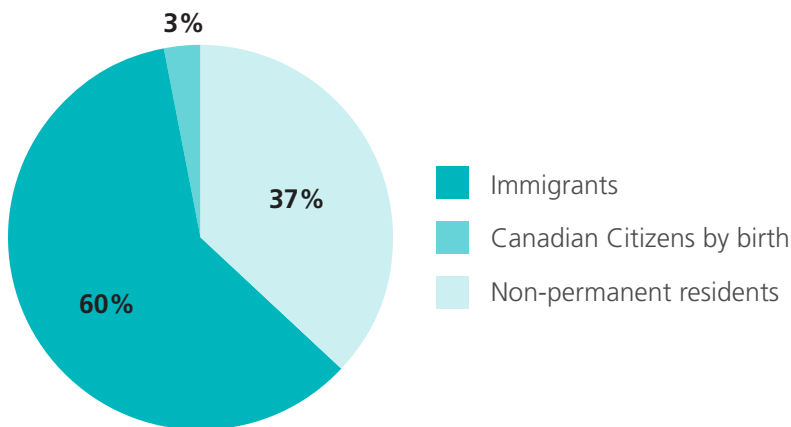
<sup>2</sup> According to Statistics Canada, a 'couple with children 24 and under' refers to households with at least one-child aged 24 and under; a 'lone-parent-family household' refers to all lone-parent family households regardless of age of children; and a 'multiple-family household' refers to a household in which two or more census families (with or without additional persons) occupy the same private dwelling.

Family composition has an impact on demand for specific housing forms. Compared to regional and national averages, Richmond has a greater percentage of families with children 24 and under living at home, lone parent families and multiple family households. This has an implication on the demand for larger units that can accommodate growing families and multi-family households. Lone parent households typically earn below the median household income and may struggle to find housing that is affordable and large enough for their family.

**A Culturally Diverse Community**

Figure 6 highlights the immigration status of Richmond residents in 2016. While 71,855 residents were born in Canada, 118,305 were immigrants. In addition, 6,505 persons currently residing in Richmond were non-permanent residents, including those with work or study permits or refugee claimants. Non-permanent residents showed the greatest increase in Richmond’s population from 2011 to 2016 by increasing 64% (6,505 persons from 3,955), however the group represents 3% of Richmond’s total population. Immigration has provided many benefits to Richmond by strengthening the economy, adding cultural diversity and supporting an enhancement of civic amenities.

Figure 6: Population in Richmond by Immigration Status in 2016

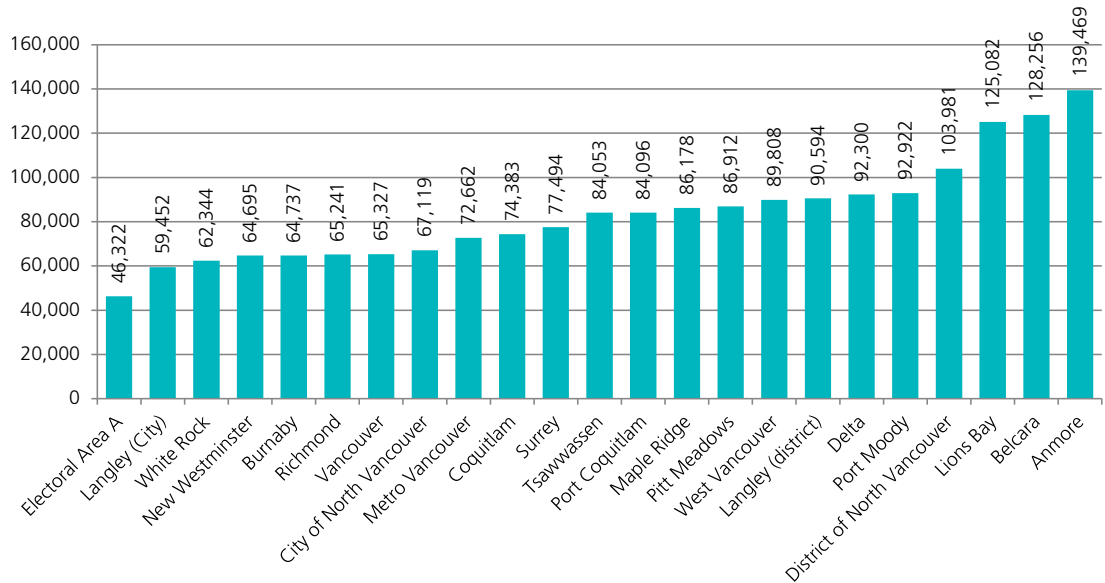


Source: 2016 Census.

### 3.2 Income

In 2016, the median annual household income in Richmond was \$65,368. The median income is similar to Vancouver and Burnaby, but is lower than several other Metro Vancouver municipalities and the regional median income. Median household income can be used as a measure for determining a household's ability to find housing in their community at an affordable price.

Figure 7: Median Household Total Incomes by Municipality in 2016



Source: 2016 Census.

Incomes in Richmond vary substantially depending on type of household. For example, median gross family income for lone-parent families was \$49,413 (2016 Census), substantially less than the median income for all Richmond households. In an environment of increasing housing costs, these families in particular may be experiencing affordability challenges.

Renters in Richmond also face a lower median income, on average, when compared to ownership households. The median income for a household renter in Richmond is \$48,989, compared to \$71,840 for ownership households. Renters having a lower income presents many difficulties in finding and keeping housing as average rents have increased rapidly in the past five years. More analysis on renters is provided in Section 4.2.

The Low-Income Measure after tax (LIM-AT)<sup>3</sup> provides municipalities with an indicator of the number of households that may be struggling to find housing. According to this measure, Statistics Canada estimated that 22.2% of Richmond residents were considered low-income in 2016. The percentage of low-income households in Richmond is significantly greater than the regional (16.5%) and provincial (15.5%) averages (2016 Census). Of note In 2016, there was a 48.8% increase in seniors (65+) who fell into the low income category. Further, 19.7% of all low-income residents in 2016 were children under the age of 18 In 2011, analysis showed Richmond's low-income households were

<sup>3</sup> This measurement is a fixed percentage (50%) of median adjusted after-tax income of households observed at the person level, where "adjusted" indicates that a household's needs are taken into account. Adjustment for household sizes reflects the fact that a household's needs increase as the number of members increases, although not necessarily by the same proportion per additional member. For example, if a household of 4 persons has an after tax income of less than \$38,920 all members of the household are considered low-income (Statistics Canada, 2010).

concentrated in City Centre, Thompson, Blundell, and West Cambie planning areas. These estimates however, may not reflect an accurate number of those who are truly low-income due to Canadian and foreign tax laws.

Figure 8: Richmond Population in Low-Income by LIM-AT

| Richmond Population in Low-Income by Age |        |        |
|--|--------|--------|
|  | 2011   | 2016   |
| Under 18 Years                           | 8,820  | 8,655  |
| 18–64 Years                              | 28,700 | 28,170 |
| 65+ Years                                | 4,855  | 7,175  |
| Total Persons in Low-Income              | 42,365 | 44,000 |

Source: 2011 NHS, 2016 Census.

### 3.3 Employment

#### Disparity Between Local Workforce Salaries and Cost of Housing

According to the 2016 Census, there were 96,710 jobs in Richmond including those with a fixed workplace, no work place (including contractors) and those who work from home. The most prevalent occupations in Richmond are the sales and service sector (29% or 30,025 jobs); business, finance, and administration (19.3% or 19,360 jobs); and management occupations (12% or 12,465 jobs) (2016 Census)<sup>4</sup>.

Figure 9 highlights the average salaries (provincially) for these employment sectors. Households would need to earn a minimum of \$105,863 in order to afford the purchase of an apartment in Richmond. On average, two-thirds of Richmond's top occupations do not provide enough compensation for employees to purchase an apartment in the City (assuming 30% of total income spent on shelter).

Figure 9: Richmond Top Occupation Sectors with Average British Columbia Salary

| Top 3 Occupation Sectors with Average British Columbia Salary |          |
|---|----------|
| Sales and Service   | \$23,257 |
| Business, Finance, and Administration                         | \$42,143 |
| Management Occupations  | \$68,991 |

Source: 2011 NHS.

Households would need to earn \$47,400 annually in order to afford the average rent of a one bedroom unit in Richmond. Figure 10 highlights the top five occupations in Richmond for individuals that live and rent in the city. Of these, only employees in the professional, scientific and technical services sectors earn enough compensation to affordably rent a one bedroom apartment in Richmond (assuming 30% of total income spent on shelter). In 2016, the Canadian Centre for Policy Alternatives found that the percentage of working poor individuals in Richmond (10.5%) is higher than the Metro Vancouver average (10.4%).<sup>5</sup>

<sup>4</sup> The most prevalent occupations in Richmond are given as a percentage of the total occupations in Richmond that have a fixed workplace and those that work from home, from a total of 109,945 jobs.

<sup>5</sup> The Canadian Centre for Policy Alternatives used the Metcalf Foundation's definition of the working poor. According to this definition, an individual is considered to be a member of the working poor if they are aged 15–64, live in a family with an after-tax income below Statistics Canada's Low Income Measure, earn at least \$3,000 per year, are not a student, and live independently (alone with a spouse and/or dependent children but not with parents or other relatives).

Figure 10: Top Occupations for Richmond Renter Households and Average Salaries

| Top Occupations in Richmond and Average Salaries |                                      |                           |
|--|--------------------------------------|---------------------------|
| Occupation                                       | Number of Renter Households Employed | Average Individual Income |
| Restaurant and Hospitality                       | 2,980                                | \$21,655                  |
| Retail   | 1,985                                | \$28,332                  |
| Professional, Scientific & Technical Services    | 1,575                                | \$45,601                  |
| Healthcare & Social Services                     | 1,515                                | \$37,140                  |
| Transportation & Warehousing                     | 1,445                                | \$37,354                  |

Source: BCNPHA Rental Housing Index, 2014.

The data in the chart above suggests that housing affordability may be a significant challenge for many residents who comprise a major proportion of the local work force. This observation supports findings in the June 2014 Business Development Survey<sup>6</sup> conducted by the City of Richmond, which identified cost of living and housing affordability among the top concerns for local employees. More recently, a survey conducted in July 2016 by the Richmond Chamber of Commerce found that housing unaffordability had become a significant employee recruitment and retention issue for the majority of its members. The City’s Social Development Strategy recognizes this challenge and the need to explore options for increasing the supply of “work force” housing, as ensuring local workers can live in Richmond is essential to creating a complete community.

### 3.4 Housing Tenure

Richmond has traditionally been a city of homeowners, however from 2011 to 2016 the rate of renters increased by a factor of 18% compared to 4% new owners in Richmond; the proportion of renters increased from 23% to 26% of all households during this time period (Census 2016)

### 3.5 Housing Stock

Figure 11 highlights the number of units by type in 2006, 2011 and 2016. The number of single family detached housing is decreasing while multi-family residential development is increasing throughout the City. The most significant increase continues to be apartments greater than five storeys going from 6,950 in 2011 to 10,400 in 2016.



Figure 11: Number of Units of Housing, by Type – 2006, 2011 and 2016

| Housing Type                       | 2006       |            | 2011       |            | 2016       |            |
|------------------------------------|------------|------------|------------|------------|------------|------------|
|                                    | # of Units | % of Total | # of Units | % of Total | # of Units | % of Total |
| Units                              | % of Total | # of       | 25,320     | 37.2       | 24,315     | 33         |
| Single Detached                    | 25,385     | 24.6       | 16,210     | 23.8       | 17,730     | 14         |
| Row House                          | 11,805     | 19.2       | 13,445     | 19.8       | 14,595     | 2          |
| Apartment (greater than 5 storeys) | 3,760      | 6.1        | 6,950      | 10.2       | 10,400     | 20         |
| Duplex                             | 3,230      | 5.2        | 4,090      | 6.0        | 4,685      | 6          |
| Semi-Detached House                | 1,840      | 2.9        | 1,695      | 2.5        | 1,650      | 24         |
| Moveable Dwelling                  | 235        | 0.38       | 250        | 0.4        | 65         | 0.0        |
| Other Single-Attached House        | 10         | 0.02       | 20         | 0.03       | 20         | 0.1        |
| Total # of Occupied Dwellings      | 61,430     | 100        | 67,980     | 100        | 73,460     | 100        |

Source: 2006 Census, 2011 NHS, 2016 Census

This trend is further reflected in the City's recent building permit statistics. In 2016, apartments comprised 65% of all housing starts in Richmond, followed by single family dwellings (23%), and townhomes (10%). Figure 12 displays the number of completed new housing units in Richmond by unit type, highlighting that apartments have dominated residential development in Richmond since 2009.

Figure 12: Completions in Richmond 2005–2014, by Unit Type

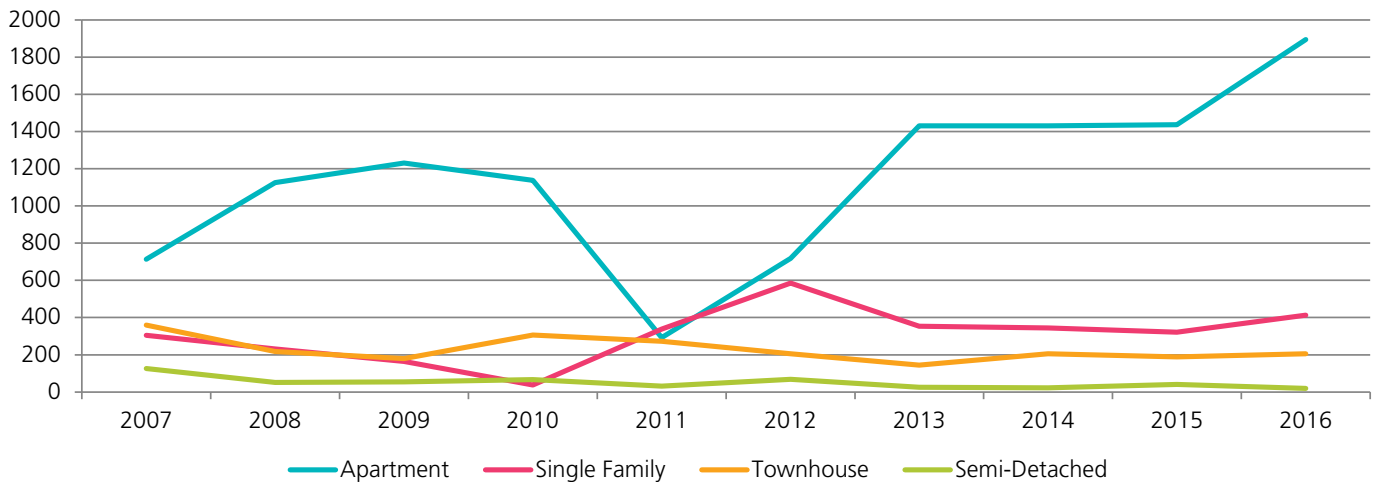
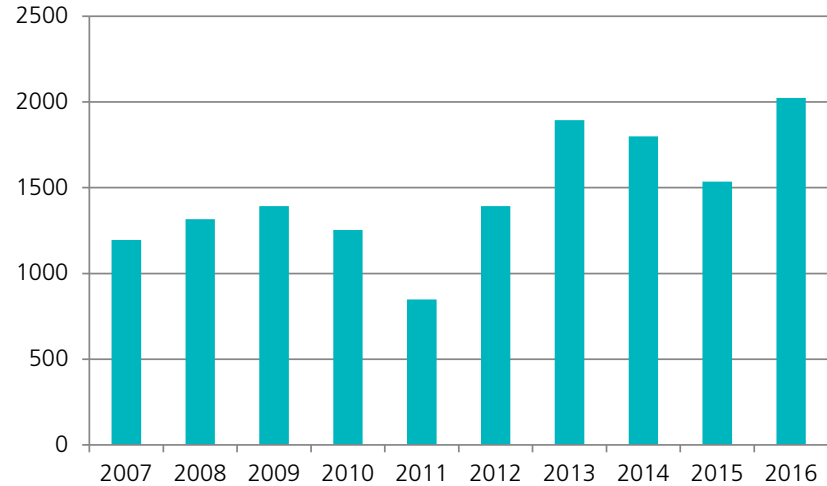


Figure 13 also shows that the number of net completions, or completed housing units minus demolished housing units, has increased steadily year after year. The year 2016 was a record year in the number of net completed units.

Figure 13: Net Completions 2007–2016

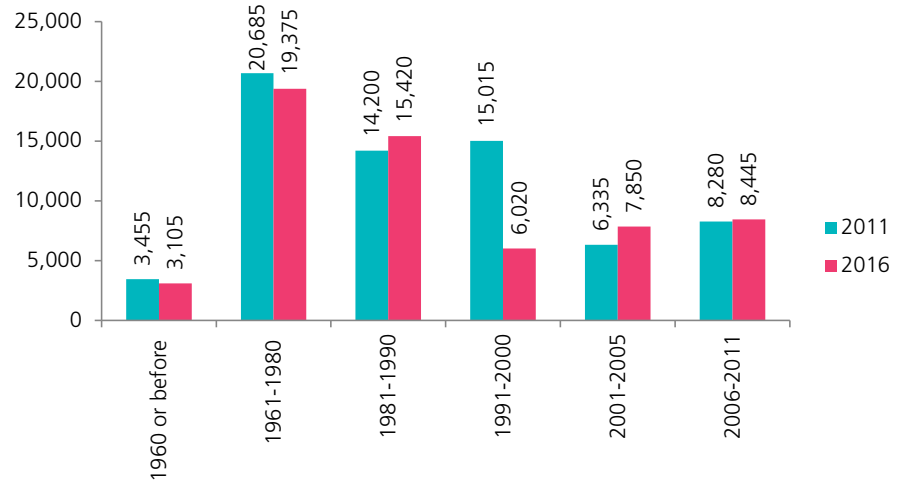


Source: CMHC Building Statistics, 2017.

### 3.6 Age of Housing Stock

While recent residential construction activity continues to add substantial amounts of new housing, homes built prior to 1980 make up over 33% of the City’s housing inventory (2016 Census). This is an important and significant part of the City’s overall housing stock which, due to its age may need substantial improvements and may be facing pressure for redevelopment.

Figure 14: Richmond’s Housing Stock by Year of Construction in 2011 and 2016



Source: NHS, 2011, Census 2016.

Of particular interest is the City’s inventory of 3,477 purpose-built rental units, most of which were built between 1960 and 1990 and which constitute a significant amount of the City’s affordable housing stock. Much of this stock may be under pressure for redevelopment due to its age, condition and the potential for higher density development. In 2012, Metro Vancouver’s Rental Inventory and Risk Analysis estimated that 15 properties comprising a total of 1,180 rental units in Richmond were at high risk of redevelopment. The City is currently preparing a market rental policy aimed at protecting and enhancing this important component of Richmond’s housing stock.

## 4. Richmond's Housing Market

### 4.1 Non-Market Housing

#### 4.1.1 The Facts

As of December 31, 2017, there were 2,874 non-market housing units in Richmond that include assisted and co-op family housing and which were secured primarily through the efforts of the non-profit sector with a variety of earlier senior government funding programs prior to 2007. The City currently leases eight (8) City-owned properties at below market rates to non-profit housing providers. In addition, 477 subsidized rental units have been secured through the Affordable Housing Strategy (as of December 31, 2017).

A critical issue with respect to much of the older affordable housing stock is expiring operating agreements, whereby senior governments provided subsidies to non-profit and co-operative (co-op) societies to support the financial viability of affordable housing projects, and subsidized rents for low-income tenants through a rent-geared-to-income approach. These agreements were secured during the 1960s and 1970s and were usually tied to a mortgage, meaning that when the mortgage expires, non-profits and co-ops will be solely responsible for the project's ongoing financial viability. Although these non-profits will have greater control over financial management without an operating agreement, they may be vulnerable to revenue deficits, insufficient capital reserves, and major project renovation repairs without continued government financial support. The number of affordable units, administered by co-op and non-profit societies, with expiring operating agreements in Richmond in the next five years is 1,543 (BC Housing, 2014). Figure 15 displays the number of affordable housing units with expiring operating agreements over time.

In late 2017, the Federal Government launched the National Housing Strategy (NHS). A key initiative in the NHS is the "Community Initiative Fund" where the federal government will directly fund existing social housing, which may have expiring agreements or not. The fund will have \$500 million total and funding will be in place starting April 1, 2020. The federal government has committed to providing a "Technical Resource Centre" to support housing providers whose operating agreements will expire before 2020.

Figure 15: Affordable Housing Units in Richmond with Expiring Operating Agreements

| Richmond Affordable Housing Units with expiring Operating Agreements |                 |
|--|-----------------|
| Year   | Number of Units |
| 2016–2020  | 1,543           |
| 2021–2025  | 534             |
| 2026–2030  | 299             |
| 2030–2040  | 80              |
| Total by 2040  | 2,513           |

Source: Metro Vancouver, 2017. Housing Data Book.

### 4.1.2 Indicators of Need

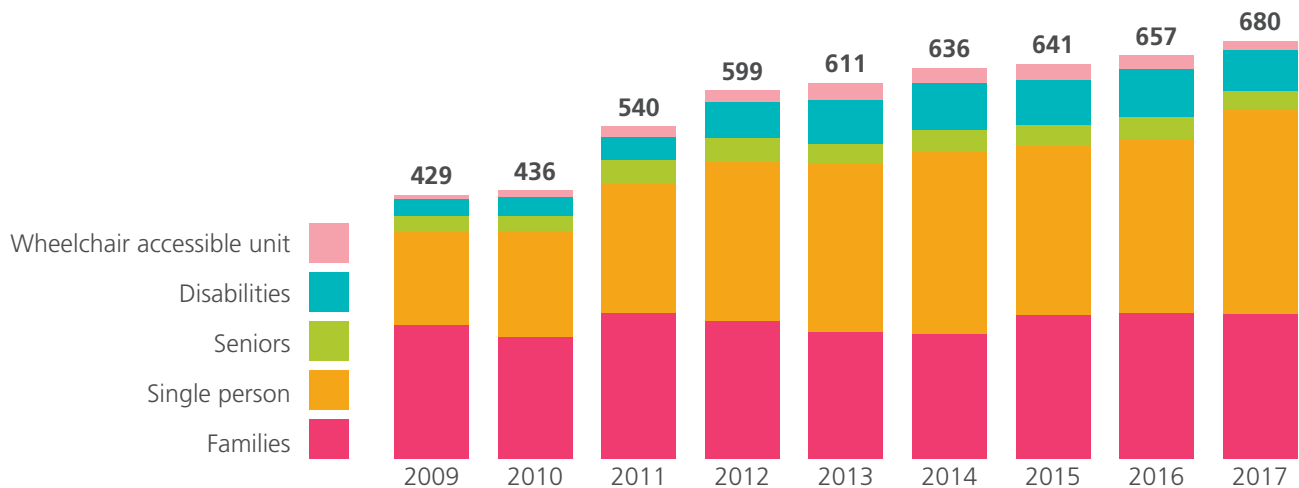
#### Low Income Households—Disparity Between Income Assistance Shelter Rates and Housing Costs

As noted, 22.2% of Richmond residents were considered low-income in 2016. While many low-income households receive income assistance from the Province, the maximum monthly shelter allowance for an individual is \$375 and for a family of four is \$700—rates that have not increased since 2007. Due to the high cost of housing in Metro Vancouver, these households likely require access to non-market housing with deep subsidies in order to have income left for basic needs such as food, electricity, clothing and transportation.

#### Social Housing Wait Lists—Growing Number of Richmond Households Waiting for Subsidized Housing

BC Housing provides social housing throughout the province, including rent-g geared-to-income for households under specific income thresholds. The waitlist (BC Housing Registry) for this type of housing in Metro Vancouver has increased by 30% from 7,421 households in 2010 to 9,674 households in 2015. The wait list is an important indicator of affordable housing need throughout the region. There are currently 680 households waiting for social housing in Richmond, with an average wait time of five to seven years (Metro Vancouver, 2017). Figure 16 highlights that seniors and families are the largest groups needing subsidized housing in Richmond. Also of note is that the wait list for adaptable units for people with disabilities in Richmond has increased 134% from 35 households (2009) to 82 households in 2017. This may indicate the barriers that individuals with disabilities experience finding accessible accommodation that is also affordable. BC Housing currently administers the waitlist for 16 developments on the Housing Registry in Richmond.

Figure 16: Richmond Households on Social Housing Waitlists, by Need (2017)



Source: Metro Vancouver, 2017, Housing Data Book.

## Homelessness and At Risk of Homelessness

Figure 17 highlights the various types of homelessness (Homeless Hub, 2015). The Metro Vancouver Homeless Count has been conducted regionally every three years since 2002. The 2017 Metro Vancouver Homelessness Count found 70 homeless individuals; this is an 84% increase in the number of homeless persons counted since 2014. It is recognized that the 24-hour survey is an underestimation since all homeless persons cannot be located. Service providers in Richmond estimate this number to be much higher noting that they collectively serve over 120 homeless clients.

Figure 17: Definitions of Types of Homelessness

| Types of Homelessness      |   |
|----------------------------|---|
| Unsheltered                | Absolutely homeless and living on the streets or in places not intended for human habitation  |
| Emergency Sheltered        | Individuals staying in overnight shelters   |
| Provisionally Accommodated | Individuals in temporary accommodation, such as "couch surfing" or lacking security of tenure   |
| At Risk of Homelessness    | Individuals who are not homeless, but whose current economic and/or housing situation is precarious and/or does not meet public health and safety standards |

Source: Homelessness Hub, 2015.

"Core housing need" is a measure of the number of households that are inadequately housed due to the condition, size or the cost of a housing unit. In Metro Vancouver, households in core housing need and spending at least 50% of their household income on shelter are considered to be in dire need and at risk of homelessness. Using this measure, 8.7% (5,320) of all Richmond households were at risk of homelessness in 2011. This includes 13.4% of all renter households and 7.3% of all owner households (2016 Metro Vancouver Housing Data Book).

### A Community Based Response to Homelessness

Local non-profit agencies continue to work together to provide services to the homeless population in Richmond.

Currently, the Salvation Army operates the only year-round emergency shelter in Richmond. The shelter has ten men-only beds and is not wheelchair accessible. The shelter is always at capacity and turns away approximately 133 visits per month (equating to approximately 60 individual clients). In September 2017, the City of Richmond in partnership with BC Housing and The Salvation Army announced the relocation and expansion of emergency shelter services to a new location in Richmond. The new emergency shelter will provide safe and secure shelter spaces in a supportive environment for 30 of Richmond's most vulnerable residents and will be physically accessible, minimal barrier in its approach to service delivery and inclusive of men and women. The current services will be relocated once the new shelter is completed in 2019.



Chimo Community Services operates Nova Transition House, where there are ten emergency beds for women fleeing violence. This is not a low-barrier shelter, and at this time there are no beds for homeless women and children in Richmond. On average, Chimo reports that it turns away ten women every month seeking shelter.

There are 22 emergency shelter extreme weather shelter beds at St. Alban Church and the Salvation Army. These beds are only available only during the winter months (November 1 – March 31) when the weather is deemed severe enough. St. Alban's emergency weather shelter was open for 40 nights during the 2016/17 winter season and offered accommodation to 617 individuals, including 70 females.

Turning Point's Resource Centre, which functions as a central hub for individuals experiencing homelessness currently operates out of The Salvation Army Community Church.

The City of Richmond has embarked on updating the 2002 Homelessness Needs Assessment and Strategy. Supported by a Steering Committee comprised of representatives from non-profit, government, and quasi-government representatives, the updated needs assessment and strategy will help to ensure the City continues to respond to the current and future needs of Richmond residents at risk of or experiencing homelessness.

## 4.2 Rental Housing

### 4.2.1 The Facts

Rental housing is an important and valuable component of the City's housing continuum and includes non-market, low end market rental (LEMUR), purpose built market rental and secondary market units (e.g. rented strata-titled units). According to the CMHC 2015 Rental Market Report, there are 3,477 units of purpose built rental units in Richmond. In addition, it is assumed that approximately 12,078 renter households find accommodation in the secondary rental market (2011 Census).

Between 2011 and 2017, the average rents for all sizes of purpose built rental units in Richmond have increased by 18%; the largest increase (24.1%) was for three bedroom units. Figure 18 displays the increase in rent for all unit types in Richmond from 2011–2017.

Figure 18: Richmond Rents Increases—2011–2017, by Unit Type

| Richmond Monthly Average Rents, by Unit 2011–2017 (\$) |          |           |           |             |
|--|----------|-----------|-----------|-------------|
|  | Bachelor | 1 Bedroom | 2 Bedroom | 3 Bedroom + |
| 2011   | 736      | 905       | 1,278     | 1,325       |
| 2012   | 749      | 947       | 1,365     | 1,417       |
| 2013   | 796      | 953       | 1,177     | 1,508       |
| 2014   | 808      | 994       | 1,198     | 1,327       |
| 2015   | 843      | 1,025     | 1,296     | 1,596       |
| 2016   | 901      | 1,083     | 1,353     | 1,644       |
| 2017   | 985      | 1,185     | 1,375     | 1,698       |
| % Change   | 22.4%    | 19.7%     | 5.9%      | 24.1%       |

Source: CMHC, 2011 – 2017 Rental Market Surveys.

Figure 19 displays the number of renter households in Richmond who spend more than 30% of their before tax income on housing and the percentage of renter households living in non-market housing.

**Figure 19: Number of Renter Households spending 30% or Greater of Total Annual Income on Shelter**

| <b>Renter Households in Richmond</b>  |          |
|---|----------|
| Number of tenant household in private dwellings   | 18,910   |
| % of renter households in subsidized housing  | 15.4%    |
| % of renter households spending 30% or more of households total income on shelter costs | 47.1%    |
| Median monthly shelter costs for rented dwellings (\$)                                  | \$1,225  |
| Median annual household income  | \$48,989 |

Source: 2016 Census & Metro Vancouver, 2017. Housing Data Booklet.

## 4.2.2 Indicators of Need

### Income Gap—Renter Household vs. Market Rent

The median annual income for renter households in 2016 was \$48,989 (Metro Vancouver, 2017) which is substantially lower than the median household income of \$71,840 for all Richmond households.

Figures 20 highlights the minimum annual income necessary and the percentage of median renter annual income required to spend 30% or less of gross annual income on the average priced rental unit. Although these minimum annual incomes are less than those necessary to own a home it can be assumed that finding affordable rents may be a challenge due to extremely low vacancy rates, especially for families who require multi-bedroom rental units.

**Figure 20: Annual Income Necessary to Rent in Richmond, by Unit Type**

| <b>Housing Type</b>                          | <b>3+ Bedroom</b> | <b>2 Bedroom</b> | <b>1 Bedroom</b> | <b>Bachelor</b> |
|--|-------------------|------------------|------------------|-----------------|
| Average Monthly Rent                         | \$ 1,698          | \$ 1,375         | \$ 1,185         | \$ 985          |
| Annual Income Necessary to Rent with 30% GDS | \$ 67,920         | \$ 55,000        | \$ 47,400        | \$ 39,400       |

Source: Metro Vancouver, 2015. Housing Data Booklet & Community Social Development 2016.

As of March 2016, 467 family households and 796 seniors receive monthly rent supplements from BC Housing to provide some financial relief by making market rent rates more affordable. This data further reflects a gap between renter income and the average market rent in Richmond.

### Increasing Number of Households in Core Housing Need

In Richmond, the number of all households in core housing need (both renter and owner households) as defined by CMHC has increased from 19.5% in 2011 to 20.4% in 2016. In 2011, 33.3% of all renter households and 15.5% of all owner households were considered to be in core need (CMHC, 2011).

### **Persistently Low Vacancy Rates**

In 2017, rental vacancy rates in Richmond were lower than 1%, for all unit types. This is an average decrease of 25% in vacancy since 2011. According to the most recent CMHC Rental Market Survey (Fall 2017), the average vacancy rate for purpose-built apartments in Canada's 35 major urban centres was 2.7%, close to what many housing professionals believe is a healthy rental market. Richmond's lower than average vacancy rates are indicative of a constrained rental housing market adding pressure for higher rents and making it more difficult for renters to find adequate housing.

### **Situation "Critical"**

The Rental Housing Index, developed by the BC Non Profit Housing Association and Vancity, using data from the 2011 National Household Survey provides a detailed analysis of the affordability and suitability of rental housing in over 800 municipalities across Canada. The Index measures affordability (% of household income spent on housing), overspending (households spending more than 50% on housing), income gap (additional annual household income needed to make current rent affordable), overcrowding (living in units not suitable for household size) and bedroom shortfall (additional bedrooms needed to suitably house renters). The Index was published in 2015 and found that Richmond is the third least affordable municipality in BC for renters – a situation considered "critical," ranking 70th out of 72 BC municipalities in terms of affordability and suitability of rental housing.

## **4.3 Homeownership**

### **4.3.1 The Facts**

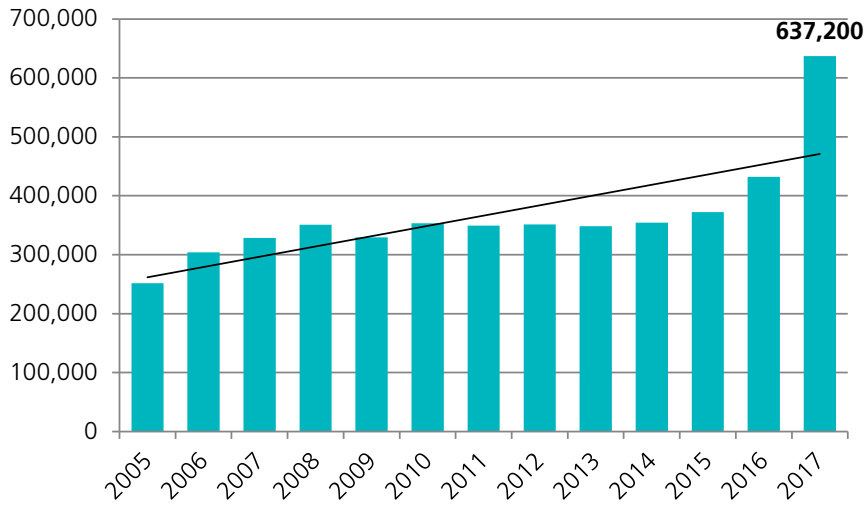
#### **Persistent and Significant Increase in the Price of Housing**

Homeownership may be out of reach for many households as the increase in housing prices, particularly for single family homes is far outpacing increases in household incomes. Between 2001 and 2011, median household income increased by only 20.8%, which is far exceeded by the increase in real estate prices.

The benchmark price of housing units in Richmond has been steadily increasing from 2005 to 2017. Specifically, the benchmark price of apartments has increased by 153%, townhomes by 151%, and single detached houses by 223% (Real Estate Board of Greater Vancouver, December 2017). To note, the price of a single-detached home fell slightly from 2016 to 2017, which may be due to the Provincial Foreign Buyers Tax implemented in 2016. Figures 21–23 demonstrate the increase in benchmark price for an apartment, townhouse and single detached housing unit based on the home price index used by the Vancouver Real-Estate Board, 2005–2017.<sup>7</sup>

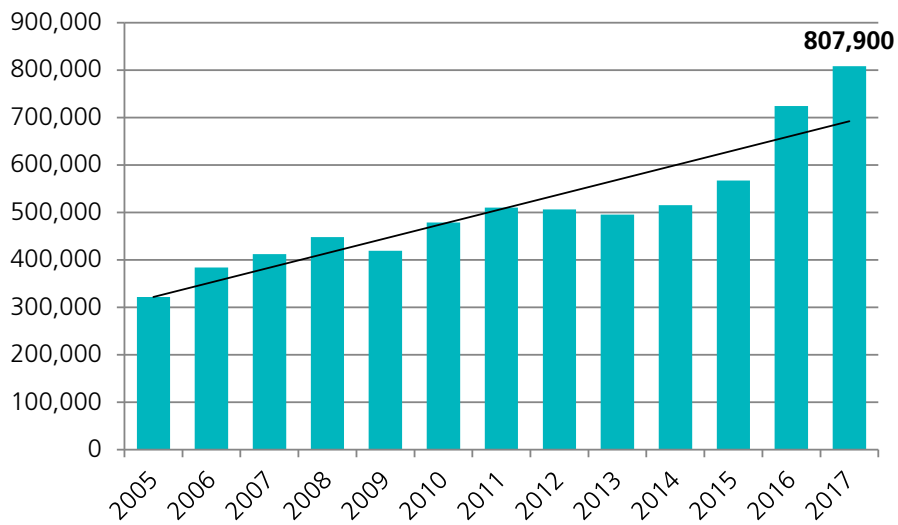
<sup>7</sup> The MLS Benchmark Price represents the price of a typical property within each market. It takes into account characteristics such as lot size, age, and the number of rooms that average and median price of housing units do not account for.

Figure 21: MLS Benchmark Price for Richmond Apartments, 2005–2017



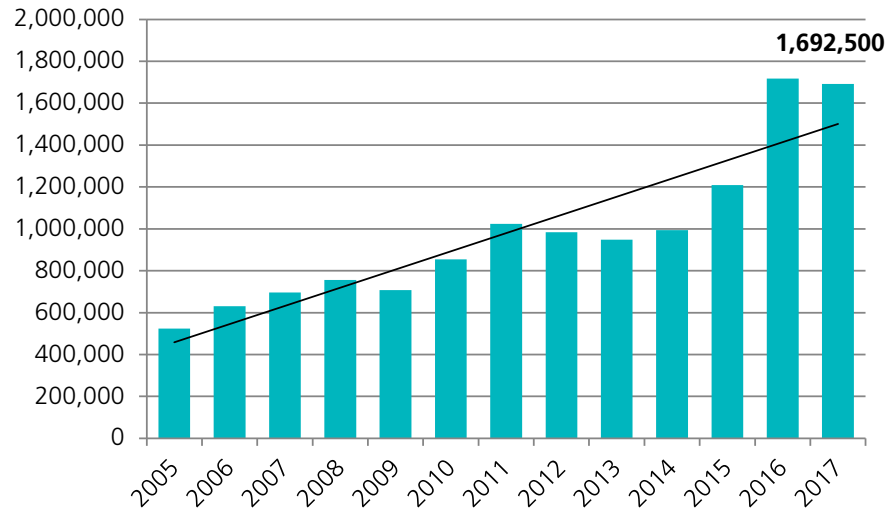
Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

Figure 22: MLS Benchmark Price for Richmond Townhouses, 2005–2017



Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

Figure 23: MLS Benchmark Price for Richmond Single Detached Houses, 2005–2016



Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index.

### 4.3.2 Indicators of Need

#### Housing Price Increases Outpacing Household Incomes.

According to the Annual Demographia International Housing Affordability Survey (2015), Metro Vancouver ranked as the third most unaffordable market internationally for homeowners behind Hong Kong and Sydney (Australia). This organization ranks urban centres using the median multiple, which divides the median house price of all housing types by the gross annual median income. According to this ratio (a recommended measure by the World Bank), buyers in Metro Vancouver need to earn ten times the median income to purchase the median priced housing unit. Figure 24 displays the median multiple ratings indicating unaffordability.

Figure 24: Demographia International Housing Affordability Survey:

| Demographia International Housing Affordability Survey: Housing Affordability Rating Categories |                 |
|---|-----------------|
| Rating  | Median Multiple |
| Severely Unaffordable   | 5.1 & Over      |
| Seriously Unaffordable  | 4.1–5.0         |
| Moderately Unaffordable   | 3.1–4.0         |
| Affordable  | 3.0 & Under     |

Source: Demographia, 2015. Annual Demographia International Housing Affordability Survey & Community Social Development 2016.

When the median multiple is calculated for Richmond (using available data of benchmark housing prices), all housing types in the city would be considered severely unaffordable, relative to the median household income in Richmond (\$65,368).

Figure 25: Median Multiple of Richmond Housing Types

| Unit Type       | Benchmark Price | Median Multiple |
|-----------------|-----------------|-----------------|
| Single Detached | \$ 1,692,500.00 | 25.9            |
| Townhouse       | \$ 807,900.00   | 12.4            |
| Apartment       | \$ 637,200.00   | 9.7             |

Source: Community Social Development 2016.

Figure 26 illustrates the minimum annual income necessary to purchase a housing unit in the City based on a gross-debt-service (GDS) ratio of 32%.<sup>8</sup> According to the calculations in the charts, the annual income necessary to purchase a typical unit in the city significantly exceeds the median household income (\$65,368) in Richmond. Saving for a down payment is a barrier for many first-time homebuyers and therefore it is assumed that some households will not be able to provide a 20% down payment and therefore require a higher annual income to support a larger mortgage.

Figure 26: Annual Incomes Necessary for Homeownership in Richmond with 32% GDS, by Unit Type<sup>9</sup>

| Housing Type    | Benchmark Price | Down Payment | Annual Income Necessary with 32% GDS Ratio |
|-----------------|-----------------|--------------|--|
| Single Detached | \$ 1,692,500.00 | 5%           | * see footnote 3                           |
|                 |                 | 10%          |  |
|                 |                 | 20%          | \$ 247,703                                 |
| Townhouse       | \$ 807,900.00   | 5%           | \$ 145,908                                 |
|                 |                 | 10%          | \$ 138,575                                 |
|                 |                 | 20%          | \$ 123,906                                 |
| Apartment       | \$ 637,200.00   | 5%           | \$ 116,466                                 |
|                 |                 | 10%          | \$ 110,682                                 |
|                 |                 | 20%          | \$ 105,863                                 |

Source: Real Estate Board of Greater Vancouver. December 2017, MLS Home Price Index & Community Social Development 2016.

<sup>8</sup> Board of Greater Vancouver, March 2016 Home Price Index. The mortgage amount is calculated with a 25 year amortization period with a 5 year fixed interest rate of 3.19% and bi-monthly payments. The strata fees are calculated as 50% of an assumed median strata fee of \$300. Heating costs were assigned a price of \$25 monthly, and \$50 for a single detached unit.

<sup>9</sup> In December 2015, the Federal Government changed the requirements regarding CMHC insured mortgages. Homebuyers will now need to place a 5% down payment on a \$500,000 portion and a 10% down payment on the portion after \$500,000. Therefore calculations for minimum annual income needed for a townhouse in Figure 26 are slight underestimations. CMHC will not insure mortgages for units over \$1,000,000, so therefore a household must have a 20% down payment for units greater than this price. Households' GDS ratio is an important indicator of housing affordability; however it does not take into consideration the condition or suitability of a household's unit. For example, households may need to exceed the 30% GDS ratio if they need to rent or purchase a multi-bedroom in order to better accommodate their family. This measurement also does not take into consideration the costs of living including child care, transit and food. In October 2016, further changes were made to mortgage insurance. Now, buyers with less than a 20% down payment will also need to qualify for a mortgage using the Bank of Canada's five-year fixed posted mortgage rate, which is usually higher than what a typical buyer can negotiate. These buyers will also only be eligible for a mortgage that equates to monthly payments that are less than 39% of their total monthly income. Together, these changes may make it more difficult for some households to qualify for a mortgage necessary to purchase a housing unit in Richmond.



Figure 27 displays the number of owner and renter households in Richmond who spend more than 30% of their before tax income on housing provision.

Figure 27: Number of Owner Households spending 30% or

| <b>Owner Households in Richmond</b>  |                   |
|--|-------------------|
| Number of owner households in private dwellings                                | 54,475 households |
| % of owner households with a mortgage  | 57% of households |
| % of owner households spending 30%> of household total income on shelter costs | 32% of households |
| Median monthly shelter costs for owned dwellings (\$)                          | \$1,796 /month    |
| Median annual household income   | \$71,840 /year    |

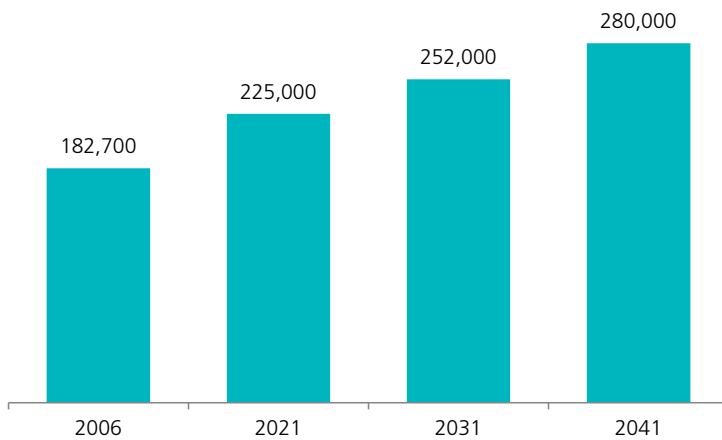
Source: 2011 NHS & Metro Vancouver, 2015. Housing Data Booklet.

## 5. Future Need

### 5.1 Projections

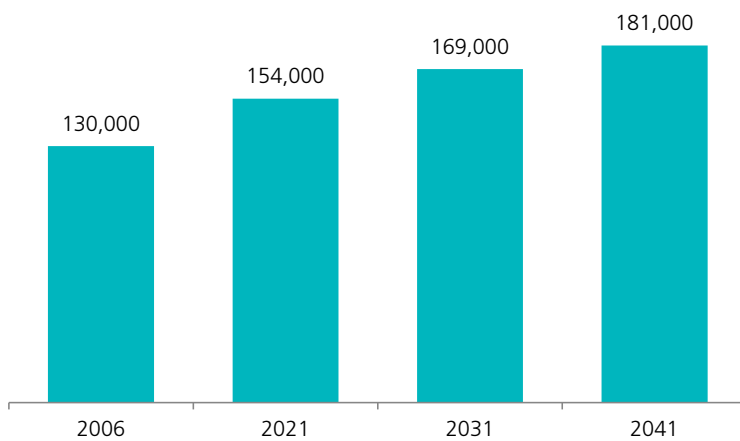
According to the *Official Community Plan*, Richmond's population is projected to grow to 280,000 by 2041. This represents a 30.9% increase from population estimates. Along with an increase in population, there will be an increase in demand for local employment opportunities and dwelling units. Metro Vancouver (2015) estimates that Richmond will have to accommodate a total of 181,000 jobs and 115,500 housing units by 2041. Also according to Richmond's OCP (2012), much of the growth will be accommodated in the City Centre planning area. Figures 28–30 display Metro Vancouver's population, employment and housing unit projections for Richmond.

Figure 28: Richmond Population Projections, 2006–2041



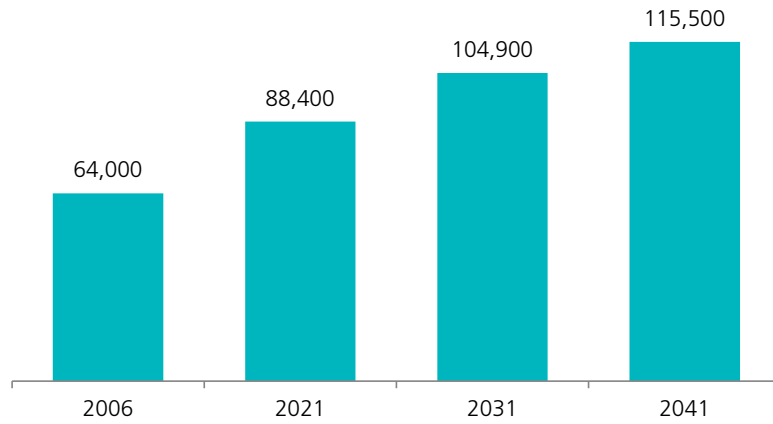
Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Figure 29: Richmond Employment Projections, 2006–2041



Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Figure 30: Richmond Housing Unit Projections, 2006–2041



Source: Metro Vancouver, 2011. Metro 2040: Shaping Our Future.

Projections prepared for the City of Richmond (Urban Futures, 2010) predict that apartments will comprise 42% of all housing units in Richmond by 2041, with most located in the City Centre. According to the 2011 Census, apartments currently comprise 33% of housing units.

### 5.2 Housing Demand Estimates

Metro Vancouver, in consultation with municipal staff throughout the region, has calculated 10 year housing projections to help guide the preparation of local affordable housing strategies. Figure 31 displays Richmond’s housing demand estimates by type annually and for the period from 2016 to 2026.

Figure 31: Richmond’s Housing Demand Estimates, 2016–2026

| Richmond Housing Demand Estimates 2016–2026 |        |         |
|---|--------|---------|
| Types of Housing                            | Annual | 10 Year |
| Very Low-Income Rental                      | 130    | 1,300   |
| Low-Income Rental                           | 70     | 700     |
| Moderate Income Rental                      | 60     | 600     |
| Above Moderate Market Rental                | 30     | 300     |
| High Income Market Rental                   | 30     | 300     |
| Total Rental                                | 320    | 3,200   |
| Ownership                                   | 1,080  | 10,800  |
| Total Demand                                | 1,400  | 14,000  |

Source: Metro Vancouver, 2016.

## 6. Conclusions

The data and statistics presented in this profile have identified key housing affordability issues and trends facing Richmond that will help inform the development of the Affordable Housing Strategy 2017–2027, including:

- Richmond’s population will continue to grow and age, affecting the demand for smaller, affordable and accessible housing units allowing ageing in place;
- The number of low-income residents is growing and exceeding provincial and national averages—in 2016, 22.2% of the population was considered to be low-income;
- Median household incomes are lower than the regional average, and local employees are struggling with housing affordability as there are growing gaps between income, housing purchase price and rents;
- The number of households waiting for supportive housing is growing including seniors, families and persons with disabilities;
- Over the next 20 years, the majority of existing social housing will need to re-enter into operating agreements with senior levels of government or be at risk of losing subsidy.
- There is a large number of market rental housing at risk of redevelopment, which currently provides valuable affordable housing stock;
- Consistently low vacancy rates increase the cost of renting;
- Increasing rents and the purchase price of housing are outpacing income growth;
- The 2011 to 2016 period showed that renters as a population grew at a greater rate than homeowners and increased the proportion of households from 23% to 26%;
- 47% of tenants and 32% of owners in Richmond are spending more than 30% of their gross income on housing (exceeding CMHC’s measurement of affordability);
- 8.7% of Richmond households are considered to be in dire need and at risk of homelessness (in core housing need and spending at least 50% of their household income on shelter are);
- 20.2% of all households are in core-housing need according to CMHC;
- Renter households with a median annual income (\$48,989) cannot afford to rent units that are larger than one bedroom;
- The price of homeownership is increasing – the benchmark prices of single detached, townhouse, and apartment units increased by 223%, 151%, and 153% respectively from 2005–2017; and
- Homeownership is considered to be severely unaffordable in Richmond, and may be out of reach for many residents.



## 7. Reference List

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**CNCL - 262**

CITY OF RICHMOND  
**AFFORDABLE HOUSING STRATEGY**  
**POLICY RECOMMENDATIONS**  
Affordable Housing Strategy 2017–2027 Companion Document



CNCL - 263



# Executive Summary

## Summary of Policy Recommendations

The Policy Recommendations Report was prepared to provide a framework for the Affordable Housing Strategy 2017-2027. The policies are based on research, stakeholder feedback and economic analysis. This report contains an examination of various policies with respect to addressing identified housing gaps and presents policy recommendations for the City of Richmond. These recommendations were adopted by Council in July 2017. The Affordable Housing Strategy 2017-2027 provides the implementation plan to advance the approved policies.

The recommended policies are focused on increasing the supply of affordable rental housing options that address the needs of Richmond’s priority groups:

- Families including one parent families;
- Low and moderate income earners such as seniors, families, singles, couples, students;
- Persons with disabilities; and
- The City’s more vulnerable residents (e.g. those on fixed incomes, women and children experiencing family violence, individuals with mental health/addiction issues, and Aboriginal population).

No single policy or proposed action is successful in isolation. When implemented together, the combination of recommended policies and practices create a comprehensive response to affordable housing issues in a community.

Implementation of the recommended policies requires partnerships and ongoing collaboration among a wide variety of groups including the City, senior levels of government, the private and non-profit housing sectors. Effective and timely implementation will also require significant City resources including sufficient cash reserves and staff resources. Increasing capacity will enable the City to build on the success of past initiatives and partnerships that have contributed to increasing the supply of affordable housing options for residents and to position Richmond to continue to proactively respond to future funding and collaborative opportunities with senior levels of government and other community partners.

The following table summarizes existing and potential policy actions (including preliminary recommendations) that have been considered through this analysis.

Table 1: Summary of Policies

| Policy / Practice   | Description  | Summary of Recommendations  |
|---|--|---|
| Affordable Housing ('built')—Low End Market Rental (LEMR) unit contribution | Requires 5% of the residential floor area of multi-residential development over 80 units to be LEMR units, secured as affordable in perpetuity with a housing agreement, in exchange for a density bonus | <ul style="list-style-type: none"> <li>▪ Consider a phased approach to increase the floor area contribution rate to 10%</li> <li>▪ Decrease threshold to 60 units</li> <li>▪ Allow for flexibility to cluster or disperse LEMR units</li> <li>▪ Set minimum size targets and ensure LEMR units are not smaller than the average size of a comparable market unit within the development</li> <li>▪ Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development</li> <li>▪ Consider waiving Development Cost Charges for LEMR units if purchased by a non-profit housing provider</li> <li>▪ For LEMR units, calculate City-wide thresholds at 10% below BC Housing's Housing Income Limits and maximum monthly rents at 10% below CMHC Average Rents for Richmond</li> <li>▪ For non-market units, establish income thresholds and maximum rent targets and allow for flexible rent structures when projects are non-profit driven and provide 100% affordable rental housing</li> </ul> |
| Affordable Housing ('cash-in-lieu') contribution                            | Requires cash-in-lieu contributions for single-family, townhouse, and multi-residential rezonings less than 80 units, in exchange for a density bonus.   | <ul style="list-style-type: none"> <li>▪ Increase the cash-in-lieu contribution to match the current value of the 'built' LEMR contribution (5% of floor area)</li> <li>▪ Continue to accept cash contributions for townhouse developments and multi-residential developments less than 60 units</li> <li>▪ For townhouse developments, explore the feasibility of including a market rental component in addition to an affordable housing cash contribution in a future draft Market Rental Policy</li> <li>▪ Secure both built suites and cash contributions for single family rezoning</li> </ul>   |
| Special Development Circumstance and Value Transfer Policy                  | Provides developers with a density bonus in exchange for funding the building of an affordable housing development off-site, where low rents and additional supportive programming are also secured      | <ul style="list-style-type: none"> <li>▪ Incorporate the policy into the overall Affordable Housing Strategy</li> <li>▪ Develop a list of prequalified non-profit housing providers for management and development of affordable housing units</li> <li>▪ Allow flexibility for large scale developments (or combination of developments) to cluster LEMR units in one, stand-alone building if a partnership with a non-profit housing provider is established</li> <li>▪ Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development</li> </ul>  |

| Policy / Practice                                    | Description   | Summary of Recommendations  |
|--|---|---|
| Affordable Housing Reserve Fund                      | Uses developer cash contributions to support affordable housing development through land acquisition and other initiatives to leverage additional funding through partnerships with senior governments and the private and non-profit sector  | <ul style="list-style-type: none"> <li>▪ Ensure sufficient developer cash contributions are collected (target of \$1.5 million generated annually ) to support affordable housing projects and leverage funding opportunities through partnerships</li> <li>▪ Seek strategic land acquisition opportunities for affordable housing</li> <li>▪ Use to support innovative housing projects</li> </ul>   |
| Secondary Suites                                     | Permits secondary suites in single-family dwellings, which may be available for rent through the secondary market. In exchange for single-family rezoning and subdivisions, a secondary suite must be required on 50% of new lots or a cash-in-lieu affordable housing contribution | <ul style="list-style-type: none"> <li>▪ For single-family rezonings, continue to review development applications and secure one of the following: (a) secondary suites on 100% of new lots developed; (b) secondary suites on 50% of new lots developed and a cash contribution on the remaining 50% of new lots created; or (c) a cash contribution on 100% of the new lots developed</li> </ul>  |
| Market Rental Housing                                | Seeks to maintain the existing stock of rental housing through 1:1 replacement  | <ul style="list-style-type: none"> <li>▪ Continue to require replacement of existing market rental housing</li> <li>▪ Through a future draft Market Rental Policy, consider providing incentives for the development of additional units of market rental housing as well as a tenant relocation and protection plan</li> </ul>   |
| Basic Universal Housing                              | Aims to increase the supply of accessible housing for persons with disabilities   | <ul style="list-style-type: none"> <li>▪ Continue to secure affordable housing units with Basic Universal Housing features</li> <li>▪ Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development to ensure that some LEMR units are designed with adaptable features</li> </ul>   |
| Co-Location of Non-Market Housing & Community Assets | Integrates affordable housing with new and redeveloped community facilities, where appropriate  | <ul style="list-style-type: none"> <li>▪ Explore opportunities to co-locate affordable housing with community assets (existing or new) and facilitate potential partnerships with non-profit housing providers</li> <li>▪ Consider the needs of non-profit service providers in co-location opportunities to accommodate the priority groups in need</li> </ul>   |
| Public-Private Partnerships                          | Collaboration with other levels of government, non-profit housing providers, and the private sector to facilitate the development of affordable housing   | <ul style="list-style-type: none"> <li>▪ Identify potential opportunities for partnerships to facilitate the development of affordable housing</li> <li>▪ Develop a list of pre-qualified non-profit housing providers for partnerships on potential housing projects</li> <li>▪ Facilitate potential partnerships between developers and non-profit housing providers at the pre-application and rezoning stages to encourage non-profit management of LEMR units and input into the design and programming space</li> </ul> |

| Policy / Practice                             | Description   | Summary of Recommendations   |
|---|---|--|
| Non-profit Housing Development                | Build non-profit capacity through supporting non-profit housing providers with funding, financial incentives, technical assistance and other resources to support the development of affordable housing | <ul style="list-style-type: none"> <li>Continue to build relationships with established non-profit housing providers throughout Richmond and Metro Vancouver that have expertise in housing the identified priority groups in need</li> <li>Adopt criteria for reviewing and prioritizing City-supported non-profit housing projects</li> <li>Allow flexibility for innovative rent structures that support a mix of affordable rental rates</li> </ul>  |
| Family Friendly Housing Policy                | Encourages developers to provide larger units (2 and 3 bedrooms) in multi-residential developments  | <ul style="list-style-type: none"> <li>Require a minimum of 15% two-bedroom and 5% three-bedroom for all LEMR units secured in developments to accommodate priority groups in need</li> <li>Monitor the policy and consider applying the same % of family friendly units in all market developments</li> </ul>   |
| Use of City Owned Land for Affordable Housing | Seeks to use vacant or under-utilized land and acquire new land for affordable housing projects in order to leverage partnership opportunities with senior government and non-profit housing providers  | <ul style="list-style-type: none"> <li>Review affordable housing land acquisition needs during the annual review of the City's Strategic Real Estate Investment Plan</li> <li>Continue to use cash-in-lieu contributions from the Affordable Housing Reserve Fund for affordable housing land acquisition</li> <li>Consider allocating City-owned land specifically for the use of affordable housing development</li> </ul>   |
| Municipal Financing Tools                     | Exempts property taxes and waives or reduces development cost charges to stimulate the creation of affordable housing   | <ul style="list-style-type: none"> <li>Consider waiving the development cost charges and municipal permit fees for new affordable housing developments that are owned/operated by a non-profit and where affordability is secured in perpetuity</li> <li>Consider waiving the development cost charges and municipal permit fees and reimburse from the City's general revenue instead of as a grant from the Affordable Housing Reserve Fund</li> <li>Undertake a review and best practice analysis of property tax exemptions for non-market housing managed by a non-profit housing provider</li> </ul> |
| Affordable Homeownership Program              | Provides support to allow first-time homebuyers to enter into the housing market  | <ul style="list-style-type: none"> <li>Not Recommended. There would be significant demands on municipal resources and jurisdiction. It is recommended that the focus of the Affordable Housing Strategy remains rental housing</li> </ul>  |
| Municipal Housing Authority                   | An independent, City-controlled agency to directly manage and operate affordable housing units and potentially develop new affordable housing units   | <ul style="list-style-type: none"> <li>Not Recommended. There would be significant demands on municipal resources and jurisdiction at this time</li> </ul>   |



| Policy / Practice   | Description   | Summary of Recommendations   |
|---|---|--|
| Transit-Oriented Affordable Housing Development Guidelines    | Seeks to locate affordable housing near the Frequent Transit Network  | <ul style="list-style-type: none"> <li>▪ Continue to encourage diverse forms of housing along the Frequent Transit Network</li> <li>▪ Collaborate with the City’s Transportation Department to revisit parking requirements for LEMR units located along the Frequent Transit Network</li> </ul>   |
| Compact Living Rental Units (Micro-Units)                     | Allows the development of smaller rental units appropriate for individuals  | <ul style="list-style-type: none"> <li>▪ Collaborate with the City’s Planning Department to conduct a feasibility study on micro-unit housing</li> </ul>   |
| Encouraging Accessible Housing with Persons with Disabilities | Ensures that affordable housing is produced and targeted to groups in need of accessible housing  | <ul style="list-style-type: none"> <li>▪ Continue to build relationships with non-profit organizations to obtain input into housing needs and design for program clients that require accessibility features</li> <li>▪ Facilitate potential partnerships with non-profit housing providers and developers in the pre-application/rezoning stage of development to ensure that some LEMR units are designed with adaptable features to accommodate priority groups in need (i.e. persons with disabilities)</li> </ul> |
| Community Land Trust  | Is a community based organization that acquires land and removes it from the private market and leases it to non-profit housing providers for affordable housing      | <ul style="list-style-type: none"> <li>▪ Consider conducting a feasibility study of a community-based Community Land Trust in Richmond</li> </ul>  |
| Rent Bank Program   | A program that offers no- interest loans for rent and utilities to low-income households that are experiencing short-term financial hardships to prevent homelessness | <ul style="list-style-type: none"> <li>▪ Undertake a review and best practice analysis of opportunities to support local rent bank initiatives</li> </ul>  |



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# I. Introduction

## Purpose of Document

This report is a comprehensive policy review informed by research and consultation, and outlines policy recommendations to guide the future planning of affordable housing in Richmond.

This document also analyzes 2007 Affordable Housing Strategy policies with respect to meeting the housing needs of Richmond’s priority groups and identifies additional municipal policy and practice options for consideration.

## Policy Review Goals and Objectives

The goal of the Affordable Housing Strategy Policy Review is to provide policy recommendations that form the foundation of the Affordable Housing Strategy 2017–2027 which will guide the City’s response over the next 10 years to address local housing affordability issues, in partnership with the private developers and non-profit housing sectors, senior government, and community service agencies.

Specific objectives of the Policy Review include:

- Undertaking a comprehensive examination of 2007 Affordable Housing Strategy policies, priorities and regulatory and financial tools aimed at addressing housing affordability;
- Consulting with a broad range of stakeholders including staff, private developers and non-profit housing sectors and other community partners on implementation challenges and successes of existing policies and tools, as well as recommended policy options; and
- Recommending new and/or amended policies, regulatory and financial mechanisms that will help address identified affordable housing gaps and priority groups in need.

## The Housing Continuum

The housing continuum is a visual concept used to describe and categorize different types of housing. The housing continuum is a practical framework that identifies a healthy mix of housing choices in any community. The Affordable Housing Strategy places emphasis on housing gaps and priority groups experiencing the greatest challenge in the Richmond housing market.

Figure 2: Housing Continuum

| Homeless and At Risk   |  |   | Rental Housing   |  |   |  | Homeownership   |  |
|--|--|---|--|--|---|--|---|--|
| Emergency Weather Shelters   | Shelters   | Transitional Housing  | Non-Market/Social Housing  | Low-End-Market Rental  | Purpose Built Rental  | Secondary Market Rental  | Affordable Homeownership  | Market Homeownership   |
| Temporary shelters opened when an Extreme Weather Alert is issued. | Short-stay housing with varying levels of support to individuals | Short to medium term housing that includes the provision of support services (on or off-site), to help people move towards self-sufficiency | This housing includes funded by senior levels of government and housing managed by BC Housing, Metro Vancouver, non-profit and co-operative housing providers. | Rental units secured through inclusionary zoning. Targets low-moderate income households with rents set at below market rates. | Residential housing built as rental units, and may not be converted into stratified units. May be owned by a developer or a non-profit organization, or a secondary suite on a single-family lot. | Privately owned condominiums that could be rented out by the owner at market rate. | Units affordable to middle income home buyers. These housing units are usually modestly sized and targeted to first-time home buyers. | Ownership including single family dwellings, row houses, and strata owned condominiums at market prices. |

## Key Housing Partners

### Senior Governments

The City has encouraged and supported innovative approaches to delivering affordable housing, including:

- Providing contributions to offset construction costs
- Leasing City-owned land to non-profit housing providers
- Providing development incentives such as density bonus in exchange for affordable rental units

The Federal and Provincial governments in Canada have historically played a major role in the provision of affordable housing. This has shifted significantly over the past 20+ years, as senior government policy changes have resulted in less funding to support the creation of new affordable housing options for low and moderate income households.

In BC, the Provincial Government has continued to match available federal funding on housing but with an increased focus on providing rent supplements as the primary means of improving affordability for low-income households (Metro Vancouver, 2015). These changes have continued to place considerable pressure on local governments to become more active beyond their traditional land use planning and development approvals role in the provision of affordable housing. More recently, the BC Government, through the Provincial Investment in Affordable Housing (PIAH) Program, has committed \$355 million over five years to help form partnerships with the non-profit housing sector and municipalities to create affordable rental housing units for people with low to moderate incomes. The BC Government continues to announce further funding opportunities for affordable housing.

### Metro Vancouver Regional District

The Regional Growth Strategy, Metro Vancouver 2040: Shaping our Future, recognizes affordable housing as an essential component of creating complete communities. In supporting the strategy, municipalities are required to develop local Housing Action Plans which are intended to help implement regional housing goals. The Regional Affordable Housing Strategy (RAHS) 2016 includes a vision, goals, strategies and recommended actions aimed at expanding housing supply, diversity and affordability with a focus rental housing (both market and non-market), transit oriented affordable housing developments; and the housing needs of very low and low income households.



## Local Government

Local governments are increasingly taking a more active role to plan for and facilitate affordable housing. These roles typically include:

- Regulatory measures: which include municipal land use planning (e.g. Official Community Plans, Neighbourhood Plans), regulatory and development approval tools (e.g. Zoning Bylaws) to encourage the supply of housing;
- Fiscal measures: such as direct funding, provision of City owned land and, at times, relief from municipal fees and charges;
- Education and advocacy: to help raise community awareness of local affordability issues and to encourage increased role and support by senior governments to address affordability challenges; and
- Direct Service: to provide affordable housing either through a civic department or agency such as a municipal housing authority.

Richmond has long acknowledged that providing a range of affordable and diverse housing types for residents is an integral part of creating a liveable community. The City recognizes that it cannot solve local affordability issues on its own, but needs to continue to play a role within its authority in partnership with senior levels of government, the private and non-profit housing sectors.

## Private Sector

The private sector includes landowners, developers and builders, investors and landlords and is responsible for the development, construction and management of a range of housing forms and tenures including ownership and rental housing. The sector works closely with local governments to provide a range of housing choices aimed at addressing short and longer term local housing needs and demand.

## Non-Profit Sector

The non-profit housing sector provides safe, secure and affordable rental housing to households with low to moderate incomes. The sector is comprised mainly of community based organizations that are able to secure senior levels of funding and leverage existing assets to provide a greater number of affordable housing units and lower rents, often secured with municipal and private partnership. Non-profit housing providers provide a range of programming (e.g. employment readiness, childcare, legal services, and community building) to support individuals and households that may experience barriers to housing. Non-profit's mandates and expertise with tenant selection and occupancy management ensure that appropriate priority groups are connected to their affordable housing portfolio.

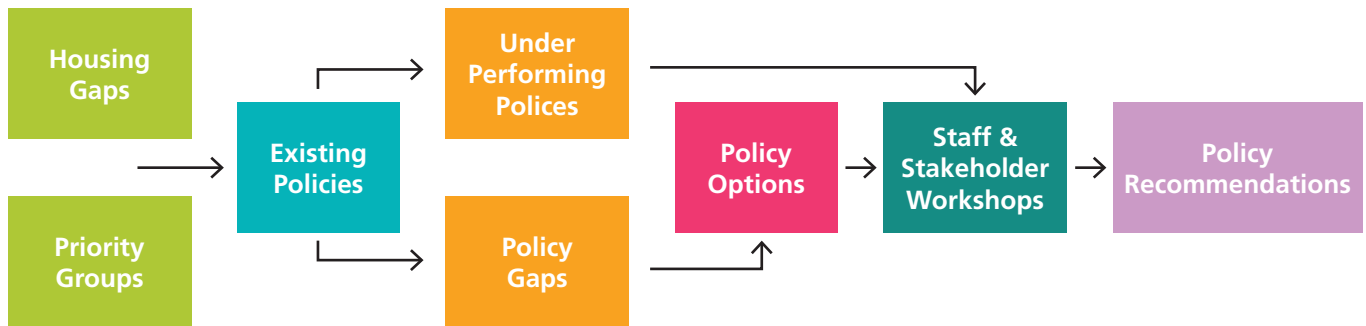


## II. Housing Policy Evaluation Framework

### Approach

A key objective of the policy review is to examine existing and potential municipal policies and tools in order to assess their effectiveness in meeting the needs of the priority groups and housing gaps that were identified in Phase 1 of the Affordable Housing Strategy update. This section of the report highlights successes and key implementation challenges associated with Richmond’s existing affordable housing priorities and policy tools.

Figure 3: Research Framework Flowchart



### Priority Groups in Need of Affordable Housing

Based on the initial review of key demographic and housing data, combined with feedback from community consultation, the following groups in need and housing gaps were identified:

- Families (including lone-parent families, families with children and multi-generational families);
- Low and moderate income earners including seniors, families, singles, couples, students, and persons with disabilities;
- Persons with disabilities finding suitable, accessible and affordable housing; and
- Vulnerable populations (households in fixed incomes, persons experiencing homelessness, women and children experiencing family violence, individuals with mental health/addiction issues and Aboriginal population).

### Affordable Housing Gaps in Richmond

Despite the diverse mix of housing types currently available in Richmond, movement along the City’s housing continuum is constrained, in part due to high land values and low rental vacancy rates. Key housing gaps in Richmond include:

- Family friendly housing including market and non-market rental and homeownership;
- Accessible, adaptable and visitable housing;
- Purpose built rental housing;
- Low barrier rental housing (including programming supports);

- Low end market rental housing for singles, couples, families, seniors and persons with disabilities;
- Non-market housing for singles, couples, families, seniors and persons with disabilities, persons with mental health issues and substance users; and
- Lack of emergency shelter for women and children.

## 2007 Affordable Housing Strategy Priorities and Policy Tools: Successes and Key Implementation Challenges

Richmond has played an active role within its authority over many years in helping to address local affordability challenges. The 2007 Affordable Housing Strategy established three key priorities – subsidized rental housing, low-end market rental housing and entry level homeownership which have provided focus to the City’s response over the past 10 years. In addition, the City has assisted through a variety of mechanisms and approaches, including an Affordable Housing Reserve Fund, long term leasing of municipal land for non-market rental housing, land use and regulatory policies that encourage secondary suites, private rental housing and basic universal housing.

### Subsidized Rental Housing

In Richmond’s 2007 Affordable Housing Strategy, subsidized housing is targeted towards households with incomes of \$34,000 or less. The City does not provide any ongoing operating or rent subsidies. Under this priority, the City:

- Typically accepts cash-in-lieu for subsidized housing from single-family rezoning, townhouse developments and apartment developments less than 80 units;
- Uses cash-in-lieu contributions primarily for subsidized housing; and
- Encourages subsidized housing (secured with maximum rents to households under specified income thresholds) for groups including but not limited to individuals experiencing/at-risk of homelessness, individuals with mental health or addiction issues, lone parents with limited income, seniors on fixed income, persons with disabilities, and low income families.

In Richmond, examples of subsidized housing include:

- Affordable rental units that are funded by senior government and managed by non-profit organizations or by senior government (e.g. BC Housing and the Metro Vancouver Housing Corporation). In many instances, a rent-geared-to-income model is used, where a household pays 30% of their income and the remainder of the rent is subsidized by senior government. This type of housing is often referred to as “social housing.”
- Affordable Housing Special Development Circumstance projects (e.g. Kiwanis, Storeys and Cressey Cadence) where the rents and incomes are secured at a “subsidized” level, but no government subsidies are provided. In these projects, the units are located in one building and have dedicated programming/amenity space to serve a particular client group.
- Affordable rental units secured in private developments where the rents and incomes are secured at a “subsidized” rent level, but no government subsidies are provided. These units are targeted towards low-income artists and feature a live/work space.

**Successes:**

- The development of innovative partnerships between senior governments, the private and non-profit housing sectors and the City.
- Provides secure and affordable housing for specific priority groups with access to supportive services (e.g. employment training).
- Highlights of successful projects:
  - **Kiwanis Towers:** The City contributed \$24.1 million towards the Kiwanis Tower’s redevelopment. The redevelopment provides long-term benefits for Richmond low-income seniors by providing additional 296 affordable rental units (122 replacement units and 174 additional units) that support aging-in-place and is located within walking distance to amenities, transit and health services.
  - **Storeys:** The City contributed \$19.1 million and lease of City-owned land to the Storeys development. Five (5) non-profit organizations own and manage the 196 affordable rental units and additional programming space for Richmond’s vulnerable residents, including those who are or are at-risk of homelessness.
  - **Cadence:** Through the 2007 Affordable Housing Strategy, the City secured 15 units of affordable rental housing at shelter rates for lone-parent families. These units will be owned and managed by a non-profit housing provider and parents will have access to affordable child-care at the adjacent City-owned child care centre.

**Challenges:**

- The term “subsidized rental” may be confusing to the public and other stakeholders, as units are not necessarily subsidized by senior government.
- The City acknowledges that the shelter rate set by the Province remains at \$375/month for an individual. It is challenging for individuals on income assistance to find rent at these rates.
- The City’s role is not clearly defined with securing subsidized rental units.
- The Affordable Housing Special Development Circumstance has led to successful projects (477 units). This policy however, is not integrated into the broader Affordable Housing Strategy policy.

**Low-end Market Rental (LEMUR)**

In Richmond, the City’s 2007 inclusionary housing policy offered a density bonus at time of rezoning for multi-family and mixed use developments containing more than 80 residential units in exchange for building at least 5% of total residential floor area as low-end-market-rental (LEMUR) units. These units are secured in perpetuity with a Housing Agreement registered on title. For apartments less than 80 units and townhouse developments, the City accepts cash contributions in-lieu of built units, which are used to support larger scale affordable housing projects involving partnerships (e.g. Kiwanis Towers).

**Successes:**

- Since adoption of the inclusionary housing and density bonus approach in 2007, 423 LEMR units have been secured (as of June 2017). Of these units, 131 units have been built and are tenanted to date.
- These units are integrated into market developments and therefore lead to the creation of mixed-income communities.

**Challenges:**

- **Occupancy management:** The LEMR program was originally intended to be targeted to low and moderate income households. Ongoing monitoring of these units and consultation with non-profit organizations suggests that the LEMR units are not being occupied by the intended target population and that the spirit of the program is not being met. This policy review provides an opportunity to ensure that the conditions and obligations (e.g. tenant selection, maximum rents, additional charges including parking) that are outlined in legal agreements are fully met by the property managers and owners. During consultation, both the public and non-profit organizations also expressed the need for better communication and awareness of available LEMR units, as there is currently no centralized waitlist for qualified households.
- **Location of Units within a Development:** Previously, the City's practice has been to secure LEMR units dispersed throughout a larger market development. Some developers have expressed that they do not have the expertise to provide adequate property management services to the targeted tenants of the LEMR program (e.g. low income households and households with other barriers). Some non-profit organizations have expressed the desire to manage and potentially own LEMR units that are clustered in order to improve operational efficiencies (e.g. ongoing maintenance of units), while other non-profit organizations indicated that it is not within their mandate to manage LEMR units and prefer more deeply subsidized units. Under the current practice, non-profits would not have control over the operating costs associated with the larger building, which is one of the various reasons that non-profit organizations to date have not purchased any LEMR units.
- **Income Thresholds and Maximum Rents:** This policy review provides an opportunity to review and refine income thresholds and maximum rents of LEMR units to ensure consistency between developments that include LEMR units and rents remain affordable to priority groups in need.
- **Unit Size:** Developers have expressed concern that the current minimum square footage requirement of the LEMR units, originally established in 2007, is now greater than what is currently produced in the market.



## Entry-Level Homeownership

Entry-level homeownership is a term that often refers to modest housing units that are affordable for first-time homebuyers. In many jurisdictions, these programs are usually referred to as “affordable homeownership” and often help to create housing stock that is affordable in perpetuity through resale restrictions. Richmond identified entry-level homeownership as Priority #3 in the 2007 Affordable Housing Strategy. To respond to this priority, the City has encouraged:

- The construction of smaller units to make homeownership more affordable; and
- Developers, on their own initiative, to build entry level homeownership units for households with an annual income of less than \$60,000.

### Successes:

The City of Richmond provided \$134,538 of financial support towards offsetting the development cost charges for a Habitat for Humanity Project, which included six units of affordable homeownership for low-income families.

Other than this initiative, this priority has had limited success in securing entry level homeownership units. Since 2007, the City in partnership with the private sector has secured only 19 units for entry level homeownership. In this circumstance, the developer built smaller, more modest units to increase affordability. These units were not subject to a housing agreement and did not have restrictions on the resale price, and therefore were not necessarily sold to households below the identified income thresholds. As such, these units did not secure homeownership affordability for future owners.

The priority of the 2007 Affordable Housing Strategy was to focus on securing LEMR and subsidized rental units. To date, the City has not had the resources to explore the merits of a comprehensive affordable homeownership program.

### Challenges:

- No mechanism to secure affordability for future owners;
- Currently, no established program to secure affordable homeownership units in developments; and
- Income thresholds have not been updated and are therefore not relevant to current market conditions.

## Special Development Circumstances and Value Transfers

The City’s typical approach has been to disperse affordable housing throughout a development or multiple sites. However, the City’s Affordable Housing Special Circumstance policy allows the clustering of affordable housing units if a viable business case and social programming approach is identified to address the needs of target populations. The Affordable Housing Special Development Circumstance has previously been paired with the value transfer mechanism, where certain developments convert their built unit contribution to a cash-in-lieu contribution to be used towards a “donor site” for a standalone affordable

housing project. The value transfer mechanism presents an opportunity for the City to provide capital contributions towards affordable housing projects and ensure that rent levels are targeted towards low-income or vulnerable households.

Affordable Housing Special Development Circumstance proposals are reviewed by the City on a project-specific basis, and require rents to be secured below LEMR rents.

**Successes:**

- The policy contributed to the successful development of affordable housing projects in Richmond, including the Kiwanis, Storeys and Cressey Cadence projects.
- Other municipalities refer to Richmond’s value transfer approach as a model to replicate.

**Challenges:**

- Many non-profit housing providers prefer to manage clustered units on one site for operational efficiency. The current Affordable Housing Special Development Circumstance does not provide clarity for this flexibility.
- Value transfers require available land contributions in order to make affordable housing projects viable.

### Affordable Housing Reserve Fund

The City secures cash-in-lieu contributions from rezoning applications with density bonuses for the the Affordable Housing Reserve Fund. The fund assists the City in partnering with senior levels of government and non-profit housing societies to deliver affordable housing. The Affordable Housing Reserve Fund is comprised of two divisions:

- 70% of the fund is dedicated to capital costs used towards site acquisition for affordable housing projects. The Affordable Housing Reserve Fund can also be used to provide municipal fiscal relief to affordable housing developments (including development cost charges, capital costs to service land, development application and permit fees) and fund other costs typically associated with construction of affordable housing projects (such as design costs).
- 30% of the fund is dedicated to operating costs to support City-initiated research, information sharing, administration, consulting, legal fees associated with housing agreements, policy work including economic analysis, and other operating expenses the City incurs to implement various components of the Affordable Housing Strategy.

**Successes:**

- Since 2007, the City has collected over \$40 million in developer cash contributions (including cash-in-lieu and value transfers contributions towards affordable housing).
- Since 2007, the City has utilized the Affordable Housing Reserve Fund to support subsidized housing projects, such as Kiwanis Towers, Storeys Project, and the Habitat for Humanity project.

**Challenges:**

- The Affordable Housing Reserve Fund does not accumulate developer contributions at a rate necessary to support several projects with land costs within the multi-million dollar range.
- Prioritization of potential housing projects has not been established.

**Secondary Suites**

The City's Zoning Bylaw permits secondary suites in single detached dwellings. The City requires all new single-detached lots being rezoned or subdivided to either include secondary suites on 50% of new lots or provide a cash-in-lieu contribution to the Affordable Housing Reserve Fund.

The City also permits coach houses (detached secondary dwelling) on single-detached lots subject to lot size and other regulatory requirements.

**Successes:**

- May provide mortgage helpers to homeowners to make their monthly mortgages more affordable.
- Provides additional rental housing supply through the secondary rental market (223 secondary suites and coach houses as of June 2017).
- Incorporates new rental units within the existing urban fabric of Richmond.

**Challenges:**

- No means to ensure that units are being rented at affordable rates.
- Monitoring and maintaining data on illegal secondary suites may be difficult as it is complaint driven.
- Accommodating parking onsite or on-street and responding to public inquiries related to suite parking and tenants.
- Limited uptake on coach house development through single-family rezonings.

**Market Rental Housing**

To ensure no net loss of rental housing, current City policy encourages a one-to-one replacement when existing rental housing in multi-unit developments are converted to strata-title or where existing sites are rezoned for new development projects. The City strives to secure replacement units as low-end market rental through housing agreements.

**Successes:**

- The City strives to support redevelopment where appropriate while maintaining existing rental housing units and encouraging the development of new rental housing.

**Challenges:**

- Not all purpose-built rental projects can be retained over time as they age and are in need of repair.
- Some existing rental projects are located on under-utilized land that could achieve higher and better use including accommodating more affordable housing units.
- Replacement units tend to be smaller and more expensive for renters than older existing purpose-built rental housing units.

## Basic Universal Housing

The City currently provides a Floor Area Ratio (FAR) exemption for residential units that incorporate “Basic Universal Housing Features” to create more accessible housing options in Richmond. Municipal staff have been successful in securing universal design features in most built affordable housing projects.

### Successes:

- Provides clear expectations and standards to developers and builders on creating accessible housing.
- Aligns with the requirement of the BC Building Code.
- Provides more accessible units for individuals with physical disabilities.

### Challenges:

- These features focus on mobility accessibility and does not include standards for other types of accessible housing needs, including individuals with mental health barriers and people with developmental disabilities (e.g. autism) and people with acquired brain injury.

## Use Of City Owned Land For Affordable Housing

Richmond has a long history of leasing City-owned property to non-profit housing providers and in these cases, the City has provided land at below market rates (usually at a nominal cost) to help facilitate affordable housing projects in partnership with non-profit housing providers. Currently, the City does not have the available land to support all innovative housing projects being proposed by non-profit providers and other partnerships.

### Successes:

- The City currently leases eight City-owned properties to non-profit housing providers, which provide 438 units of affordable housing.
- The use of City-owned land positions the City to capitalize on partnership opportunities with senior levels of government and non-profit housing providers to create more units with lower rents than what would be possible without partnerships (e.g. Kiwanis Towers).

### Challenges:

- Currently, there are no additionally City-owned sites specifically identified for affordable housing purposes. It would be beneficial to have identified and available sites, which better positions the City to capitalize on partnership opportunities with senior governments and non-profit housing providers. Building on the success of the use of City-owned land to date, this review provides an opportunity to guide the acquisition of potential sites for affordable housing in the context of other City priorities.

### III. Policy Directions and Options

#### Evaluating Potential Policies + Practices

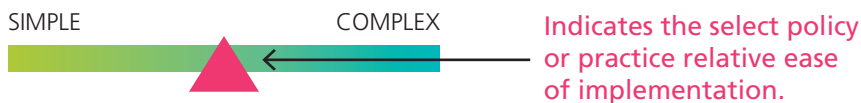
Research and analysis has been undertaken to identify policy recommendations to be considered for the Affordable Housing Strategy Update. Specifically, policies and practices have been selected and evaluated on their potential to meet the needs of priority groups identified as challenged to afford housing in Richmond.

This section includes recommended directions for current policies being used by the City of Richmond as part of the Affordable Housing Strategy. Proposed revisions to these policies are intended to increase effectiveness. Also included in this section are potential new policies that the City of Richmond can consider for its updated Affordable Housing Strategy. The new policy options include an overview, applicability to the Richmond context, role of the City and other key stakeholders, and implementation.

#### Ease of Implementation Scale

Each recommended policy and practice include an ease of implementation scale. The scale represents the ability to implement the select policy or practice, ranging from complex to relatively simple, as illustrated below.

Figure 4: Ease of Implementation Scale



The ease of implementation scale is meant to provide a holistic qualitative measure that accounts for factors such as the cost of implementation, municipal resources required, legal authority, community acceptance, timeframe required for implementation, and the need for partnerships with external stakeholders.

Policies and practices marked towards the simple side of the scale are ones that are considered to be a common practice supported by legislation (e.g., Local Government Act), are known or familiar to housing sector stakeholders including developers and non-profit housing providers, and are appropriate to the Richmond context including alignment with other municipal initiatives and potential fit within already established development patterns or future development plans.

Policies and practices marked towards the complex side of the scale require significant resources that may be beyond municipal capacity and are considered not to be standard practice, or considered innovative and not yet widely applied in Metro Vancouver. Complex policies and practices may be less familiar or not a common practice used by the housing sector, such as developers and non-profit housing providers, and would require refinement with stakeholder consultation. Policies and practices may be considered challenging to implement if the municipality is unfamiliar or has a limited role and would depend on other agencies or stakeholders to lead the implementation. Policies and practices may also be considered challenging if they do not completely align with other municipal initiatives or regional housing objectives.

## Policy + Practice Recommendations

Several policy and practice recommendations were proposed for the City's consideration. These policies were identified based on feedback received through the consultation process, in response to challenges and opportunities within the current framework, to align with regional Affordable Housing Strategy objectives, and to respond to key priority groups and housing gaps identified in the housing affordability profile.

Directions for 2007 Affordable Housing Strategy policies included:

1. Affordable Housing ('built')—Low End Market Rental Unit Contribution;
2. Affordable Housing ('cash-in lieu') Contribution;
3. Affordable Housing Reserve Fund;
4. Special Development Circumstances and Value Transfers;
5. Secondary Suites;
6. Market Rental Housing; and
7. Basic Universal Housing.

New policies and practices were selected and evaluated on their potential to meet the needs of identified priority groups which may experience challenges or barriers to finding affordable housing. Each policy was evaluated from a Richmond community context. Each policy recommendation responds to a target housing gap and target priority group. These recommendations included:

8. Co-Location of Non-Market Housing + Community Assets;
9. Public-Private Partnerships;
10. Non-Profit Housing Development;
11. Family-Friendly Housing Policy;
12. Use of City Land for Affordable Housing;
13. Municipal Financing Tools;
14. Affordable Homeownership Program;
15. Municipal Housing Authority;
16. Transit-Oriented Affordable Housing Development Guidelines;
17. Compact Living Rental Units (Micro-Units);
18. Encouraging Accessible Housing for Person with Disabilities;
19. Community Land Trust; and
20. Rent Bank Program.

The changes to the 2007 Affordable Housing policies, as well as the new policy directions, were adopted by Council in July 2017. The following sections provide further analysis on how the recommendations were developed. The Affordable Housing Strategy 2017-2027 provides the overall framework of how the policies will be implemented.



## Current Policies

### 1. Affordable Housing (“Built”) Low-End Market Rental Unit (LEMR) Contribution

Since the adoption of the Affordable Housing Strategy in 2007, the City has secured 423 LEMR units (131 units built to date) through development, targeted to low and moderate income households earning between \$34,000 and \$57,500 per year. The City utilizes an “inclusionary housing” approach, where a density bonus is granted in exchange for “built” LEMR units which are secured through a Housing Agreement registered on title. As part of the City’s Arterial Road Policy (adopted in 2016), there are also provisions to provide additional density for “built” LEMR units in townhouse developments.

The policy review presents an opportunity to analyze research and stakeholder feedback, and explore various options to further refine the LEMR policy with respect to:

- Testing the economic viability of increasing the “built” unit contribution above the current 5% and associated development threshold of 80 units;
- The merits of clustering versus dispersal of units;
- LEMR unit size requirements;
- Management of units to ensure units are targeted to intended priority groups; and
- Ensuring that rents remain affordable relative to household incomes.

A comprehensive economic analysis was undertaken on various aspects of the LEMR Policy. Feedback from stakeholder consultations, public engagement and findings from the statutory declaration process (owners of units declaring information about the tenants living in the units) have also been taken into consideration.

#### Economic Analysis Of “Built” Contribution

Currently, developers are required to contribute 5% of the total residential floor area for developments over 80 units as LEMR units in exchange for a density bonus. Developers of projects with less than 80 units are currently required to make a cash-in-lieu contribution. To evaluate the density bonusing and “built” unit percentage requirements, the economic analysis tested the financial viability of increasing the “built” requirement to 7.5%, 10%, and 15% and the viability of decreasing the threshold from 80 to 60 or 30 units. The economic analysis reviewed 15 sites across Richmond in various neighbourhoods, and tested various development and density scenarios.

Key findings of the analysis:

- The current high land values in Richmond, possible market uncertainty in the near to midterm, and recent increases in development cost charges and levies at the municipal and regional level (e.g. Metro Vancouver and TransLink) suggest that increases to the built LEMR requirement to 15% would adversely affect development in Richmond.

- Securing a built requirement above 10% of residential floor area may limit the City’s ability to secure other amenity contributions, suggesting that there should be a balanced approach in acquiring amenities through development.
- A phased approach is recommended to allow the market to adjust to the new contribution rates. The City should consider monitoring the LEMR program regularly in relation to changing market conditions.
- Decreasing the development threshold below 80 units (to 70 or 60 units) would result in small numbers of LEMR units in each development (e.g. 1-3 per units per development). This requirement may place onerous expectations on smaller projects that may not have sufficient staffing resources to effectively manage these units. Second, it may exacerbate known management and occupancy challenges with the current LEMR units. However, decreasing the threshold to 60 units will not affect the capital costs of development.
- Currently, LEMR units are being secured in townhouse developments along arterial roads in exchange for additional density, through the Arterial Road Redevelopment Policy. At this time, it is not recommended for the City to secure LEMR units in townhouse developments not located along arterial roads as these developments are the largest source of affordable housing cash-in lieu contributions for the Affordable Housing Reserve Fund, which contributes to non-market housing development in Richmond. Without cash-in-lieu contributions from townhouse developments, the City may experience difficulty meeting its \$1.5 million annual Affordable Housing Reserve Fund contribution target.

### **Analysis of Clustering and Dispersal of Units**

While there have been recent projects that have resulted in clustered units, the City’s typical practice to date has been to disperse LEMR units throughout market developments rather than cluster in one building or floor. The rationale for this approach was to help foster mixed-income communities and to prevent the potential stigmatization of low to moderate income households within a development.

Through the consultation process, some non-profit housing providers expressed the desire to manage a larger number of clustered LEMR units (e.g. greater than 10 units) than what has typically been secured in market developments in Richmond. Non-profit housing providers also expressed the desire to own the units but are concerned that owning a small number of dispersed units (e.g. less than 10 units) within a larger development may limit their control over ongoing maintenance and operating costs. The dispersal of LEMR units may also create operational inefficiencies and could therefore be a barrier for non-profits to provide wrap around services to priority groups in need.

Table 2: Benefits and Challenges of Clustering and Dispersing LEMR

|                       | Benefits  | Challenges   |
|-----------------------|---|--|
| Clustering LEMR Units | <ul style="list-style-type: none"> <li>▪ Opportunity for enhanced design to meet the specific needs of the priority groups in need</li> <li>▪ Creates mixed-income communities (within the same neighbourhood)</li> <li>▪ Improved operational efficiencies for non-profit housing providers</li> <li>▪ Encourages non-profits, that may have the expertise to select qualified tenants, to manage the units</li> <li>▪ May increase non-profit capacity by providing opportunities to purchase and manage units</li> </ul> | <ul style="list-style-type: none"> <li>▪ Potential concentration may lead to stigmatization</li> </ul>   |
| Dispersing LEMR Units | <ul style="list-style-type: none"> <li>▪ eates mixed-income communities within buildings</li> <li>▪ May reduce the potential for stigmatization</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Operational inefficiencies</li> <li>▪ Administrative and management challenges</li> <li>▪ Disincentives for non-profit housing providers to manage</li> <li>▪ May result in disincentives for non-profit housing ownership and management of units</li> </ul> |

An example of a successful integration of clustered affordable housing units within a larger market development is the recent Cadence project. In this specific instance, the developer was permitted to cluster the LEMR contribution into one stand-alone building within the larger development in exchange for securing the rents at a non-market (subsidized) rate (e.g. \$850/month for all unit types), on the condition that a non-profit operator would be jointly selected by the City and the developer. The units are specifically targeted for lone-parent family households. The City facilitated a Request for Proposal process to select a qualified non-profit housing provider to manage the affordable housing building and provide additional programming to support the priority group in need (e.g. single women with children). Going forward, the City could consider this model as a preferred practice.

The City may also consider facilitating more opportunities to provide affordable housing off-site through the value transfer mechanism to develop larger-scale affordable housing projects for specific priority groups in need (e.g. Kiwanis Towers for low-income seniors). This mechanism allows developers to convert their project’s built unit requirement into a dollar amount (calculated based on construction costs), and transfer it to a specific site to support a larger-scale affordable housing project.

### Analysis of Minimum Unit Size Requirements

The 2007 Affordable Housing Strategy established minimum size requirements for LEMR units based on the unit type (e.g. number of bedrooms) to ensure livability and functionality. Concerns have been raised through the consultation process with the development community that the current minimum size requirements may be too large compared to those being delivered in the market locally and in Metro Vancouver. This may increase the cost of construction for developers as it is difficult to incorporate the larger-sized LEMR units into a development.

Table 3: Comparison of Affordable Housing Size Requirement and Size of Smallest Unit in Recent Market Housing Projects in Richmond

| Unit Type               | Richmond LEMR Minimum Size                  | BC Housing Target for Affordable Housing      | Vancouver Secured Market Rental Maximum Unit Size | Range of Smallest Unit Size by Type in Sample of 8 New Market Multi-Unit Residential Buildings in Richmond |   |  |
|-------------------------|---|---|---|--|---|--|
|                         |   |   |   | Smallest   | Median  | Largest  |
| <b>Bachelor/ Studio</b> | 37 m <sup>2</sup><br>(400 ft <sup>2</sup> ) | 33 m <sup>2</sup><br>(350 ft <sup>2</sup> )   | 42 m <sup>2</sup><br>(450ft <sup>2</sup> )        | N/A  | N/A   | N/A  |
| <b>1 Bedroom</b>        | 50 m <sup>2</sup><br>(535 ft <sup>2</sup> ) | 54 m <sup>2</sup><br>(585ft <sup>2</sup> )    | 56 m <sup>2</sup><br>(600 ft <sup>2</sup> )       | 47 m <sup>2</sup><br>(503 ft <sup>2</sup> )  | 51 m <sup>2</sup><br>(553 ft <sup>2</sup> )   | 61 m <sup>2</sup><br>(659 ft <sup>2</sup> )    |
| <b>2 Bedroom</b>        | 80 m <sup>2</sup><br>(860 ft <sup>2</sup> ) | 74 m <sup>2</sup><br>(795 ft <sup>2</sup> )   | 77 m <sup>2</sup><br>(830 ft <sup>2</sup> )       | 59 m <sup>2</sup><br>(636 ft <sup>2</sup> )  | 69 m <sup>2</sup><br>(741 ft <sup>2</sup> )   | 84 m <sup>2</sup><br>(901 ft <sup>2</sup> )    |
| <b>3 Bedroom</b>        | 91 m <sup>2</sup><br>(980 ft <sup>2</sup> ) | 93 m <sup>2</sup><br>(1,000 ft <sup>2</sup> ) | 97 m <sup>2</sup><br>(1,044 ft <sup>2</sup> )     | 91 m <sup>2</sup><br>(980 ft <sup>2</sup> )  | 100m <sup>2</sup><br>(1,076 ft <sup>2</sup> ) | 110 m <sup>2</sup><br>(1,183 ft <sup>2</sup> ) |

Table 3 compares LEMR unit sizes provided through the City's Affordable Housing Strategy with units provided through BC Housing's affordable housing programs, the City of Vancouver's Secured Market Rental Housing Policy and eight recently constructed market multi-family residential buildings in central Richmond.

The comparison highlights that:

- Richmond's minimum LEMR unit size requirements are larger than BC Housing targets for bachelor/studio and 2-bedroom units while BC Housing targets are larger than the minimum size requirements for 1-bedroom and 3- bedroom units;
- Richmond's minimum size of LEMR 2-bedroom units is larger than the maximum size of 2-bedroom units in Vancouver's Secured Market Rental Program. (Note: In order for rental housing projects in Vancouver to qualify for a Development Cost Levy waiver, the average size of units in the project must be below a maximum size by unit type); and
- Market units in Richmond are often smaller than the City's LEMR minimum required size. This is most pronounced with the Richmond LEMR minimum size requirement for 2 bedroom units, for which the minimum size requirement was larger than both the BC Housing target and the Vancouver Secured Market Rental Program maximum size, and was larger than many of the smallest market 2 bedroom units.

## Occupancy Management

While the City has been successful in securing LEMR units since 2007, concerns have been raised suggesting that in many cases, these units may not be targeted to or occupied by the intended households (e.g. annual household incomes between \$34,000 and \$57,500)

Currently, there is no standardized methodology with respect to ongoing property management including tenant screening. This can lead to inconsistencies in how tenants are selected and a lack of assurance that the intended tenant groups are renting the units. It is difficult for the City to track and enforce instances of non-compliance, as the process is largely complaint-driven.

Under the current policy approach, the primary responsibility for tenant selection and ongoing property management of the LEMR units falls onto the private developer or their designated property management firm which may not possess the experience in administering affordable housing. There is no one entity that owns or manages the affordable housing units. As such, there is no centralized waitlist or application process for eligible households which can lead to confusion from interested tenants regarding availability of the units and application procedures. In cases where there are a small number of units (e.g. 3-4 units) secured in a development, there are often challenges in securing appropriate property management services for the intended tenant households.

## Analysis of Income Thresholds and Maximum Rents

The City establishes income and maximum rent thresholds for LEMR units to ensure that they remain affordable relative to household income. Income thresholds also provide guidelines for evaluating affordable housing development opportunities and can assist in prioritizing housing for priority groups in need based on income ranges.

The City's current (2007) income thresholds are outlined in Table 4.

**Table 4: Current Income Thresholds (2007)**

| Unit Type       | Total Household Annual Income |
|-----------------|-------------------------------|
| Bachelor/Studio | \$34,000 or less              |
| 1 Bedroom       | \$38,000 or less              |
| 2 Bedroom       | \$46,000 or less              |
| 3 Bedroom       | \$57,000 or less              |

The City's current approach presents some challenges:

- Consideration of utilizing BC Housing's Housing Income Limits, however, Richmond falls under the "Vancouver" category of the Housing Income Limits, so the amounts may not accurately reflect local context;
- Allowable, annual rent increases (e.g. under the Residential Tenancy Act's allowable increase) may push the rents to exceed Canadian Mortgage and Housing Corporation's (CMHC) market rental average for Richmond; and
- Local service providers have expressed that the LEMR rents are above what clients can afford.

Several options were considered for revising the methodology of calculating income and rent thresholds:

- CMHC’s market rental data;
- Housing Income Limits; and
- Canada Revenue Agency’s Tax Filer data.

The first two approaches are simple and reflect existing market rents. The Tax Filer approach may be more accurate, but is more complex. Data may not be readily available and has a delayed update (e.g. every 2 years).

**Adopted Policy Directions:**

- **Contribution Rates and Thresholds:**
  - Consider a phased increase to 10% of the total residential floor area to be built as LEMR units.
  - Decrease the current threshold for multi-unit residential to 60 units for the built requirement.
  - Continue to accept cash-in-lieu for townhouse developments.
  - Continue to require a mix of cash-in-lieu and built secondary suites for single family rezoning.
  - Continue to evaluate density bonusing and inclusionary housing rates to account for changing market conditions.
- **Clustering versus Dispersal:**
  - Allow for flexibility to cluster or disperse units throughout developments to incentivize non-profit management and possible ownership of the units, depending on project viability and non-profit capacity.
- **LEMUR Minimum Unit Size Targets:**
  - For all projects, consider requiring the recommended minimum unit size targets in Table 5 and ensure that LEMR units are not smaller than the average size of a comparable market unit in the development.

Table 5: LEMR Minimum Unit Size Targets

| Unit Type       | Existing LEMR Minimum Size Requirements  | Recommended LEMR Minimum Size Targets    |
|-----------------|--|--|
| Bachelor/Studio | 37 m <sup>2</sup> (400 ft <sup>2</sup> ) | 37 m <sup>2</sup> (400 ft <sup>2</sup> ) |
| 1 Bedroom       | 50 m <sup>2</sup> (535 ft <sup>2</sup> ) | 50 m <sup>2</sup> (535 ft <sup>2</sup> ) |
| 2 Bedroom       | 80 m <sup>2</sup> (860 ft <sup>2</sup> ) | 69 m <sup>2</sup> (741 ft <sup>2</sup> ) |
| 3 Bedroom       | 91 m <sup>2</sup> (980 ft <sup>2</sup> ) | 91 m <sup>2</sup> (980 ft <sup>2</sup> ) |

**Occupancy Management:**

- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development.
- Develop an information guide for non-profit housing providers about opportunities for partnering with developers for the management and potential ownership of LEMR units secured through developments.



- In the event that a developer wishes to retain ownership, facilitate potential partnerships with qualified non-profits (e.g. BC Housing, Metro Vancouver Housing Corporation) to help select qualified tenants from the identified priority groups in need for the LEMR units.
  - Consider creating information bulletins for property managers currently managing built LEMR units, to inform them of the intent and responsibilities of the program.
- **Income Thresholds and Maximum Permitted Rents:**
    - For LEMR units secured through development, consider calculating income thresholds based on 10% below BC Housing’s Housing Income Limits.
    - For LEMR units secured through development, consider calculating maximum permitted rents based on 10% below CMHC’s Average Market Rents for Richmond.
    - On an annual basis, the LEMR household income thresholds and maximum monthly rents may be increased by the Consumer Price Index.
    - On a bi-annual basis, re-evaluate the LEMR policy including the income thresholds and maximum monthly rents and, if warranted, bring forward changes for Council consideration.

**Table 6: Low-End Market Rental (LEMR) Unit Maximum Household Income**

| Unit Type       | Maximum Total Household Income for Eligible Applicants |
|-----------------|--|
| Bachelor/Studio | \$34,650 or less                                       |
| 1 Bedroom       | \$38,250 or less                                       |
| 2 Bedroom       | \$46,800 or less                                       |
| 3 Bedroom       | \$58,050 or less                                       |

**Table 7: Low-End Market Rental (LEMR) Unit Maximum Monthly Rent**

| Unit Type       | Maximum Monthly |
|-----------------|-----------------|
| Bachelor/Studio | \$759           |
| 1 Bedroom       | \$923           |
| 2 Bedroom       | \$1,166         |
| 3 Bedroom       | \$1,436         |

- For non-market rental housing projects supported by the City, consider calculating rent thresholds based on 25% below BC Housing’s Housing Income Limits.
- For non-market rental housing projects supported by the City, consider calculating maximum monthly rents based on 25% below the CMHC annual Average Market Rents for Richmond.
- Consider flexibility to allow for a range of rent structures in cases of non-profit driven projects with the intention to provide 100% affordable rental.
- On an annual basis, non-market household income thresholds and maximum monthly rents may be increased by the Consumer Price Index.

- On a bi-annual basis, re-evaluate the income thresholds and maximum monthly rents of non-market housing units and, if warranted, bring forward changes for Council consideration.

Table 8: Non-Market Rental Unit Maximum Household Income

| Unit Type       | Maximum Total Household Income for Eligible Applicants |
|-----------------|--|
| Bachelor/Studio | \$28,875 or less                                       |
| 1 Bedroom       | \$31,875 or less                                       |
| 2 Bedroom       | \$39,000 or less                                       |
| 3 Bedroom       | \$48,375 or less                                       |

Table 9: Non-Market Rental Unit Maximum Monthly Rent

| Unit Type       | Maximum Monthly Rent |
|-----------------|----------------------|
| Bachelor/Studio | \$632                |
| 1 Bedroom       | \$769                |
| 2 Bedroom       | \$972                |
| 3 Bedroom       | \$1,197              |

## 2. Affordable Housing ('Cash-In-Lieu') Contribution

Developer contributions to the Affordable Housing Reserve Fund are currently accepted in multi-family developments less than 80 units, all townhouse developments and single family rezonings in exchange for a density bonus. Contributions have been used to support innovative affordable housing projects and have helped the City capitalize on partnerships and funding opportunities with senior government and the non-profit sectors (e.g. Storeys and Kiwanis Towers). The Affordable Housing Reserve Fund provides capital funding (70% of contributions secured) for site acquisition and municipal fee off-sets. The remaining 30% of contributions secured are used to implement the various components of the Affordable Housing Strategy (e.g. policy development and research). Table 10 highlights current cash-in-lieu contribution rates adopted by Council on September 14, 2015.

Table 10: Richmond Cash-In-Lieu Contribution Rates

| Housing Type           | Current Rates (\$ per buildable sq. ft.) |
|------------------------|--|
| Single Family          | \$2                                      |
| Townhouse              | \$4                                      |
| Multi-Family Apartment | \$6                                      |

As of December 31, 2016, the total cash contributions secured through the Affordable Housing Strategy since 2007 amount to \$7,913,160. This figure does not include contributions secured through the affordable housing value transfer mechanism, which were collected to use towards specific projects (e.g. Storeys and the Kiwanis Towers).

The economic analysis also examined existing cash-in-lieu contribution rates with respect to maintaining or increasing the rates based on current market conditions. The analysis found that the City's current 5% total residential floor area contribution rate is higher than the equivalent of cash-in-lieu contribution

rates in terms of overall value of affordable housing produced. To create a more equitable approach, the contribution rate increases in Table 11 are recommended to match the current 5% residential floor area “built” LEMR contribution.

**Table 11: Recommended Cash-In-Lieu Contribution Rates**

| Housing Type           | Recommended Rates (\$ per buildable sq. ft.)                   |
|------------------------|--|
| Single Family          | \$4  |
| Townhouse              | \$8.50   |
| Multi-Family Apartment | \$14 (concrete construction)<br>\$10 (wood frame construction) |

The recommended increase in cash-in-lieu rates will help sustain a healthy balance in the Affordable Housing Reserve Fund in the coming years which is key to the City’s ability to continue its support for the innovative projects, which are providing affordable housing for some of Richmond’s priority groups in need. Ensuring sufficient funds are collected (\$1.5 million annual target) will help the City take advantage of strategic land acquisition opportunities as they arise and will place Richmond in an advantageous position to initiate and respond to partnership opportunities with senior levels of government, non-profit organizations and private developers.

**Adopted Policy Directions:**

- Continue to accept cash contributions for all townhouse developments and multi-unit developments below the 60-unit threshold.
- Increase the cash-in-lieu contributions to be equivalent to the current 5% of residential floor area ‘built’ LEMR contribution.
- Review and examine the percentage built contribution and assess with changing market conditions bi-annually. For townhouse developments, explore the feasibility of including a market rental percentage requirement in addition to an affordable housing cash-in-lieu contribution.

**3. Special Development Circumstances and Value Transfers**

The economic analysis also explored the feasibility of allowing clustering (e.g. in a stand-alone building or section of a building) of LEMR units versus dispersal of LEMR units throughout a development. Although the City has historically favoured dispersal of units, there could be economic and programming reasons for clustering units. Most importantly, clustering units would facilitate non-profit ownership and management of affordable housing and low-end market rental units. The clustering of affordable housing units could take a number of different forms, including:

- Clustering units in a large development into a single building in the development rather than having units dispersed throughout all buildings;
- Clustering units from a number of developments in a relatively close geographic area into a single donor building/site in close proximity to the other projects; or
- Clustering units from a development or a number of developments into a single donor building/site that is appropriate for affordable housing.

The economic analysis indicates that for the first two options, the only economic benefit that would be anticipated is if the donor building was constructed of wood rather than concrete.

The cost of construction varies substantially inside and outside the City Centre. If the third option were permitted and the required LEMR units were moved outside of City Centre, where the cost of land is significantly less, there could be additional savings on the cost of these LEMR units, possibly leading to the development of additional LEMR units.

#### **Adopted Policy Directions:**

- Integrate the Special Development Circumstances and Value Transfers into the Affordable Housing Strategy, rather than a stand alone policy.
- Update select sections of the policy to reflect the recommended changes to the Affordable Housing Strategy Update, such as priority groups, housing gaps, income thresholds, and specific references to existing and recommended policy and practice options.
- Provide additional clarity on how the City defines demonstrated “social innovation” (e.g. standalone affordable rental buildings, additional supportive programming, projects involving partnerships). Alternatively, the City could consider revising language to give preference to projects that co-locate with community facilities.
- Consider revising the selection of non-profit housing providers to own, manage, and operate the units to include an option for units to be leased.
- Clarify evaluation criteria to ease the application process for non-profit housing providers and developers, such as eliminating the requirements to provide case studies if projects are innovative with limited or no examples to reference.
- Develop a shortlist of non-profit housing providers through a Request for Qualifications process to ease the housing partner selection process.
- Allow flexibility for large scale developments (or combination of developments) to cluster LEMR units in one, stand-alone building if a partnership with a non-profit housing provider is established.
- Encourage innovation (e.g. rental structure that allows a variety of subsidized rents) in clustered projects.
- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development.

#### **4. Affordable Housing Reserve Fund**

The Affordable Housing Reserve Fund is an important tool that has been used strategically in partnership with the non-profit sector to secure units in innovative affordable housing projects such as Kiwanis Towers, Storeys and a recent Habitat for Humanity affordable homeownership project. While it has been instrumental in the success of these projects, the Affordable Housing Reserve Fund does not currently have funds to be able to support all future projects that can address the City’s priority groups in need and identified housing gaps. With sufficient funds, the Affordable Housing Reserve Fund can be used strategically as leverage to secure larger contributions from senior levels of government and other partners to contribute to affordable housing development in Richmond.

**Adopted Policy Directions:**

- Ensure sufficient cash contributions are collected (target of \$1.5 million generated annually) to support affordable housing projects and to position the City to leverage funding opportunities through partnerships with senior government, private and non-profit sectors.
- For capital funding contributions, the City should ensure funding is dedicated to projects that are geared towards target priority groups and target housing gaps.
- For capital funding contributions, continue to support projects that have other sources of funding such as grants and loans provided by senior levels of government. However, at the discretion of Council, consider supporting projects that may not have other sources of funding but ones that are still viable. This approach intends to unintentionally avoid excluding potential projects.
- Consider reviewing staff resources dedicated to managing and implementing the Affordable Housing Strategy and, if warranted, consider the City's base operating budget for additional professional and support staff instead of sourcing from the Reserve Fund.
- Explore the use of the Affordable Housing Reserve Fund to support innovative housing projects.
- Continue to use the Affordable Housing Reserve Fund for capital contributions towards innovative non-market housing projects that involve partnerships with senior government and provide programming to meet the needs of the identified priority groups in need.

**5. Secondary Suites**

Permitting secondary suites in single-detached dwellings helps to provide new rental supply within the existing urban fabric of Richmond. Recent development data suggests that the market will likely continue to deliver secondary suites regardless of the City's requirement for "built" suites on 50% of new lots and an additional cash in lieu contribution on the remaining lots.

Therefore, in the future the City could consider amending the existing policy and only require cash in lieu contributions in single family rezoning instead of "built" secondary suites. These contributions would help build up the Affordable Housing Reserve Fund so that it can be used to support additional affordable housing projects.

**Adopted Policy Directions:**

- For single-family rezonings, continue to review development applications and secure one of the following: (a) secondary suites on 100% of new lots developed, (b) secondary suites on 50% of new lots developed and a cash contribution on the remaining 50% of new lots created, or (c) a cash contribution on 100% of the new lots developed.
- Continue to add flexibility permitting accessory dwelling units on single detached lots (e.g. secondary suite within primary dwelling and coach house at the rear of the property). Consider preparing illustrations to visually communicate flexible configurations.

## 6. Market Rental Housing

Market rental housing is an important component of Richmond’s housing mix. Low vacancy rates, high average rents and the limited supply of rental housing make it difficult for many renters to find accommodation in the city and therefore maintaining and encouraging new rental stock is vital to the ongoing liveability of the community. The City is currently developing a Market Rental Policy. In coordination with the Affordable Housing Strategy, the Market Rental Policy will help to ensure that a range of housing options are available for Richmond residents.

### Adopted Policy Directions:

- Align with Metro Vancouver’s Updated Regional Affordable Housing Strategy by providing clear expectations and policies for increasing and retaining the purpose-built market rental housing supply.
- Consider offering incentives such as reduced parking requirements and increased density for infill development or underdeveloped sites as appropriate, to preserve existing rental stock and to encourage new purpose-built market rental housing.
- Consider best practices from other jurisdictions when developing a tenant relocation policy and tenant relocation plan template to support developers and non-profit providers with rental redevelopment projects.

## 7. Basic Universal Housing

Incentives for developers to incorporate “Basic Universal Housing Requirements” lead to increased housing options that help to ensure persons with disabilities are able to find appropriate and accessible accommodations to suit their needs.

### Adopted Policy Directions:

- Consider enhancing these standards with a broader lens of accessibility (e.g. housing standards for persons with mental health barriers, persons with developmental disabilities [e.g. autism], and persons with acquired brain injury requiring accessibility features).
- Continue to secure affordable housing units with Basic Universal Housing design features.
- Continue to encourage market developments to be built with Basic Universal Housing features.
- Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development to ensure that some LEMR units are designed with adaptable features to support the priority groups in need (e.g. seniors and persons with disabilities).



## Adopted New Policies + Practices

### 8. Co-Location Of Non-Market Housing + Community Assets

#### Target Priority Group in Need

Low and moderate income earners, including families, seniors, singles, couples, students, persons with disabilities, and vulnerable populations.

#### Target Housing Gap

Non-market rental, low-end market rental, and purpose-built rental for low and moderate income households. Shelters and transitional housing could be targeted, where appropriate.

#### Context

A key challenge to developing affordable housing in Richmond is the high cost and limited availability of land.

At the same time, there are numerous sites across the City occupied by community assets such as places of worship, community centres, and non-profit social service agencies. Many of these organizations do not have a housing mandate, however many own or lease and occupy potentially under-utilized land. Some of their buildings and structures are also aging and may be prime for redevelopment or repurposing. There may be opportunity to leverage these community assets with redevelopment potential including co-locating with affordable housing projects.

#### Overview of Redevelopment of Existing Non-Market Housing + Community Assets

The development of co-location projects that combine affordable housing with community amenity facilities is increasingly common. The benefits of co-locating, rather than building stand-alone purpose-built facilities, include:

- Shared capital and operating costs;
- Achieves maximum public benefits in the delivery of community assets;
- Efficient use of land and servicing; and
- Creates complete communities.

Co-locating affordable housing with community facilities is often the result of opportunistic situations, facilitated by partnerships.

#### Approach And Actions

##### Analysis to Richmond Context

The City of Richmond could identify public and community facilities that are under-utilized and/or aging and prime for redevelopment with the potential to accommodate additional density and affordable housing, subject to the necessary planning processes. This policy acknowledges that park land is not under-utilized, but provides an important community benefit as green space. The City could also engage with private facility-operators and land holders to explore opportunities for partnership and co-location development.

#### Ease of Implementation:

SIMPLE COMPLEX



#### Municipal Role:

- Build and maintain relationships
- Partner

#### Other Roles:

- BC Housing—partner
- Developers—partner
- Non-profit housing providers—partner
- Non-profit social services organizations—partner



Co-location of municipal fire hall and affordable housing in Vancouver

The City of Vancouver increased their capital cost for upgrading the aging Fire Hall No. 5 to incorporate the construction of affordable housing units for low-income women and children. Partnerships with the YWCA covered pre-construction costs including consultant fees and project management. The YWCA is also co-locating affordable family housing with a new library branch in East Vancouver that is currently under construction.

The Central Presbyterian Church in Vancouver partnered with a developer to demolish an aging church and construct a 22-storey mixed-use tower. The first three storeys are programmed for church use and commercial space. The rest of the tower will include a mix of market and seniors-oriented non-market housing units.

### Recommended Approach and Actions

1. Formulate a policy that encourages the co-location of affordable housing with community assets.
2. Consider updating regulatory requirements to permit co-location of affordable housing and community facility uses.
3. Evaluate currently proposed community projects, that are early in the planning stage, and determine if the site(s) could support the inclusion of affordable housing.
4. Create an inventory of existing community facilities. Identify facilities that have potential for redevelopment or repurposing.
5. Facilitate discussions with faith-based groups, non-profit organizations and community associations, to explore opportunities for partnership and co-location development opportunities.
6. Consider the space and programming needs of non-profit supportive services within the context of co-location opportunities to accommodate the priority groups in need.

### Implementation Roles

#### Municipality:

- Formulate policy on co-location of affordable housing with community assets.
- Undertake inventory of existing community asset facilities, including current and future spaces and programming needs.
- Communicate information to senior levels of government, non-profit housing providers, non-profit social service organizations, and developers on the co-location policy.

#### Development Community:

- Partner, where appropriate, with the City, non-profit housing societies, and non-profit social service organizations on delivering affordable housing units and community facilities through co-location opportunities.

#### Non-profit Housing Providers:

- Partner, where appropriate, with the City, non-profit social service organizations and developers on delivering affordable housing units and community amenities through co-location opportunities.
- Operate units secured through co-location projects.

#### Non-profit Social Service Organizations:

- Partner, where appropriate, with the City, non-profit housing providers, and developers on delivering affordable housing units and community amenities through co-location opportunities.

## 9. Public-Private Partnerships

### Target Priority Group in Need

Low and moderate income earners, including families, seniors, singles, couples, students, persons with disabilities, and vulnerable populations.

### Target Housing Gap

Non-market rental, low end market rental, purpose-built rental, and affordable homeownership for low and moderate income households. Shelters and transitional housing could be targeted, where appropriate.

### Context

Building and operating affordable housing in communities is not undertaken in isolation by one organization or group, but rather requires contributions from many stakeholders in order to be successful. Most affordable housing developments have some combination of government, private sector, and non-profit partnerships. Continuing this type of partnership will help allow the City to capitalize on opportunities with senior levels of government and non-profit housing providers for affordable housing projects.

### Overview Of Public-Private Partnerships

Public-private partnerships are a deliberate and formalized approach to cross-sector collaboration.

- **Partnerships with Senior Levels of Government:** There is new momentum at both the provincial and federal levels with capital and operating investment opportunities for affordable housing.
  - BC Housing uses a public-private partnership model to create new non-market housing. Developments are designed and built by the private sector and owned and managed by private, non-profit or co-op housing providers. Upon project completion, BC Housing may provide opportunity for operating funding to make units affordable.
  - The Federal Government, through CMHC, can make one-time capital contributions to provide support for the feasibility or initial project costs. Municipal governments can provide land, capital, or in-kind support (e.g. waiving municipal fees). There has been indications from the Federal Government that more funding may become available; however, the most significant cost subsidies will come from Provincial Government sources.
- **Private Sector Partnerships:** Developers have the ability to build affordable housing units, but typically require an experienced operator to manage secured affordable housing units. Municipalities can facilitate partnerships between developers and non-profit housing societies to match secured affordable housing units with a suitable administrator.
- **Non-Profit and Service Providers Partnerships:** Non-profit and service providers have the potential to partner and support affordable housing projects such as contributing under-utilized land and/or through redeveloping or repurposing aging community facilities.

### Ease of Implementation:



### Municipal Role:

- Facilitator
- Establish criteria
- Communications

### Other Roles:

- **BC Housing**—partner and provide funding and finance options
- **Developers**—partner and deliver units
- **Non-profit housing providers**—Secure and operate dedicated units
- **Non-profit social services organizations**—partner and contribute land



Kiwanis Towers, Richmond

Successful partnerships require joint investment of resources, shared liability, shared benefit, and shared responsibility.

### Approach and Actions

#### Analysis to Richmond Context

The City has been a leader in facilitating affordable housing partnerships, and has shown by example how partnerships can successfully address priority groups and housing gaps. Kiwanis Towers, for example, is a project where the City partnered with a non-profit housing society, private developer and senior level of government (BC Housing) to help redevelop an existing site with non-market rental housing for low-income seniors.

Building on the experience that the City already has in facilitating and implementing partnerships, this policy option aims to help prepare the City for relationships required to initiate projects well in advance of evident opportunities.

#### Recommended Approach and Actions

1. Consider creating a list of pre-qualified non-profit housing operators well in advance of affordable housing development opportunities.
2. Continue to maintain regular communication with current organizations in the private, public and non-profit sectors to ensure that relationships are established so that potential development opportunities can be advanced quickly when presented.
3. Consider reaching out to qualified non-profit housing providers who may have expertise in serving the identified priority groups in need.
4. Explore and facilitate partnerships with government, quasi-government, non-profit, and private organizations.
5. Support non-profit housing providers pursuing funding opportunities offered by senior levels of government by contributing information in support of proposal submissions; officially establish partnerships and consider committing contributions to potential projects.

#### Implementation Roles

Municipality:

- Foster regular and ongoing relationship building with cross sector organizations.
- Partner, where appropriate and as opportunities arise, with public, private, and non-profit social service sector organizations to support and contribute to affordable housing projects.
- Facilitate partnerships between developers and non-profit housing societies to potentially secure units generated through other housing policies (including low-end market rental units).

Development Community:

- Partner, where appropriate and as opportunities arise, with public and non-profit social service organizations to support and contribute to affordable housing projects.

Non-profit Housing Providers:

- Partner, where appropriate and as opportunities arise, with public, private, and non-profit social service sector organizations to support and contribute to affordable housing projects (including the possible purchase and management of low-end market rental units).

Non-profit Social Service Organizations:

- Partner, where appropriate and as opportunities arise, with public, private, and other non-profit social service sector organizations to support and contribute to affordable housing projects.

**Ease of Implementation:****Municipal Role:**

- Formulate policy
- Enable regulation
- Prepare inventory
- Communicate information
- Facilitate partnerships

**Other Roles:**

- **Developers**—Partner and deliver units
- **Non-Profit Housing Providers**—Secure and operate dedicated units
- **Non-Profit Social Service Organizations**—Partner and contribute land

## 10. Non-Profit Housing Development

**Target Priority Group in Need**

Low and moderate income households, including families, seniors, singles, couples, students, persons with disabilities and vulnerable populations.

**Target Housing Gap**

Non-profit rental housing development, including non-market rental, low-end market rental and purpose-built rental for low and moderate income households. Shelters and transitional housing could be incorporated, where appropriate.

**Context**

Non-profit housing providers play an essential role in creating access to affordable housing for priority groups in Richmond. They are the key sector that manages affordable housing units for low and moderate income earners in Richmond, including managing tenant selection and intake, operations management, and project maintenance. They also advocate on behalf of their sector and vulnerable populations, liaise with municipalities and senior levels of government, and participate in broader strategic initiatives and conversations at the community and regional level.

There are opportunities to support non-profit housing development in Richmond and therefore continue to build non-profit capacity in the city. Many non-profit housing societies in Richmond currently provide housing for specific client groups, and provide appropriate supports as needed. However, non-profit housing providers currently operating in Richmond are faced with increasing demands while resources and funding remain competitive. By supporting opportunities for non-profit housing development, there may be opportunities to leverage larger portfolios to access funding and financing.

In addition to the ability to meet increasing housing needs, an expanded non-profit housing sector could lead to partnership opportunities and increased capacity to respond to funding opportunities.

**Overview Of Non-Profit Housing Development**

The City strives to create a supportive environment for non-profit housing providers to thrive. Progressive policy, financial contributions, research and advocacy, and relationship building are all valuable attributes required for the non-profit housing sector to be successful in communities to provide much-needed quality affordable housing.

It is recommended that the City establish a clear set of criteria to determine which housing projects should be prioritized.



In addition, non-profit housing projects are increasingly exploring ways to incorporate non-housing uses within their housing projects to generate revenue to offset the costs of subsidizing non-market and low-end market rental units. Typically leased, these spaces can include commercial and retail uses, community facilities such as libraries and childcare, and social enterprises. There is an opportunity for the City to create an even more supportive environment by exploring innovative and flexible policy and regulatory requirements that support mixed-use non-profit housing projects.

## **Approach And Actions**

### **Analysis to Richmond Context**

The City could establish a set of criteria for staff and Council to review and prioritize municipal contributions to support potential non-profit led affordable housing projects. This criteria can be directly related to the identified priority groups and housing gaps in Richmond.

To complement the criteria, the City could consider proactively building relationships with other well-established non-profit housing providers to help address the gaps in service delivery for priority groups and housing. Specific strategies could include issuing Request for Proposals to select pre-qualified non-profit housing providers for City-supported initiatives.

### **Recommended Approach and Actions**

1. Adopt criteria for reviewing and prioritizing City-supported non-profit housing projects, as per Table 6.
2. Support revenue generating activities in non-profit housing development projects.
3. Expand opportunities to develop more non-profit housing projects by continuing to build relationships with qualified non-profit housing providers throughout Metro Vancouver. Align selection towards non-profit housing providers that could bring necessary skills, experience, resources, and capacity to address Richmond's priority groups and housing gaps.
4. Consider updating regulatory requirements to permit social enterprise and other uses with non-profit housing projects. This includes updating the Zoning Bylaw to identify appropriate zones for permitted use, updated language under definitions, and standards under general regulations.
5. Informed by the adopted criteria, consider supporting non-profit housing providers with their proposal preparation and submissions to funders and senior levels of government.
6. Leverage the annual BC Non-Profit Housing Association (BCHPHA) Conference and other similar opportunities, to showcase Richmond's affordable housing development projects to date.
7. Allow for flexibility for innovative rent structures that support a mix of affordable rental rates.

Table 12: Proposed Criteria for City-supported Non-Profit Housing Development

| Criteria for City-Supported Non-Profit Housing Development Projects  |
|--|
| <p><b>1. Meets one or more of Richmond’s priority groups:</b> low to moderate income families, singles, couples, students, persons with disabilities, and vulnerable populations such as persons experiencing homelessness.</p>  |
| <p><b>2. Addresses one or more of Richmond’s housing gaps:</b></p> <ul style="list-style-type: none"> <li>▪ Family friendly housing including market and non-market rental and homeownership;</li> <li>▪ Accessible, adaptable and visitable housing;</li> <li>▪ Purpose built rental housing;</li> <li>▪ Low barrier rental housing (including programming supports);</li> <li>▪ Low end market rental housing for singles, couples, families, seniors and persons with disabilities;</li> <li>▪ Non-market housing for singles, couples, families, seniors and persons with disabilities, persons with mental health issues and substance users; and</li> <li>▪ Lack of emergency shelter for women and children.</li> </ul> |
| <p><b>3. Demonstrates project viability:</b> financial sustainability; livability; and flexibility to potentially adapt with changing and emerging housing needs in Richmond.</p>  |
| <p><b>4. Secured:</b> designated affordable units (non-market and low-end of market rental units) are secured through housing agreements.</p>  |
| <p><b>5. Affordable:</b> are affordable for the priority groups (LEM=less 10% of CMHC rents; Non-Market Rents = less 25% CMHC rents); or meets Housing Income Limits in BC Housing projects.</p>   |

### Implementation Roles

#### Municipality:

- Adopt criteria to assess City-supported non-profit housing development projects.
- Communicate criteria internally to various City departments and Council, and externally to non-profit housing providers, funding agencies and senior levels of government.
- Undertake review and amendments to regulations, where applicable, to support flexibility in design to allow revenue generating uses in non-profit housing projects such as social enterprise.
- Continue to build relationships with qualified non-profit housing providers throughout Metro Vancouver.
- Prepare and participate in the annual BC Non-Profit Housing Association conference to showcase affordable housing development projects in Richmond.

#### Development Community:

- Partner, where appropriate, with non-profit housing providers to develop and secure affordable housing units.

Non-Profit Housing Providers:

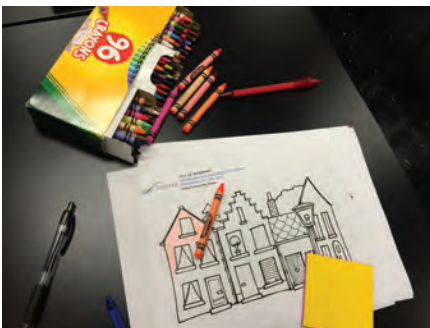
- Prepare business cases to demonstrate project criteria and viability to the City and other potential project partners such as developers, funders and senior levels of government. This includes preparing proposals to submit to funding opportunities when available.
- Partner, where appropriate, with the City and developers to secure affordable housing units.
- Operate units secured through partnerships.
- Continually communicate with the City on needs and opportunities for support.

**Ease of Implementation:****Municipal Role:**

- Formulate policy
- Communicate information
- Review development applications with “family-friendly lens”
- Facilitate partnerships
- Monitor data

**Other Roles:**

- **Developers**—Partner and deliver units
- **Non-Profit Housing Providers**—Secure and operate dedicated units



## 11. Family-Friendly Housing Policy

**Target Priority Group in Need**

Families, including lone-parent families, families with children, and multi-generational families, of all income ranges.

**Target Housing Gap**

Family-sized affordable housing across the entire housing continuum, including homeownership, market rental, particularly ground-oriented multi-unit residential housing.

**Context**

High housing prices for single-detached dwellings have created limited affordable and suitable housing options for families, especially low-income and moderate-income families. More families are living in multi-unit residential housing, and concerns related to livability have been raised with families living in units with an insufficient number of bedrooms to accommodate all members of a household. Multi-unit dwellings may lack onsite amenities that are appropriate for children and youth, such as yard space, play-space, storage, and proximity to family-oriented services (e.g. schools, community centres, parks, shopping and transit).

Ground-oriented multi-unit dwellings (e.g. townhomes) are often identified as family friendly. Non-ground-oriented options may be less desirable due to the lack of play and outdoor space, but are another option for families if the unit is large enough. While the City already encourages family-friendly units, there is an overall lack of larger (e.g. 2 and 3+ bedroom) apartments in Richmond that are affordable for families to rent and to own.

**Overview of Family Friendly Housing Policy**

Increasingly, municipalities are exploring policies to require housing developments to include more family-friendly units in their projects. Such a policy may help low-to-moderate income family households by increasing the supply of units large enough to accommodate families. One approach to address this challenge is to require new multi-unit residential development projects to include a certain percentage of units with 2 and 3 or more bedrooms. This requirement can be specific to rental units, ownership units, or both. Design guidelines can also be enhanced to incorporate family-friendly features into housing projects, such as providing adequate storage and outdoor space.

**Approach and Actions****Analysis to Richmond Context**

To understand the implications of a family-friendly housing policy, a high-level analysis was conducted on five multi-unit sites in the city to determine the return on investment and feasibility of incorporating 2 and 3 bedroom units. These estimates were conducted using market derived inputs and assumptions that were created through recent financial studies conducted on the City's behalf.

The analysis also reviewed examples of family-friendly housing policies from comparable jurisdictions where a minimum percentage of 2- and 3-bedroom units were required.

### Proposed Richmond Approach

The analysis indicates that family friendly-housing policies will not have significant impact on developer revenue; however, it is recommended that the City take a conservative approach to these policies given the unique development constraints in the municipality.

As such, the City should consider the following minimum requirements for family-friendly units:

**Table 13: Minimum Requirements for Family-Friendly Units**

| Multi-Unit Low-End Market Rental Projects |
|---|
| Minimum 15% two bedroom units             |
| Minimum 5% three bedroom units            |

#### Recommended Approach and Actions

1. Require a minimum of 15% two-bedroom and 5% three-bedroom for all LEMR units secured in developments to accommodate priority groups in need (e.g. families).
2. Monitor the success of the policy and consider applying the same percentage requirements of family-friendly units in all market developments
3. Consider creating communications materials to inform developers, non-profit housing providers, and the public about the family-friendly housing policy. Inform organizations that have a role in delivering and securing the family-friendly housing units to support implementation.
4. Create design guidelines for family-friendly housing, specifying design features and amenities that are appropriate for children and youth, such as yard space, play-space, and storage. These guidelines could also include unit design with space and liveability considerations.

### Implementation Roles

#### Municipality:

- Formulate policy that requires new multi-unit housing projects to include a minimum percentage of units that contain the specified percentage of LEMR units to be dedicate as family-friendly housing.
- Communicate information to developers, non-profit housing providers, the public and other groups about the family-friendly housing policy requirements.
- Review multi-unit housing project development applications that have LEMR units with a “family-friendly lens”, ensuring the applications meet the requirements. This includes working closely with the development community to problem-solve design and requirement challenges and provide design flexibility, where appropriate, to meet the policy (and regulatory) requirement.
- Monitor data on absorption and occupancy and monitor the impact of the policy.
- Continue to ensure that a mix of unit types, including larger family friendly units, are secured as LEMR.

#### Development Community:

- In multi-unit housing projects with LEMR units, secure the specified





percentage of units dedicated as family-friendly housing.

- Work with the City to achieve project and unit design that meets livability criteria for families.
- Partner, where appropriate, with non-profit housing societies to secure some or all LEMR units generated through the family-friendly housing policy to be secured as affordable for low-income families.

Non-Profit Housing Societies:

- Work with the City to identify opportunities for partnership with developers to secure affordable family-friendly LEMR units for low-income families.
- Partner, where appropriate, with developers to secure LEMR units in multi-unit housing projects, secured through housing agreements.
- Operate the units secured through housing agreements, including managing tenant selection and intake process.



## 12. City Land for Affordable Housing

### Target Priority Group in Need

Low and moderate income earners, including families, seniors, singles, couples, students, persons with disabilities, and vulnerable populations.

### Target Housing Gap

Purpose-built rental, low end market rental, non-market rental, supportive and transitional housing and shelter accommodation.

### Context

One of the most difficult challenges in increasing the supply of affordable housing is acquiring well located sites to develop. In strong housing markets, competition with market developers makes land acquisition expensive, and limiting especially when combined with challenges that non-profit housing providers experience when piecing together multiple sources to support financing for affordable housing developments.

The City has a long history of leasing land at nominal rates to support the provision of affordable housing by non-profit housing providers. The City's Real Estate Services regularly updates Richmond's Strategic Land Acquisition Plan. This provides an opportunity to include Affordable Housing as one of the priorities for acquisition.

Continuing to provide City-owned land for affordable housing can reduce the cost to develop an affordable housing project and therefore provide a greater number of units. Using City land for affordable housing purposes is also particularly effective for ensuring that affordable housing is placed in locations best suited to meet the needs of priority groups.

### Overview of Use of City Land For Affordable Housing Policy

The use of City-owned land for affordable housing could help non-profit housing providers overcome challenges related to high land values. Such a policy could identify sites that are currently owned by the City that are not currently in use or under-utilized.

The City's Strategic Real Estate Investment Plan's purpose is to acquire land for a variety of civic initiatives. During annual reviews, City staff should take into account land needs for future affordable housing projects. Land that the City uses for other municipal services, such as fire halls and community centres, could also be evaluated for redevelopment involving the co-location of affordable housing on these properties.

### Approach and Actions

#### Analysis to Richmond Context

City staff could consider creating a set of criteria that would guide and prioritize land acquisition appropriate to potentially support affordable housing projects, as per the proposed criteria in Table 14. Any criteria should be closely linked with the identified priority groups in need and the housing target that will be part of the updated Affordable Housing Strategy.

Table 14: Proposed Criteria for Land Acquisition

A dedicated source of funding for land acquisition and affordable housing would

### Ease of Implementation:



### Municipal Role:

- Strategic acquisition of land
- Repurposing existing City-owned land

### Other Roles:

- **Developers**—provide funds and partner with City and non-profit housing providers on new affordable housing developments
- **Non-profit Housing Providers**—partner with City



need to be established. One funding option for Richmond would be to use the existing Affordable Housing Reserve Fund to fund municipal land acquisition. However, this could further deplete the Affordable Housing Reserve Fund of resources for other projects quickly as the Affordable Housing Reserve Fund does not accumulate at the rate or volume needed to support multiple land acquisitions.

### **Recommended Approach and Actions**

1. Review the need for affordable housing land acquisition as part of the annual Strategic Real Estate Investment Plan.
2. Explore the feasibility of using existing City-owned land for affordable housing development, by either disposing of the land or co-locating affordable housing with other municipal services.
3. Strategically acquire land for affordable housing as it becomes available and satisfies acquisition criteria.
4. Partner with non-profit housing providers to develop affordable housing, which can then be managed and operated by non-profit housing societies under long term lease agreements with the City.
5. Explore and establish dedicated sources of funding to support land acquisition for affordable housing projects.
6. Consider using City-owned land to support affordable housing projects, where appropriate, and acquire land that meets criteria for future affordable housing development.

### **Implementation Roles**

Municipality:

- Review the affordable housing land needs annually.
- Acquire land appropriate for affordable housing development projects.
- Explore feasibility of existing City-owned land for affordable housing development projects.
- Communicate information on the use of City-owned land for affordable housing to non-profit housing providers and other potential project partners.

Development Community:

- Provide funding to the Affordable Housing Reserve Fund from cash-in-lieu density bonus contributions.
- Partner with the City and non-profit housing providers, as appropriate, to develop affordable housing projects.

Non-profit Housing Providers:

- Partner with the City to develop affordable housing projects using land provided by the City.
- Manage and operate affordable housing delivered through the policy under a long-term lease agreement with the City.

### 13. Municipal Financing Tools

**Target Priority Group in Need**

Low and moderate income households, including families, seniors, singles, couples, students, persons with disabilities and vulnerable populations.

**Target Housing Gap**

Non-profit rental housing development, including non-market rental, low-end market rental and purpose-built rental for low and moderate income households.

**Context**

Municipal authority provides unique abilities to stimulate the creation of affordable housing. While land use planning and regulation is a critical and effective tool for promoting affordable housing, such as with Richmond’s density bonusing/inclusionary housing policy and developer requirements for cash-in-lieu contributions, municipalities also have a range of other financial tools that may be used to offer indirect financial incentives. These can be used to improve the financial feasibility of affordable housing development.

Many Metro Vancouver municipalities use financial incentives, including property tax exemptions and waived or reduced development cost charges. In addition to encouraging the construction of new affordable housing units, financial incentives may be used to repair and upgrade existing affordable housing to ensure minimum maintenance standards and safety measures are met in rental buildings.

**Overview of Municipal Financing Tools**

Within their authority, municipalities can use a number of financing tools that may facilitate the creation of affordable housing to collect taxes and fees. Specific tools include:

- **Waiving/reducing fees and charges:** Development cost charges and building permit fees may be waived or reduced, for projects owned by non-profit organizations. Municipalities may also delay the collection of development cost charges, reducing carrying costs for non-profit housing providers and improving the economics of housing projects. Waiving development cost charges require municipalities to recover the cost from other sources (e.g. from the Affordable Housing Reserve Fund).
- **Property tax exemptions:** Municipalities may offer property tax exemptions for projects that provide affordable housing. Some municipalities waive these costs outright, while other municipalities choose to allocate funds from affordable housing reserve funds to offset these fees.

Section 226 of the Community Charter allows Council to enter into agreements with property owners to exempt their property from municipal property value taxes for up to 10 years. While this power is usually used for programs such as a downtown revitalization, where properties can apply for tax exemption in exchange for commercial improvements, there is an opportunity to explore the option of implementing a tax exemption program specific to affordable housing projects.

**Ease of Implementation:**



**Municipal Role:**

- Formulate policy
- Enable financial tools
- Communicate information

**Other Roles:**

- **Non-Profit Housing Providers**—Use financial incentives to develop affordable housing
- **Property Owners**—Use financial incentives to improve existing rental units

When a property owner of an affordable housing building wants to make improvements, the municipality can provide a tax exemption up to a certain period to offset the costs of improvements, thereby preventing the improvement costs from affecting tenants.

### **Approach and Actions**

#### **Analysis to Richmond Context**

The ability to use these financial tools will depend on a Richmond's financial resources and local economic conditions. Although these approaches may result in a short-term loss in revenue, they may produce significant long-term social and economic benefits through encouraging the supply of affordable housing. Richmond should consider the costs and benefits of these approaches.

#### **Recommended Richmond Approach and Actions**

1. Review the municipal authority and financial impact on a potential increase to the City's taxes of waiving and reducing development cost charges and explore the terms and conditions upon which the exemptions can be granted.
2. Consider waiving the development cost charges and municipal permit funds for new affordable housing developments that are owned/operated by a non-profit societies and where affordability is secured in perpetuity.
3. Consider waiving the development cost charges for low-end market rental units secured in private developments, when purchased by a non-profit organization.
4. Consider waiving the development cost charges and municipal permit funds and reimburse from general revenue instead of as a grant from the Affordable Housing Reserve Fund.
5. Undertake a review and best practice analysis of property tax exemptions for non-profit housing managed by a non-profit housing provider.
6. Consider exempting property taxes for new affordable housing projects owned and operated by a non-market housing provider and where affordability is secured in perpetuity with a housing agreement.

#### **Implementation Roles**

Municipality:

- Review the municipal authority and financial impact of waiving and reducing development cost charges and municipal permit fees and tax exemptions for non-profit housing providers.

Non-Profit Housing Providers:

- Use waived or reduced development cost charges, municipal permit fees, and property tax exemptions to support the financial viability of developing new affordable housing.

## 14. Affordable Homeownership Program (not recommended)

### Target Priority Group in Need

Moderate income families including couples with children and single parent households, with the potential to expand to non-family households including couples and singles.

### Target Housing Gap

Affordable homeownership for moderate income families, with the potential to expand to suitable to non-family couples and singles, focusing on multi-unit residential housing.

### Context

Homeownership remains an important goal for many families and households, and plays a critical role in the housing continuum for a healthy community. However, there is a growing gap between rapidly increasing property values not matched by incomes, limited land supply, and competition for units in many urban areas, including Richmond, that make this goal increasingly difficult to attain. Saving for a down payment is one of the largest hurdles for first-time, moderate-income households, who may otherwise afford the ongoing homeownership costs (e.g, mortgage, property taxes, utilities, and applicable strata fees). Affordable homeownership programs are therefore being undertaken by some municipalities to ease the financial pressures of purchasing a home and transitioning these moderate-income households from renting to homeownership.

An affordable homeownership program is one way that municipalities may influence the supply of affordable homeownership units. Land-use and policy planning can also help to encourage a greater supply through increased density allowance and other regulatory measures such as parking reductions.

### Overview of Affordable Homeownership Programs

Affordable homeownership programs may be delivered in a number of ways to address unique local circumstances. Programs can be provided directly through initiatives that reduce the cost of purchasing a home through various financing and assistance tools, or indirectly through municipal policy and regulations that encourage diverse housing forms. Generally, affordable homeownership programs share a number of common elements:

1. **Administrative Capacity:** In municipal cases, sufficient administrative capacity (e.g. a subsidiary housing authority, third party, or dedicated staff) is necessary to help manage and oversee local programs.
2. **Restrictions on resale:** Restrictions on resale help to ensure that units will remain affordable for future owners. This can be accomplished by:
  - a) A price restriction model, which ties the future resale price of a unit to a common denominator (for example, the rate of inflation, core inflation, or fixed amount) that is agreed upon prior to the primary sale of the housing unit; or,
  - b) A shared equity model, which enables purchasers with the ability to acquire units at below market costs and also benefit in future market growth in relation to their initial equity contribution. In some models, municipalities access a portion of the unit's equity on resale and reinvest this amount into the affordable housing program's portfolio.

### Ease of Implementation:



### Municipal Role:

- Facilitate partnerships
- Establish income thresholds and eligibility requirements
- Data collection
- Communicate information
- Monitor data

### Other Roles:

- **Non-profit organization—** Agency and administrator
- **Financial Institutions—** Offer flexible mortgage arrangements and downpayment assistance programs.

3. **Owner occupancy:** Owner occupancy ensures that the unit does not become solely an income generating property, and instead an affordable unit maintained as a principal residence.
4. **Income or asset restrictions on participation:** This ensures that an appropriate priority group is targeted for homeownership support. These restrictions are typically as inclusive as possible given that homeownership is difficult to obtain for low and moderate income households.
5. **Financial Support:** In most programs reviewed, financial support in the form of down payment assistance is provided as an interest free or low-interest loan registered as a second mortgage on the property. Usually these loans are repayable after a set period of time, after the first mortgage is paid off, or if the property is sold.

### **Approach and Actions**

#### **Analysis to Richmond Context**

It is important for municipalities to undertake a comprehensive cost-benefit and risk analysis to understand the feasibility of undertaking an affordable homeownership program. This feasibility study should look at different ways in which an affordable homeownership program could be structured and eligibility criteria, including income thresholds for program participation.

Findings from a feasibility study would provide more details about the expected costs, benefits, and associated risks of the program, allowing the City to compare potential outcomes of an affordable homeownership program relative to outcomes from a similar investment that address other housing priorities and needs. This assessment would help the City evaluate where limited resources investments should be invested to address priority groups and identified housing gaps.

#### **Recommended Richmond Approach and Actions**

1. Not recommended. At this time, a homeownership program would place significant demands on City resources and jurisdiction. It is recommended that the focus of the Affordable Housing Strategy is on rental and non-market housing.

## 15. Municipal Housing Authority (not recommended)

### Target Priority Group in Need

Low and moderate income households, including families, singles, couples, students, persons with disabilities and vulnerable populations.

### Target Housing Gap

Purpose-built subsidized (non-market) and low-end market rental housing units for low to moderate income households. Affordable homeownership units can be considered where appropriate.

### Context

Units secured through the 2007 Affordable Housing Strategy are currently managed by the owner (e.g. private developer or property manager). While the City has achieved success with the creation of affordable housing units, however, ensuring units are targeted to priority groups and are managed according to the housing agreements, continues to be a challenge.

A Municipal Housing Authority may allow the City to have a more direct role in ensuring that affordable housing units are being accessed by priority groups and addressing housing gaps identified in Richmond’s Affordable Housing Strategy. At a basic level, a Municipal Housing Authority could operate rental units secured through housing agreements, including managing tenant selection and intake process, perhaps in partnership with a non-profit housing provider. A housing authority could also be directly involved in the development and production of new affordable housing.

### Overview of Municipal Housing Authorities

Housing authorities are typically governmental bodies that govern some aspect of housing, providing access to affordable housing to eligible households. While some housing authorities are directly involved within the development, production, and administration of affordable housing units, other housing authorities have a more limited role in facilitating the development of affordable housing, often working with non-profit housing providers to build or manage the units. A housing authority is one option that some municipalities have used to ensure that the ongoing management of affordable housing units secured through policy and programs are effective.

At the municipal level, housing authorities commonly have the following elements:

- **Legal incorporation:** Legal establishment of the agency allows the agency to own housing stock and allows the agency to negotiate and enter into agreements.
- **Public representation:** A Board of Directors, which usually includes City councillors, provides accountability to the public and a senior-level voice in housing authority deliberations.
- **Public funding:** Funding from government sources allow housing authorities to reduce housing costs and remove competitive market pricing pressures through subsidies. The experience of jurisdictions with successful housing authorities suggest that significant levels of senior government funding is required to support capital and operating expenses.

### Ease of Implementation:



### Municipal Role:

- Strategic acquisition of land
- Repurposing existing City-owned land

### Other Roles:

- **Developers**—provide funds and partner with City and non-profit housing societies on new affordable housing developments
- **Non-profit Housing Providers**—partner with City



- **Community or asset plan:** The housing authority's goals, strategies, and activities are documented to promote transparency.
- **Tenant involvement:** Feedback on housing unit management gives the tenants a say in how the corporation and its units are operated.

Municipal Housing Authorities are city-controlled, legally separate entities created to assist in the development of affordable housing. Because housing authorities are City-controlled, they can more effectively direct resources and projects to closely align with affordable housing goals and objectives. A Housing Authority can identify where the greatest impact can be made and if managed correctly, can deliver housing efficiently and affordably through standardized processes and economies of scale.

Municipal housing authorities can also present a number of challenges to municipalities as they often require ongoing government financial assistance that is sufficient to support the authority's ongoing operations (e.g. land acquisition, asset management, necessary administrative resources).

### **Approach and Actions**

#### **Analysis to Richmond Context**

While a municipal housing authority may be seen to address some of Richmond's affordability challenges, establishing a local Housing Authority needs to be examined in the context of the City's other corporate real estate and asset management priorities. A narrowly scoped Municipal Housing Authority focused on administering and managing LEMR units, facilitating relationships and providing technical assistance to developers and non-profit housing providers may be one option that could be supported through existing revenue from the Affordable Housing Reserve Fund. However, a more ambitious scope of activities, such as the purchasing of land and existing affordable housing and administering units, would require significant resources. A more comprehensive analysis that fully explores the feasibility, including costs, benefits and associated risks of establishing a Richmond housing authority would be a critical first step.

#### **Recommended Richmond Approach and Actions**

1. Not recommended. There would be significant demands on City resources and jurisdiction at this time.
2. Consider engaging BC Housing or Metro Vancouver Housing Corporation to administer units secured through the Affordable Housing Strategy.

## 16. Transit-Oriented Affordable Housing Development Guidelines

### Target Priority Group in Need

Low and moderate income households, including singles, couples, families and seniors.

### Target Housing Gap

Non-market rental, low-end market rental, purpose-built market rental housing for low and moderate income households. Affordable homeownership units may also be considered where appropriate.

### Context

Housing and transportation costs are closely linked and represent the two highest costs for most working households. The combined expenses of housing and transportation create particular affordability challenges for low-to-moderate income households in Richmond, and often affect the ability to afford other basic necessities such as food, childcare, and recreation.

Research indicates that households living in transit-oriented areas have relatively lower transportation costs compared to households that live far from transit service. Building housing near or along the Frequent Transit Network can help households rely less on automobiles and reduce their overall transportation costs. This can help make communities more livable and easier to move around by improving connection to employment, educational institutions, community centres, commercial spaces, and other community amenities.

Municipalities are increasingly recognizing the need to plan strategically for affordable housing along Frequent Transit Networks and to support affordable housing developments in transit-oriented areas through partnerships, land acquisitions, municipal contributions and incentives, and other strategic mechanisms, including voluntary contributions from developers (e.g. in lieu of parking).

### Overview of Transit-Oriented Affordable Housing Development Guidelines

Metro Vancouver’s recently updated Regional Affordable Housing Strategy includes a direct focus on increasing the supply of non-market, low-end market and purpose-built market rental housing in transit-oriented areas and specifically within close proximity to Frequent Transit Networks. The Regional Affordable Housing Strategy outlines expectations for municipalities to implement regional planning goals and strategies, including the linkage between affordable housing and transportation.

Encouraging affordable housing along or near Frequent Transit Networks and transit-oriented areas can be approached by providing:

- **Parking Reduction:** Reduction or elimination of parking for affordable housing units in transit-oriented areas in exchange for rental units. The cost of parking is a considerable construction expense.
- **Density Bonus:** Increased density in exchange for rental units.
- **Land Acquisition:** Acquiring land near or along Frequent Transit Networks to contribute to affordable housing projects. **CNCL - 318**

### Ease of Implementation:



### Municipal Role:

- Formulate policies
- Communicate information
- Participate in regional transportation discussions
- Where applicable, acquire land along frequent transit networks (through a land acquisition policy)

### Other Roles:

- **Developers**—deliver units
- **Non-profit housing providers**—partner; secure and operate dedicated affordable units
- **Non-profit social service organizations**—partner and co-locate
- **Translink**—deliver transit services

- **Partnerships:** Create partnerships between developers, non-profit housing providers, the City, and Translink on transit-oriented development projects.

Generally, a transit-oriented affordable housing development policy could provide specific incentives to increase the supply of affordable housing in transit-oriented areas, specifically along or near Frequent Transit Networks. Partnerships between public and private sectors could help facilitate this process.

## **Approach and Actions**

### **Analysis to Richmond Context**

The City currently has a strong network of transit services, including rapid transit (Canada Line), with direct connection to Vancouver and networks that branch into Delta, New Westminister, Burnaby, Surrey, and White Rock. The City has already leveraged some areas by encouraging and successfully building transit-oriented hubs with mixed-use towers and podiums, particularly along No. 3 Road.

There is an opportunity for the City to build on successful transit-oriented development by prioritizing affordable housing development along the Canada Line in future projects, particularly non-market, low-end market rental, purpose-built market rental housing and potentially affordable homeownership units.

In addition, there is existing rental housing stock near Frequent Transit Networks, some of which are aging and under-utilized. There is an opportunity to redevelop some of these sites to replace and add to the rental stock with a transit-oriented lens, with units secured through housing agreements (to be addressed by the City's forthcoming Market Rental Policy).

### **Recommended Richmond Approach and Actions**

1. Prioritize, where applicable, the development of non-market, low-end market rental, purpose-built market rental and affordable homeownership units near or along Frequent Transit Networks.
2. Align with Metro Vancouver's Regional Affordable Housing Strategy's goal to increase the rental housing supply along Frequent Transit Networks. The Metro Vancouver's Regional Affordable Housing Strategy specifies "close proximity" as within 400 metres of non-rapid Frequent Transit Networks (bus) and within 800 metres of rapid transit (Canada Line).
3. Encourage diverse housing forms in proximity to Frequent Transit Networks including medium density ground-oriented housing in close proximity to station areas, and leverage sites that are under-utilized that could include affordable housing.
4. Prioritize density bonus value transfers to transit-oriented areas.
5. Establish transit-oriented inclusionary housing targets for purpose-built rental and housing that is affordable to very low and low-income households within close proximity of transit.
6. In keeping with Metro Vancouver's Regional Affordable Housing Strategy, provide incentives for new purpose-built rental housing located in transit-oriented locations to enable these developments to achieve financial viability. These incentives can include parking reductions or elimination, and density bonus value transfers.

7. Consider acquiring land located in close proximity to Frequent Transit Networks to contribute towards affordable housing projects (see use of City land for affordable housing).
8. Consider working with Metro Vancouver to identify opportunities for new capital funding options to increase the supply of affordable housing in transit-oriented areas.
9. Collaborate with the City’s Transportation Department to revisit parking requirements for LEMR units located along the Frequent Transit Network.

**Implementation Roles**

Municipality:

- Communicate and liaise with Metro Vancouver and Translink on development opportunities along Frequent Transit Networks in Richmond.
- Investigate land acquisition opportunities near or along Frequent Transit Networks.
- Communicate information to developers and non-profit housing societies on transit-oriented affordable housing development opportunities.

Development Community:

- Work with the City of Richmond to implement the transit-oriented development objectives.
- Partner, where appropriate, with non-profit housing societies on transit-oriented development opportunities.
- Deliver affordable housing units through partnership projects.

Non-Profit Housing Providers:

- Partner, where appropriate, with developers and the City on transit-oriented development opportunities.
- Manage and operate affordable housing units delivered through transit-oriented development projects either through long-term lease agreements or stratified ownership.

Metro Vancouver’s Frequent Transit Network is a network of corridors where transit service runs at least every 15 minutes in both directions throughout the day and into the evening, every day of the week. People traveling along Frequent Transit Network corridors can expect convenient, reliable, easy-to-use services that are frequent enough that they do not need to refer to a schedule. For municipalities and the development community, the Frequent Transit Network provides a strong organizing framework around which to focus growth and development.



**Ease of Implementation:****Municipal Role:**

- Establish expectations
- Communicate information
- Support pilot project

**Other Roles:**

- **Developers**—deliver units

## 17. Compact Living Rental Units (Micro-Units)

### Target Priority Group in Need

Low and moderate income singles, students and vulnerable singles who are able to live independently including persons who formerly experienced homelessness.

### Target Housing Gap

Purpose-built market rental housing and low-end of market rental housing for low and moderate income singles who are able to live independently.

### Context

Renters in Richmond are experiencing increasing challenges to find available and suitable rental housing affordable to their incomes. Low vacancy rates, increasing rents, applicant competition and limited new supply have intensified these challenges. For low and moderate income single-person households, finding an affordable rental unit that meets their needs in Richmond can be difficult. For some households, a small affordable rental unit, such as a micro-unit, could meet their housing needs.

Micro-units are typically built in multi-unit residential projects and can range between 225 to 350 square feet per unit. The units can be rented or owned as apartments or condos. Micro-units rented at market rates can be a cost-saving alternative to typical studio or one-bedroom rental units. Research indicates that tenants usually live between one to two years in a micro-unit until they can afford to graduate to a larger unit. This cycle demonstrates that micro-units are a “stepping stone” for households to get into the housing market. Given their size limitation, micro-units may not be adequate for couples, families or seniors.

A multi-unit residential project comprised of micro-units may achieve higher unit density on a site without increasing the height of a project, which can be a practical development alternative for Richmond given development height restrictions. Micro-units are a housing option that can increase the housing supply to a specific niche target population but are limited in their suitability and affordability.

### Overview of Micro-Unit Housing Policy

Municipalities across BC are increasingly exploring the concept of micro-unit housing as a cost-saving alternative for residents, for both market rental and condo homeownership options. Strong regulatory requirements have been utilized to implement micro-unit housing forms, such as specifying unit sizes and locations near transit and demographic demand from singles and students.

The limited square footage of micro-units can lead to tenants utilizing common and public spaces outside their respective unit to meet their livability needs. This includes onsite indoor and outdoor amenity space and public amenities. Municipalities have responded by encouraging micro-unit housing development to be located within close proximity to parks, recreation, transit, shopping and other amenities to off-set the space limitations of micro-units.



A micro-unit housing policy can also be complemented by design guidelines to improve livability of building and suite design, such as incorporating large/corner windows and providing onsite storage facilities. Other design considerations include flexibility so that two or more micro-units can be converted into a studio or one-bedroom unit in the future if required, providing adaptability to changing demographics and housing need in the community.

**Approach and Actions**

**Analysis to Richmond Context**

Micro-unit housing projects may be a specific housing form to meet the housing needs of low and moderate income singles in Richmond who are in need of rental housing.

Given their limited suitability to the target population of singles, including students, the City should consider cautiously introducing these units and monitor absorption and occupancy over time.

In collaboration with the City’s Planning and Development Department, the City should conduct a feasibility study on compact living rental units. This study should explore land use and community planning opportunities and challenges, necessary policy and regulatory change including location criteria. One option could be to introduce micro-units as lock off suites to provide flexibility to consumers.

**Recommended Richmond Approach and Actions**

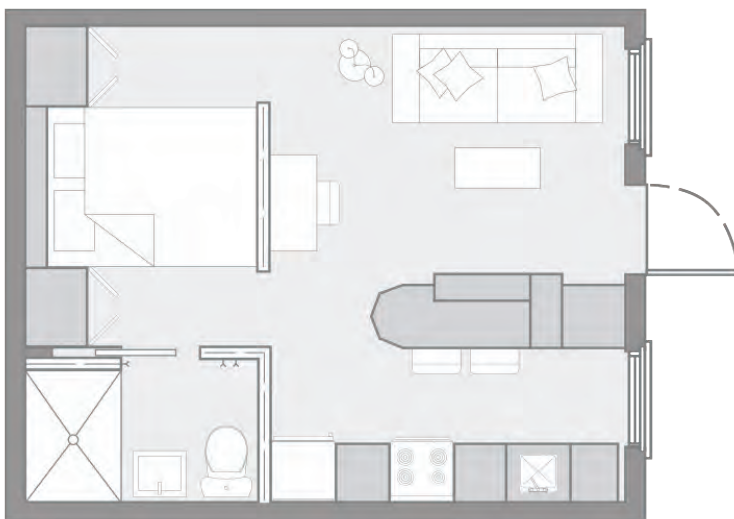
1. Consider developing a comprehensive planning study that examines the pros and cons of micro units, including a necessary policy and regulatory changes such as lock-off suites.

**Implementation Roles**

Municipality:

- Develop terms of reference and undertake a comprehensive planning study on micro rental units.

Micro-units in the City of Kelowna have a minimum 312 square foot unit size, and limited siting criteria including within urban areas, the University Village and within 400 metres of a bus stop.



Sample micro-unit layout in Kelowna project (Worman, 2016)



Sample lock-off suite



**Ease of Implementation:****Municipal Role:**

- Facilitate partnerships
- Establish expectations
- Communicate information
- Support pilot project
- Evaluate livability

**Other Roles:**

- **Non-profit housing providers**—partner; secure and operate dedicated affordable units

## 18. Encouraging Accessible Housing for Persons with Disabilities

### Target Priority Group in Need

Low and moderate income households with a disability, including seniors, couples and families that have one or more members of their household with a disability.

### Target Housing Gap

Supportive housing, non-market rental, low-end market rental, and affordable homeownership units for persons living with a disability.

### Context

Persons living with a disability were identified through consultation as experiencing significant challenges finding suitable, accessible, and affordable housing in Richmond across the entire housing continuum. Households that have a member of their family living with a disability have limited options that are affordable, accessible and large enough to accommodate family members.

The City currently has Basic Universal Housing standards to create more inclusive and accessible housing units for persons living with a disability. These standards have informed many housing development projects in Richmond and have positively contributed to the available housing stock. However, the majority of low-end market rental units secured with Basic Universal Housing are not rented to persons living with disabilities and there are concerns that these and other market units are not affordable to persons on disability income assistance.

### Overview of Encouraging Accessible Housing

The City has the opportunity to build on an already inclusive mobility-focused accessible housing practices and to explore ways to increase accessible units within affordable housing projects.

### Approach and Actions

#### Analysis to Richmond Context

Building on existing relationships with the health authority and other non-profit organizations focused on accessibility, the City can encourage more accessible housing forms through partnerships in new affordable housing projects.

#### Recommended Richmond Approach and Actions

1. Continue to foster relationships with Richmond based organizations and identify opportunities to collaborate and to obtain input into housing needs and design for short-term and long-term housing options for program participants.
2. Consider partnering with health authorities and other potential project partners where there are opportunities to incorporate units or other design features that meet accessible housing needs.
3. Facilitate potential partnerships with non-profit housing providers and developers in the pre-application and rezoning stages of development to ensure that some LEMR units are designed with adaptable features to accommodate priority groups in need (e.g. persons with disabilities).

## Implementation Roles

### Municipality:

- Facilitate relationship building, partnerships and communications with various organizations.

### Non-Profit Housing Providers:

- Work with the City to identify opportunities for partnerships.
- Partner, where appropriate, with various agencies and the City to deliver affordable housing projects that include the accessible units.
- Operate units secured through accessible projects, including managing tenant selection and intake process.

**Ease of Implementation:****Municipal Role:**

- Facilitate partnerships
- Contribute land

**Other Roles:**

- Non-profit organization (“The Community Land Trust”)—Agency and administrator
- Non-profit housing providers—Lease-holders and operators
- BC Housing—Project partner

Although the tenants, operators, funders and contracts for affordable housing buildings on Community Land Trusts change over time, the land is held in perpetuity for providing long term affordable housing in the community.

## 19. Community Land Trust

**Target Priority Group in Need**

Low and moderate income earners, including families, seniors, singles, couples, students, persons with disabilities and vulnerable populations.

**Target Housing Gap**

Non-market rental, low end market rental, purpose-built rental, and affordable homeownership for low and moderate income households. Shelters and transitional housing could be targeted, where appropriate.

**Context**

A key challenge to making housing affordable in Richmond is the significant and increasingly high cost of land. For both developers and non-profit housing providers, the cost of land directly influences capital and operating costs, maximum rent levels, and the number and types of units that can be secured in affordable housing projects.

High land costs also limits the impact of municipal financial contributions to support potential affordable housing projects, as the Affordable Housing Reserve Fund does not accumulate at the rate and volume needed to support multiple projects.

**Overview of Community Land Trust**

While land costs are fixed at market rates, there may be an opportunity to secure land through a Land Trust model that, over time, acquires and preserves land in perpetuity for affordable housing.

A Community Land Trust is a community-based model to secure land for the future development and preservation of affordable housing. Typically, a Community Land Trust is a non-profit agency that is created with the mandate to acquire and “bank land” to be leased over the long term to non-profit housing societies for operating affordable housing projects. A Community Land Trust can receive public or private land donations or government subsidies to purchase land in which affordable housing can be built. The banked land is held in trust by the community for the purpose of building and creating access to affordable housing and is not available for other development. The Community Land Trust provides exclusive use of their land to ground-lease holders, who own the structures via ground leases. The Community Land Trust retains a long-term option to repurchase the structures/improvements on the land.

This model helps to reduce the risk and prevents the loss of the affordable housing stock as it removes land from the market and holds it for affordable housing.

**Approach****Analysis to Richmond Context**

Land made available through a land trust could be used to target all priority groups and housing gaps, from singles to families and from affordable rental housing to affordable homeownership. The City may wish to explore various Community Land Trust models and consider their potential applicability to Richmond.

Overall, a local land trust has the potential to preserve and expand access to affordable housing in communities experiencing significant increases in land costs. A land trust initiative may be challenging, however with early investment and establishing a framework, a Land Trust model could eventually lead to a long-range reward in affordable housing stock in Richmond.

### Recommended Richmond Approach and Actions

1. Explore the feasibility of establishing a community-based Community Land Trust and its potential application in Richmond by taking into account the following considerations:
  - Governance, legal and administration structure.
  - Initial and long-term funding and operating structure, including potential tax exemptions and revenue generating uses.
  - Priority groups and project eligibility.

### Implementation Roles

#### Municipality:

- Prepare a terms of reference for preparing a comprehensive feasibility analysis of a community-based Community Land Trust

#### Non-Profit Housing Societies:

- Work with the City to identify opportunities for partnership with a potential community-based Community Land Trust to deliver and manage affordable housing projects.

The Vancouver Community Land Trust (VCLT) established in 2014 is the first community land trust in Metro Vancouver. The Land Trust is currently developing 358 units of housing on three sites in the City of Vancouver in partnership with the City of Vancouver, BC Housing, Vancity Credit Union, and several non-profit and co-operative housing providers, with occupancy expected in late 2017 to early 2018.



Incorporated in 1984, the Champlain Housing Trust (formerly the Burlington Community Land Trust) in Vermont has 2,200 rental leases and 565 affordable homeownership units in their portfolio. (Photo above: apartment in CHT's portfolio).

**Ease of Implementation:****Municipal Role:**

- Establish expectations
- Select administrator
- Engage potential funders

**Other Roles:**

- **Non-profit social service organization**—Administer rent bank program
- **Funding Partners**—Contribute funding

## 20. Rent Bank Program

**Target Priority Group in Need**

Low income earners, including families, seniors, students, persons with disabilities and vulnerable populations including persons at-risk of homelessness.

**Target Housing Gap**

Low-end market rental and purpose-built market rental housing.

**Context**

A rent bank is a financial assistance program that can make funds available to households who are at-risk of eviction due to inability to make rent. Funds can be used towards housing related costs such as rent and utility bills. Rent banks are typically operated by a non-profit society with financial contributions made by their respective municipality.

Temporary financial setbacks among vulnerable low-income households often result in households entering homelessness. A rent bank can help keep these households at-risk of homelessness remained housed.

**Overview of Rent Bank Program**

Most rent bank programs operate by providing no-interest loans, with the intention of having loans repaid by clients. However, a contingency is typically built into the program operations in case the loans are not paid back. In essence, these funds can function either as a loan or a grant, with funds serving as a loan if a client is able to repay or a grant if a client is unable to repay. This approach offers less risk to clients in need.

Accessing rent banks is especially important for low-income households who may not have access to credit during a short-term emergency crisis.

Typically, non-profit society staff will supervise the intake and approval of loans. They may also provide assistance with personal budgeting and financial literacy. Staff will follow-up on loan repayment and, in some cases, provide housing search assistance if current housing will remain unaffordable in the long-run. Rent bank staff may also negotiate with landlords, liaise with other relevant agencies, and provide information and referrals.

The role of the municipality is typically a financial contributor.

## **Approach and Actions**

### **Analysis to Richmond Context**

A rent bank program currently exists in Richmond for low-income seniors through Chimo Community Services. Other priority groups in need in Richmond may also benefit from a similar program.

### **Recommended Richmond Approach and Actions**

1. Undertake a review and best practice analysis of opportunities to support local rent bank initiatives

### **Implementation Roles**

Municipality:

- Undertake a review and best practice analysis of opportunities to work with non-profit organizations to support local rent bank initiatives.

Non-Profit and Social Service Organization:

- Operate local rent bank including administration of loans, personal budgeting and financial literacy support.





## V. Conclusion

Strategy Update, is a comprehensive policy review informed by research and consultation and outlines policy recommendations to guide the future planning of affordable housing in Richmond.

### Implementation Capacity

The review process looked at policies holistically, taking funding, existing City resources and municipal mandate and jurisdiction into consideration. The recommended policies will ensure that there is a balanced approach in the creation of more affordable housing in partnership with senior levels of government, non-profit housing providers, the development sector and service providers. It is recommended that the City evaluate and identify potential gaps in municipal resources including staffing in order to implement the recommended policies.

### Next Steps

The policy recommendations have been reviewed by staff and shared with select stakeholder to obtain feedback on potential opportunities and challenges for implementation. City staff will evaluate municipal resources necessary to implement the recommended policies and will present an implementation plan along with a draft Affordable Housing Strategy document (Phase 4).



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## **RICHMOND DRAFT AFFORDABLE HOUSING STRATEGY 2017 – 2027 PUBLIC ENGAGEMENT SUMMARY**

The Draft Affordable Housing Strategy 2017-2027 provides an implementation plan, with over 60 specific actions that respond to the 22 affordable housing policies endorsed by Council in July 2017. City staff encouraged the public and stakeholders to comment on the City's Affordable Housing Strategy 2017-2027's implementation plan and actions over the next 10 years. Feedback received helped to refine the implementation plan that is central to the final Affordable Housing Strategy 2017-2027.

### Consultation Platforms & Target Audience

The following consultation platforms were utilized to gain feedback from the public and key stakeholders including non-profit housing and service providers, the development sector, government and quasi-government organizations and non-profit service providers and community groups:

- Two open houses were held on January 30 and 31, 2018 (located at City Centre Community Centre and Cambie Community Centre) with two volunteer translators who spoke Mandarin and Cantonese in attendance;
- Let's Talk Richmond online survey (January 19 - February 4); and
- Background project information located on a dedicated City webpage.

### Engagement

- A total of 119 people participated in the online and paper surveys;
- A total of 60 people attended the open houses; and
- Over 70% of the respondents heard about the survey through an email sent by Let's Talk Richmond, 16% saw an ad on the newspaper, 7% read a news story about the survey in the local newspaper, and 7% heard about it through the City of Richmond website.

### Key themes from the Open Houses and Surveys

During the consultation period, many people who filled out the survey or attended the open houses expressed concerns that it is becoming more difficult for them to live in Richmond due to increasing rent and home prices. People who were born and raised in Richmond felt they could not afford to stay here. Younger families feel they have to move away and Richmond is losing the sense of community that attracted long-time residents to live here. As one example, a single mother stated she finds living in Richmond to be expensive but is reluctant to move because her support network is here.

The rest of the comments from the open houses and surveys are summarized into themes below.

| Theme  | Summary of Comments   |
|--|---|
| <b>General</b>   | In general, respondents expressed support for the Affordable Housing Strategy 2017-2027. However, many stressed that housing is an urgent issue that the City is facing now rather than 10 years later, and more focus should be placed on short-term actions in order to reduce the number of people leaving Richmond because of unaffordable housing prices/rent.   |
| <b>Family Friendly</b>   | Respondents highlighted the need for family-friendly units containing two and three bedrooms. Larger units benefit young families but also seniors wishing to downsize from single-family homes. Some would like to remain in Richmond to be close to their families and community, but would like more options besides a studio or one-bedroom apartment. Some respondents have asked for regulations that require new (strata) buildings to contain a minimum number of two and three bedroom units for families.   |
| <b>Accessibility/<br/>Co-location</b>  | In general, respondents are supportive of affordable housing to low-income people, especially seniors. Many respondents called for more affordable housing for low-income seniors in Richmond. Accessibility is also a main concern with some respondents emphasizing that seniors housing should be close to services so that seniors can run errands without need for cars or transit.  |
| <b>Cash-in-lieu and<br/>Low-end Market<br/>Rental (LEMR)</b>                 | In general, respondents are supportive of the LEMR policy but have expressed concerns that developers would always prefer the cash contribution option and would not build units. Some feared that non-market housing would be segregated in one neighbourhood and not located across Richmond. Others thought the proposed LEMR requirement and cash-in-lieu contribution rates could be further increased. Respondents indicated the importance of having a mix of unit types and tenures to create a socially and economically diverse community. One respondent and feedback from the non-profit housing sector also stressed that non-profit agencies should manage LEMR units to ensure the units are rented out to people who meet the eligibility criteria. |
| <b>Affordable<br/>housing<br/>tenancies</b>                                  | Some survey respondents indicated that affordable housing, including co-op housing and LEMR units, should be targeted for households in need. An audit process was recommended to ensure the tenants' household incomes match the criteria for affordable housing.  |
| <b>Foreign<br/>Ownership/<br/>Speculation/<br/>Empty Homes</b>               | Many respondents attributed the cause of the housing affordability crisis in Richmond to foreign ownership, speculation, and empty homes. Some respondents suggested a ban on the sale of properties to foreigners and non-residents and imposition of an empty homes tax. Other respondents requested limiting the sale of real estate to those who live and pay taxes in Canada. Some comments referenced the current ALR house size consultation process.  |
| <b>Density/<br/>Secondary<br/>Suite/<br/>Co-op Housing/<br/>Micro Suites</b> | Many respondents are supportive of greater densification in the City Centre and other areas of the city as well. Some respondents have mentioned densification of existing family homes to allow multi-generational housing. Others mentioned a need for more co-op housing, as well as micro housing with low rents (e.g. \$500) to allow young adults to move out of family homes. Some respondents would also like to see zoning changes to encourage the addition of secondary suites in single-family homes. There is a sense that respondents would like to see a diverse range of housing options to meet people's needs. However, some respondents noted how larger homes and greater density have changed the character of their neighbourhoods.           |
| <b>Supportive/<br/>Transitional<br/>Housing</b>                              | Some respondents would like to see the City address homelessness and provide more transitional and supportive housing.  |