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**To:** Planning Committee **Date:** July 6, 2015  
**From:** Cathryn Volkering Carlile **File:** 08-4057-01/2015-Vol  
General Manager, Community Services 01  
**Re:** **Proposed Secondary Suite Policy Affordable Housing Strategy Amendments  
for Single Family Subdivisions and Rezoning**

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
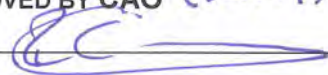
**Staff Recommendation**

1. That, as per the report titled “Proposed Secondary Suite Policy Affordable Housing Strategy Amendments for Single Family Subdivisions and Rezoning” dated July 6, 2015, from the General Manager, Community Services; the City’s existing Secondary Suite Policy, for all single family rezoning applications being subdivided through a rezoning application, where a density bonusing approach is taken in exchange for a higher density, be amended to require developers to either:
  - a) build a secondary suite on 100% of the single family lots subdivided through rezoning applications; or
  - b) build a secondary suite on 50% of the single family lots subdivided through rezoning applications and a cash-in-lieu contribution of \$2 per square foot per total buildable area to the Affordable Housing Reserve Fund from the remaining lot; or
  - c) provide a 100% cash-in-lieu contribution of \$2 to the Affordable Housing Reserve Fund for the total buildable area of single family lots subdivided through rezoning applications that cannot accommodate the provision of built secondary suites.
  
2. That single family rezoning applications received prior to Council’s adoption of the proposed policy, be processed under the existing Affordable Housing Strategy policies, provided the application is presented to Council for their consideration within 1 year of the effective date of the revised policy.

Cathryn Volkering Carlile  
General Manager, Community Services  
(604-276-4068)

Att. 2

**CNCL - 560**

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Development Applications Policy Planning	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO (DEPUTY)</b> 

## Staff Report

### Origin

The purpose of this report is to respond to the February 10, 2015 Council referral, for staff to seek stakeholder consultation and report back on the following proposed recommendations:

It was moved and seconded

- (1) *That as per the staff report titled “Interim Single Family Subdivision Rezoning Policy – Affordable Housing Considerations and Proposed Amendments”, dated January 16, 2015, from the General Manager, Community Services, the City’s secondary suite policy for single family rezoning applications, where the density bonusing approach is taken in exchange for a higher density, all the lots that are being rezoned, be amended to require developers to either:*
  - (a) *build a secondary suite on 100% of the single family lots subdivided through rezoning applications; or*
  - (b) *provide a built secondary suite on 50% of the single family lots subdivided through rezoning applications and a cash-in-lieu contribution of \$2 per square foot per total buildable area from the remaining lot(s); or*
  - (c) *provide a 100% cash-in-lieu contribution of \$2 per square foot per total buildable area on lots subdivided through rezoning applications that cannot accommodate the provision of built secondary suites; and*
- (2) *That the \$2 per square foot interim contribution rate be implemented and is subject to final adoption when the contribution rates for all development types identified in the report “Richmond Affordable Housing Contribution Rate and Reserve Fund Analysis” be adopted.*

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.*

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.*

## Analysis

### Current Policy

The City's 2041 Official Community Plan encourages the development of diverse densities, styles, types and tenures of housing, as well as exploring incentives and mechanisms to retain existing housing stock in established single family neighbourhoods.

Secondary suites are considered to be a form of market rental housing, which falls outside of the City's Affordable Housing Strategy. Secondary suite development is encouraged by the City through various approaches: proposed single family rezoning applications, new developments, conversions and the legalization of secondary suites.

The City adopted a secondary suite density bonusing approach for all proposed single-family residential rezoning applications received after July 1, 2007, which requires that:

- All single family lots being rezoned in order to facilitate a subdivision are required to ensure at least half (50%) of the new lots being created through the subdivision will include a single family dwelling with a secondary suite or coach house unit; or
- A cash-in-lieu contribution of \$1 per total buildable square foot on all new houses to be constructed is to be provided towards the Affordable Housing Reserve Fund.

In 2007, the City adopted amendments to the Zoning By-law to allow a single secondary suite in single family dwellings. The units can be part of a newly constructed house, part of a new renovation to an existing house, or be legalized as an approved secondary suite. A secondary suite can be defined as an additional dwelling unit located in and is part of a residential building that is a single real estate entity. The suite must not have more than 90m<sup>2</sup> (970 sq. ft.) of total floor space and less than 40% of the residential floor space of the building. To be legal, a secondary suite must be City inspected and upgraded as required to ensure code compliance.

Regarding existing secondary suite parking requirements, the existing bylaw (Zoning Bylaw 8500, section 5.4.1.j) states:

*...where a secondary suite is on a lot fronting an arterial road ... one additional on-site parking space must be provided for the exclusive use of the secondary suite, and the required on-site parking spaces for the single detached housing may be provided in a tandem arrangement with one parking space located behind the other.*

### Proposed Secondary Suite Policy Amendment Recommendation

In an effort to better meet local market rental housing and purpose-built affordable housing demand, the following option was recommended for Council's consideration with respect to the City's Single Family rezoning policy where the density bonusing approach is taken in exchange for a higher density.

#### Proposed Hybrid Contribution Option

It is proposed that, through a revised single family residential secondary suite density bonusing approach, in exchange for a higher density, developers are to either:

- a) provide a built secondary suite on 100% of the single family lots subdivided through rezoning application; or
- b) provide a built secondary suite on 50% of the single family lots subdivided through rezoning applications and a cash-in-lieu contribution of \$2 per square foot per total buildable area (double the amount of the existing policy) on the remaining lot; or
- c) provide a 100% cash-in-lieu contribution of \$2 per square foot per total buildable area on lots subdivided through rezoning applications that cannot accommodate the provision of built secondary suites.

The recommended option would continue to provide developers with built secondary suites choices, as well as for the City to collect funds for the City's Affordable Housing Reserve fund which would be utilized, as determined by Council to provide a range of affordable housing. The proposed option would:

- be applied to all neighbourhoods in the City,
- support development where only one secondary suite may be feasibly built (e.g., on smaller lot sizes or at locations that have challenges with parking, traffic, access or servicing impacts).

Staff recommend this proposed option, as a better balanced policy for the following reasons:

- requiring built secondary suites on subdivided lots creates an indirect benefit to affordable housing by increasing market rental unit supply, decreasing pressure on rent prices, and increasing unit availability and choice; and
- collecting affordable housing contributions from the remaining lot generates direct community benefit to affordable housing through Affordable Housing Reserve funds collected by the City and utilized to financially support other affordable housing development opportunities; such as, subsidized rental housing development for low income households.

The proposed policy, acknowledges the feedback received from developers, that not all lots can accommodate built secondary suites (e.g., due to lot size, location, access to parking, servicing requirements). In these cases, staff recommend that applicants be afforded the option of providing a 100% cash-in-lieu contribution.

If approved, the developer's choice to pursue either option a), b) or c) would be made by the developer, as part of their proposed single family rezoning application for Council consideration. The current rezoning considerations provide the flexibility for applicants to change their mind, prior to final adoption of the rezoning bylaw; staff recommend that this approach stay the same. Changes made after the final adoption of the rezoning bylaw would have to be resubmitted as an amendment or new application. Council would have final approval regarding what a developer is required to provide.

Staff Consultations with the Development Community

At its February 10, 2015 meeting, Council directed that staff seek stakeholder consultation regarding the proposed secondary suite recommendations put forward in the reports titled “Interim Single Family Subdivision Rezoning Policy – Affordable Housing Considerations and Proposed Amendments” and “Richmond Affordable Housing Contribution Rate and Reserve Fund Strategy Review – Recommendations for Stakeholder Consultation”.

Community Social Development and Planning and Development staff facilitated stakeholder consultations with representatives from the Urban Development Institute (UDI), Greater Vancouver Home Builders’ Association (GVHBA) and the Richmond Small Builders’ Group (attachments 1 and 2). Below are some of the key themes and staff responses:

Key Theme	Staff Response/Feedback
A flexible approach is needed, especially in cases where the lot is too small/suite is not viable.	Similar feedback was provided to staff during preliminary consultations in January 2015; staff recognized this challenge and incorporated a 100% cash-in-lieu option to allow for more flexibility.
Increasing costs of land and development: such as incorporating accessible design requirements, meeting and exceeding the updated Building Code regulations, and adding energy-efficient features.	Staff are aware of the increasing costs of development; however, the affordable housing contribution rates have not been updated since the Strategy’s adoption in 2007 and do not reflect current market conditions.
Density bonus approach: should be considered for providing secondary or family-oriented suites in new construction.	The approach has merit, but is not being pursued at this time.
Scaled rates: should consider charging higher fees/rates for houses of a certain size or larger (e.g. 7,000 sq.ft. and above).	The scaled rate approach also has merit, but is not being pursued at this time.
Location and transportation: rental housing and secondary suites should be located in close proximity to transit and amenities.	Metro Vancouver’s Regional Housing Strategy highlights the importance of proximity of rental housing (secondary suites included) to transit and amenities, and staff expect this to be addressed during the Housing Action Plan process.

Let’s Talk Richmond Survey

Affordable Housing staff also undertook online consultation with Richmond residents to gain a better understanding of secondary suites on neighbourhoods and the impacts of increasing the supply of secondary suites. Staff utilized the Let’s Talk Richmond survey tool, which was live for three weeks.

Participants were asked to provide demographic information, such as: age, if they rent or own their homes, annual household income and postal code. Participants were then asked to provide their thoughts on:

- Secondary suites in their neighbourhood
- Outcomes of increasing the number of secondary suites in their neighbourhood

- Increasing housing affordability in their neighbourhood
- Affordable housing in Richmond

There were a total of 58 responses to the survey. Of the survey participants, 81% were homeowners and 19% were renters, and they were generally supportive of secondary suites in their neighbourhood.

Below are the some of the key issues participants raised and staff responses:

Key Themes	Staff Responses
Parking and increased traffic may occur.	Planning & Development and Community Services staff have received minimal complaints regarding parking and traffic in neighbourhoods where secondary suites are prevalent. Staff will continue to monitor this area and address concerns if necessary.
Increased foreign ownership and unoccupied vacant homes may be a concern.	The Manager of Economic Development provided a memo to Mayor and Council (dated June 22, 2015) providing information on housing concerns and vacant homes.
Increased and undesirable density may occur, as well as a higher turnover of residents.	Through local area planning processes, these issues will continue to be examined and addressed.
Concerns around tearing down older homes and building "mega mansions".	Planning & Development staff are currently working on addressing this concern.
Concerns around changes to neighbourhood appearance and character.	Secondary suites are contained within a single family home and not typically visible. Single family homes are regulated through City zoning bylaw requirements.
Family friendly suites are needed – secondary suites may be too small to accommodate.	Staff recognize the need for family-friendly suites and are actively engaged in securing larger low end market rental units in new multi-family developments through the Affordable Housing Strategy.
More enforcement around legalization of secondary suites is needed	Staff continue to respond on a complaints basis to issues regarding secondary suites.
Suites should be in close proximity to transit	Metro Vancouver's Regional Housing Strategy highlights the importance of proximity of rental housing (secondary suites included) to transit and amenities, and staff expect this to be addressed during the Housing Action Plan process.
More rental housing options (e.g. purpose-built rental, co-ops) are needed	The City continues to work in partnership with the private sector in securing rental units in larger multi-family developments.

Implementation

Staff recommend that:

- The proposed secondary suite single family affordable housing contribution rates policy be effective once Council adopts them;
- The proposed policy not be applied to rezoning applications that are currently under staff review, provided that they are presented to Council within 1 year of the effective date of the revised policy; and
- Any new single family rezoning applications received after the effective date of the approval of the proposed policy, be subject to the new policy.

The recommended increased rates for all developments is outlined in the report titled “Affordable Housing Contribution Rate and Reserve Fund Analysis – Final Recommendations for Adoption”, also appearing on this agenda. The report includes the results of stakeholder consultations and recommendations for adoption of the rates for all developments. Staff recommend that the \$2 per square foot rate be implemented when all rates are adopted.

### **Financial Impact**

If approved, staff anticipate that the proposed recommendations will generate both built secondary suites and cash contributions to the City’s Affordable Housing Reserve Fund to support a range of more built affordable housing.

### **Conclusion**

The City of Richmond Council, developers and residents, while committed to assist meeting City residents’ affordable housing needs, cannot do it alone, as it is expensive to do so, and is largely influenced by: non-City macro-economic conditions, market interest rates and inflation, senior government housing and incentive tax policies, corporate and private income, migration and employment conditions.

Therefore, it remains important for City policies to encourage a diverse supply of attainable market and affordable housing options to meet current and future housing need based on demand. This helps to generate a balanced approach of development at all points of the housing continuum, while supporting housing policy advancement at all levels of government. It is in this context that staff propose the recommended single family secondary suite recommendations.



Joyce Rautenberg  
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- Att. 1: Stakeholder Consultation Summary – Representatives from Richmond Small Builders Group and Greater Vancouver Home Builders Association
- 2: Stakeholder Consultation Summary – Representatives from the Urban Development Institute



## Richmond's Small Builders' Group (RSBG) and Greater Vancouver Home Builders Association Stakeholder Consultation – Affordable Housing Strategy Update

Topic: Affordable Housing Contribution Rates and Single Family Rezoning Application Considerations

Date of Consultation: March 11, 2015

### Purpose:

The purpose of this report is to summarize:

- RSBA and GVHBA members' comments regarding the proposed Affordable Housing Contribution Rates and Single Family Rezoning Application Considerations, and
- City staff responses to their comments were addressed within the context of the existing Affordable Housing Strategy and the City's current updating process.

<b>1. Challenges and Questions Identified by Participants:</b>
<ul style="list-style-type: none"> <li>• Clarification that this policy and proposed contribution rates apply to subdivisions/rezonings only</li> </ul>
<ul style="list-style-type: none"> <li>• As proposed, the policy will be applicable regardless of lot sizes</li> </ul>
<ul style="list-style-type: none"> <li>• There should be a flexible approach in case lot is too small or a suite is not viable</li> </ul>
<ul style="list-style-type: none"> <li>• How were the proposed rates developed? <ul style="list-style-type: none"> <li>– The analysis shows the rate of return, includes cost, loans, interest</li> <li>– The recommended rates were predicated on developers getting an acceptable rate of return</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• Single family and townhouse rates appear to have doubled, why haven't apartment rates? <ul style="list-style-type: none"> <li>– \$6 appears to be the cap; anything more would be a pinch</li> <li>– With larger apartment developments, there are more carrying costs (e.g. rezoning process is longer)</li> <li>– The analysis also looked at various housing types in neighbourhoods all over Richmond</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• There are many costs associated with development: going towards accessible design, meeting and exceeding updated Building Code regulations, adding in solar panels and other energy efficient features → this all adds to the cost of development and construction</li> </ul>
<ul style="list-style-type: none"> <li>• It is really important to consider the big picture and all the costs</li> </ul>
<ul style="list-style-type: none"> <li>• Greater Vancouver Home Builders' Association (GVHBA) is doing a study of all associated costs with building and construction</li> </ul>
<ul style="list-style-type: none"> <li>• Does Richmond have a rental program? Similar to City of Vancouver's STIR (Short-Term Incentives for Rental) or Rental 100 program? <ul style="list-style-type: none"> <li>– Purpose-built rental projects contribute overall to affordability in Richmond, but are outside of the Affordable Housing Strategy's scope</li> <li>– Affordable Housing staff are working with Policy Planning staff to develop a market rental policy; this could increase housing stock as a whole</li> </ul> </li> </ul>
<b>2. RSBA and GVHBA Responses to Consultant's Proposed Rates, Managing Affordable Housing Reserve Fund and Impacts of Proposed Interim Single Family Rezoning Policy</b>
<ul style="list-style-type: none"> <li>• How are the funds used? How long does it take for the funds to be used? <ul style="list-style-type: none"> <li>– Funds are directed to the City's Affordable Housing Reserve Fund and used for capital grants that cover non-profit's development cost charge (DCC)/permit/servicing costs fees</li> <li>– Non-profits can leverage the grant funds to get financing for construction/projects</li> <li>– The City would fund 20%, with project partners funding 80%</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• How do Richmond's rates compare with other municipalities?</li> </ul>

<ul style="list-style-type: none"> <li>- Richmond is unique – the only city with dedicated affordable housing contributions instead of a broad community amenity contribution (CAC)</li> </ul>
<ul style="list-style-type: none"> <li>• What about industrial developers? Local Government Act allows only for residential density bonusing</li> </ul>
<ul style="list-style-type: none"> <li>- Should look into a mechanism – commercial spaces generate jobs and there is a need for workforce housing</li> </ul>
<ul style="list-style-type: none"> <li>• There should be density bonuses for building a suite, this helps the rental market and ensures that home sizes will not be affected</li> </ul>
<ul style="list-style-type: none"> <li>• Density bonuses could be applied for family-oriented suites</li> </ul>
<ul style="list-style-type: none"> <li>• Should consider bumping up fee for houses of a certain size or larger (e.g. 7000 sq.ft.) for households that can afford to pay and don't want to include a suite</li> </ul>
<ul style="list-style-type: none"> <li>• Should consider an incentive-based approach: incentives for smaller lots, mid-size lots, larger lots → scaled approach</li> </ul>
<ul style="list-style-type: none"> <li>• Need to keep location and transportation in mind: rental housing needs to be in close proximity to transit and amenities</li> </ul>
<ul style="list-style-type: none"> <li>• Lot size policy “protects” single family homes in interior neighbourhoods, rezoning mostly occur on arterial roads</li> </ul>
<ul style="list-style-type: none"> <li>• Concern in certain neighbourhoods over secondary suites because of location</li> </ul>
<ul style="list-style-type: none"> <li>• There are currently no mechanisms to enforce secondary suites – no enforcement of renting the suite out, no rent caps and not secured in perpetuity</li> </ul>
<ul style="list-style-type: none"> <li>• Going back to rates – the original rates were developed in 2006 and were closer to \$2 → the current rates were a compromise (e.g. \$1/ sq. ft. in single family rezoning)</li> </ul>
<ul style="list-style-type: none"> <li>• What is next? Feedback will be presented to Council and going forward, builders will be able to choose from the 3 options</li> </ul>
<ul style="list-style-type: none"> <li>• Builders understand the need for increasing the rates and recognize that the rates cannot stay static</li> </ul>
<b>3. <u>Current Market Condition Challenges Identified by Participants:</u></b>
<ul style="list-style-type: none"> <li>• Concerned about increasing costs of new demolition and recycling program, also increased DCC (would like to know how much they will increase by)</li> </ul>
<ul style="list-style-type: none"> <li>• Land values are extremely high and the end product is not selling at a comparable price</li> </ul>
<ul style="list-style-type: none"> <li>• Housing is becoming more complex to build</li> </ul>
<ul style="list-style-type: none"> <li>• Regulations keep increasing and costing more, especially with energy efficiency</li> </ul>
<ul style="list-style-type: none"> <li>• Many builders choose to build above code, which is also costly</li> </ul>
<ul style="list-style-type: none"> <li>• It is hard to build housing for people who do not qualify for affordable housing</li> </ul>
<ul style="list-style-type: none"> <li>• Currently, builders have to construct custom homes to make money</li> </ul>
<ul style="list-style-type: none"> <li>• Some builders are trying to shift to multi-family construction because single family homes are expensive and challenging to recoup costs</li> </ul>
<ul style="list-style-type: none"> <li>• Land values make single family construction not a viable career option</li> </ul>
<ul style="list-style-type: none"> <li>• Land prices and scarcity of land are biggest challenges</li> </ul>
<ul style="list-style-type: none"> <li>• If you allow subdivisions, it means less neighbourhood change – if lot sizes do not change, the houses become larger and larger</li> </ul>
<ul style="list-style-type: none"> <li>• If the policy is only applied one way (e.g., flat rate), it may not capture the nuances of the market</li> </ul>
<ul style="list-style-type: none"> <li>• What is the alternative? Do an analysis on every single rezoning application (which would require staff resources or external consultants) which would slow down the process to a halt</li> </ul>
<ul style="list-style-type: none"> <li>• Incomes cannot meet the costs of single family homes</li> </ul>

- There is no entry level housing in Richmond

#### 4. City Staff Suggested Next Steps

- For builders and development community stakeholders that were unable to attend, a survey will be sent out for feedback
- The Groups are interested in hearing feedback from Richmond residents through Let's Talk Richmond tool

## UDI Stakeholder Consultation – Affordable Housing Strategy Update

**Topic: Affordable Housing Contribution Rates and Single Family Rezoning Application Considerations**

**Date of Consultation: March 10, 2015**

### Purpose:

The purpose of this report is to summarize:

- UDI members' comments regarding the proposed Affordable Housing Contribution Rates and Single Family Rezoning Application Considerations, and
- City staff responses to their comments were addressed within the context of the existing Affordable Housing Strategy and the City's current updating process.

<b>1. Challenges and Questions Identified by UDI Participants:</b>
<ul style="list-style-type: none"> <li>• What are the total costs of development?</li> <li>• Would like a complete picture of community amenity contributions (e.g., affordable housing, childcare, public art, connecting to District Energy Utility system, etc)</li> </ul>
<ul style="list-style-type: none"> <li>• Are current DCC rates taken into account?</li> <li>• What about the upcoming DCC increase this year in 2015?</li> </ul>
<ul style="list-style-type: none"> <li>• Important to have transparency</li> </ul>
<ul style="list-style-type: none"> <li>• Consultant chose a fixed rate approach so that developers can anticipate costs in advance</li> </ul>
<ul style="list-style-type: none"> <li>• As the building size/number of units increase, the list of requirements becomes longer</li> </ul>
<ul style="list-style-type: none"> <li>• There should be a periodic review of Affordable Housing rates</li> </ul>
<ul style="list-style-type: none"> <li>• What costs end up being passed on to homebuyers?</li> </ul>
<ul style="list-style-type: none"> <li>• How will these charges impact land values?</li> <li>• Concerns around costs and risks with rezoning, and whether increased rates will deter development or decrease the number of units being sold</li> </ul>
<ul style="list-style-type: none"> <li>• There needs to be a balance between the recommended rate and potential (maximum rate)</li> </ul>
<ul style="list-style-type: none"> <li>• Rezoning process: takes a long time, if applications were processed in a shorter time frame, this would decrease carrying costs during rezoning</li> <li>• Currently rezoning takes 1 year</li> </ul>
<b>2. Stakeholder Comments on Financing Affordable Housing &amp; Affordable Housing Targets</b>
<ul style="list-style-type: none"> <li>• There needs to be clarity on all costs associated with development <ul style="list-style-type: none"> <li>○ Community amenity contributions (CACs) should be derived from meaningful explanation on what City wants to achieve</li> <li>○ Should be similar to the DCC review process</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• What is a reasonable expectation of what Richmond can provide, in terms of affordable housing?</li> </ul>
<ul style="list-style-type: none"> <li>• Clarify: Targets will based on a 20/80 split (City could meet target number of units while contributing 20% of costs, while 80% would be taken on by partner, e.g. senior government)</li> </ul>
<ul style="list-style-type: none"> <li>• It is not realistic to expect the City to meet all housing needs without senior government funding/intervention</li> </ul>
<ul style="list-style-type: none"> <li>• Should look at alternative financing/perspectives: <ul style="list-style-type: none"> <li>○ Municipal levy (example in Seattle)</li> <li>○ Comparing costs of homelessness and providing housing; costs less to provide housing</li> <li>○ Working with developers and the City being open to innovation</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>• How to fill the gap of affordable housing provision? There is a modest amount of federal and provincial funding, there needs to be more partnership with the development community</li> </ul>

<ul style="list-style-type: none"> <li>○ For example, the devolution of assets (expiry of operating agreements with respect to co-ops, social housing stock)</li> </ul>
<ul style="list-style-type: none"> <li>○ Provincial government provides mostly financing for projects, limited capital funding</li> </ul>
<ul style="list-style-type: none"> <li>○ Development community could work with co-ops and societies to do an economic analysis, assess viability of development and explore partnership opportunities</li> </ul>
<ul style="list-style-type: none"> <li>○ Responses need to be flexible and creative</li> </ul>
<b>3. UDI Responses to Consultant's Proposed Rates and Managing The Affordable Housing Reserve Fund</b>
<ul style="list-style-type: none"> <li>● Increased rates: \$1 → \$2 for single family rezoning; \$2 → \$4 for townhouse developments; \$4→\$6 for apartment buildings with less than 80 units</li> </ul>
<ul style="list-style-type: none"> <li>● How to create rates to meet achievable targets? <ul style="list-style-type: none"> <li>○ If targets are realistic, a target driven approach could be rolled out and scaled over time (according to market conditions)</li> <li>○ There needs to be a periodic review of these rates so the increases are gradual, not a spike</li> <li>○ Calculate the ratio that represents population growth and target number of units to meet the housing demand</li> <li>○ Consultants took on a reverse analysis, identified what percentage of targets could be met</li> <li>○ Targets are based on Metro Vancouver's Estimated Housing Demand (Richmond numbers)</li> <li>○ Asked the City to determine more achievable targets</li> <li>○ City is currently exceeding subsidized rental and low end market rental (LEMR) targets (Priority 1 and 2 of the Affordable Housing Strategy) – 50 units per year for subsidized rental and 95 units per year for LEMR</li> <li>○ Falling behind on affordable rent- to-own targets (Priority 3)</li> <li>○ There should be a distinction between need (which will always be there) and target (something achievable)</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● Staff should keep an eye out for creative opportunities (e.g. similar to Kiwanis) <ul style="list-style-type: none"> <li>○ Could partner with co-ops, non-profits and developers, as well as with Dev Apps/Policy Planning departments to facilitate these innovative opportunities</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● More thought should be applied to single family rezoning rates <ul style="list-style-type: none"> <li>○ Could be scaled based on lot size, attach rate to lot size (not house size/floor area)</li> <li>○ If rezoning could allow for smaller lots, more affordable homes could be achieved and more opportunities to generate funds for the Affordable Housing Reserve Fund</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>● What about innovative approaches like the City of Vancouver and the Vancouver Housing Authority? <ul style="list-style-type: none"> <li>○ City could use funds to purchase land and work with developer to build housing (e.g. Storeys Development site located at 8111 Granville/8080 Anderson Road)</li> </ul> </li> </ul>
<b>4. City Staff Suggested Next Steps</b>
<ul style="list-style-type: none"> <li>● Information about the next Dialogue Panel (clarify whose panel is this? ) will be circulated (the topics will be asset transfer and expiry of operating agreements)</li> </ul>
<ul style="list-style-type: none"> <li>● Affordable Home Ownership Policy Update will take place as part of overall Strategy update – development community is interested in this topic</li> </ul>
<ul style="list-style-type: none"> <li>● Consider further discussion of density bonusing on small lots</li> </ul>
<ul style="list-style-type: none"> <li>● Could ask for provision of secondary suites in new homes in exchange for density bonus</li> </ul>