



**City of
Richmond**

Report to Committee
Planning and Development Division

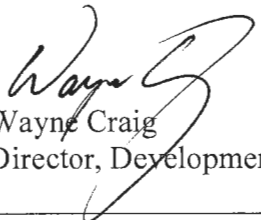
To: Planning Committee
From: Wayne Craig
Director, Development

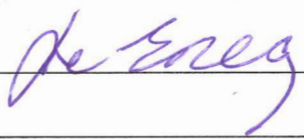


Date: November 14, 2017
File: 08-4057-05/LA-Vol 03

Re: Amendments to Richmond Zoning Bylaw 8500 to Implement 2017 Affordable Housing Requirements

Staff Recommendation

That Richmond Zoning Bylaw 8500, Amendment Bylaw 9760, to update the affordable housing contribution rates and requirements for residential zones, and to increase the density bonus provision for the Downtown Commercial 1 (CDT1) zone, be introduced and given first reading.


Wayne Craig
Director, Development

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Affordable Housing Policy Planning	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

On July 24th, 2017, Council endorsed the Affordable Housing Strategy's final policy recommendations, which included:

- an increase in affordable housing cash-in-lieu contribution rates for single family, townhouse and apartment housing at time of rezoning;
- an increase in the built unit contribution for low-end market rental units in apartment developments, from 5% to 10% of the total residential floor area; and
- a reduction in the threshold for requiring built-units in apartment developments, from more than 80 units to more than 60 units.

Council also approved provisions for in-stream development applications subject to affordable housing contribution requirements. In-stream applications considered by Council prior to July 24, 2017 would be processed under the previous Affordable Housing Strategy policies provided that the application was presented to Council for consideration within one year.

This report presents housekeeping amendments to Richmond Zoning Bylaw 8500 to update the relevant sections of the bylaw which reference affordable housing requirements per endorsed changes to the Affordable Housing Strategy.

This report supports the following Council 2014-2018 Term Goal:

Goal #3 – A Well-Planned Community:

Adhere to effective planning and growth management practises 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 also supports the Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

Strategic Direction #1: Expand Housing Choices

Analysis

Affordable Housing Strategy

The Affordable Housing Strategy (AHS) and the Affordable Housing Reserve Fund Policy 5008 form the City's policy framework to secure affordable housing contributions through development. The City's approach balances securing cash contributions to support the creation of non-market rental units and to administer the strategy, with securing low-end market rental built units in developments. The affordable housing reserve funds are also used to meet specific

housing and support needs of priority groups, as established by Council.

A review of the affordable housing contribution rates undertaken through the Affordable Housing Strategy update determined that existing cash-in-lieu contribution rates were not equal to the value of built units. The increased rates for cash-in-lieu recommended to Council and adopted on July 24th, 2017 are more reflective of the actual value of built units.

New Affordable Housing Contribution Rates as Endorsed by Council

The new affordable housing contribution rates approved by Council on July 24th, 2017 are shown in Figure 1, below. The rates that applied previously are also shown.

Figure 1: Comparison of Affordable Housing Contribution Rates

Comparison of Affordable Housing Contribution Rates		
Land Use	Rate as per July 24, 2017	Previous Rate (effective Sept. 24, 2016)
Single Family	\$4 per square foot	\$2 per square foot
Townhouse	\$8.50 per square foot	\$4 per square foot
Wood-frame apartment and mixed-use developments involving 60 units or fewer	\$10 per square foot	\$6 per square foot for any apartment or mixed-use development involving 80 units or fewer
Concrete apartment and mixed-use developments involving 60 units or fewer	\$14 per square foot	\$6 per square foot for any apartment or mixed-use development involving 80 units or fewer

Affordable housing cash-in-lieu contribution rates apply when the actual construction of affordable housing (AH) units is not required. For example, townhouse developments are not required to build AH units in order to utilize the density bonus specified in the zone. Instead, cash contributions based on the rate applicable to the type of development are provided by the developer for the Affordable Housing Reserve Fund. The accumulated funds are used to support AH projects in Richmond, such as the Storeys Development and the Kiwanis Towers.

Along with the increase in rates described above, Council approved a decrease in the size of apartment project that triggers the requirement for a built unit contribution, from more than 80 to more than 60 units. At the same time, Council approved an increase in the built floor area contribution for apartment projects from 5% to 10% where built units are required.

Proposed Zoning Bylaw Amendment

The zoning amendments required to implement the affordable housing updates approved by Council have been grouped into three categories for ease of reference and are described below.

Amendments to Affordable Housing Cash-in-Lieu Contribution Rates

The affordable housing cash-in-lieu contribution rates are outlined in Section 5.15 of Richmond Zoning Bylaw 8500. Section 5.15 currently includes two affordable housing rate tables, each of which refers to the applicable zones and the accompanying sum per buildable square foot, and parameters as to which table is applicable to a development project (Attachment 1).

The first table (Section 5.15.1) reflects the initial cash-in-lieu contribution rates that were implemented in 2007 upon adoption of Richmond's first Affordable Housing Strategy:

- \$1 - 4 per square foot, depending on land use;
- These rates continue to apply to residential developments that were considered by Council (e.g., received first reading) before September 24th, 2016;
- There are 39 in-stream rezoning applications that are still eligible to proceed based on these (2007) lower affordable housing rates.

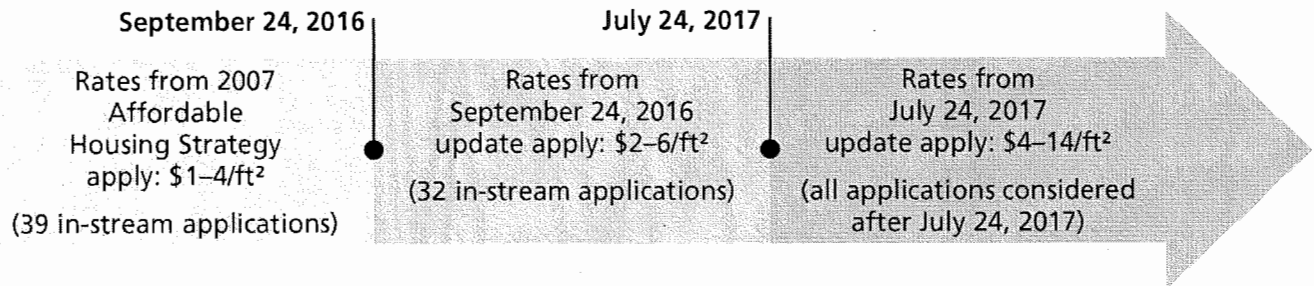
The second table (Section 5.15.1A) reflects the cash-in-lieu contribution rates that were adopted by Council on September 24th, 2016: This was the first update to the rates since 2007:

- \$2 - 6 per square foot, depending on land use;
- These rates continue to apply to residential developments that were considered by Council (e.g., received first reading) after September 24, 2016;
- There are 32 in-stream rezoning applications that are still eligible to proceed based on these (2016) affordable housing rates.

A third table is required to be inserted into the Zoning Bylaw to reflect the changes that Council approved on July 24th, 2017. This table would state that any rezoning application where an affordable housing contribution is required and where Council considered the rezoning bylaw after July 24th, 2017, would be subject to the most recent (and higher) rates.

If the existing tables were simply amended or eliminated to reflect the new affordable housing contribution rates adopted by Council, any in-stream rezoning bylaws reflecting the older rates and already considered by Council would not be able to be adopted as they would be inconsistent with the Zoning Bylaw. The agreed-to rezoning considerations of these applications would need to be amended and approved by Council to reflect the newly adopted rates.

Figure 2, below, shows the affordable housing cash-in-lieu rates over time and how they apply to in-stream applications.

Figure 2: Applicability of Affordable Housing Cash-in-Lieu Rates Over Time

Amendments to Affordable Housing Built Unit Threshold

Zoning Bylaw 8500, Amendment Bylaw 9760 also proposes amendments to five existing residential zones to reflect the recommendations endorsed on July 24th, 2017:

- Reduce the threshold for requiring built units in apartment development projects from more than 80 units to more than 60 units; and
- Increase the built unit contribution for apartment development projects from 5% to 10% of the total residential floor area of the building.

These zones are:

- Low Density Low Rise Apartments (RAL1, RAL2);
- Medium Density Low Rise Apartments (RMA1, RAM 2, RAM3);
- High Density Low Rise Apartments (RAH1, RAH2);
- Downtown Commercial (CDT1, CDT2, CDT3); and
- Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5).

Amendments to the Downtown Commercial (CDT1) Zone to Increase the Density Bonus Provision

An additional amendment to Section 9.3, the Downtown Commercial (CDT1) zone, will increase the density bonus provision from 0.15 to 0.30. As there are already a number of sites zoned CDT1 in the City Centre, there are challenges to securing affordable housing contributions through Development Permits. The proposed changes to the Zoning Bylaw are an incentive to developers to both achieve the base density and contribute to affordable housing without impacting project feasibility. In addition to the density bonus incentive, the City will continue to consider parking reductions on CDT1 zoned sites provided affordable housing units are provided in the project. Amendments to the CDT1 zone will enable applications already under review by the City to achieve a 0.15 floor area density bonus and contribute only 5% of the total floor area for affordable housing.

Public Consultation

The public will have an opportunity to comment on the proposed amendments at the Public Hearing. Public notification for the Public Hearing for Zoning Bylaw 8500 Amendment Bylaw 9760 as presented in this report will be provided per the *Local Government Act*.

Financial Impact

The proposed amendments to Richmond Zoning Bylaw 8500 will ensure that Council-endorsed affordable housing cash-in-lieu contribution rates and built units are secured through in-stream and new rezoning applications, and will capture contributions for sites pre-zoned CDT1.

Conclusion

The Council-endorsed rates for affordable housing contributions secured through development applications are proposed to be adopted within the Richmond Zoning Bylaw 8500. This bylaw amendment will:

- Update the rates table and effective dates for new and in-stream applications in Section 5.15,
- Reduce the unit threshold for apartment housing from more than 80 to more than 60,
- Increase the built unit contribution for apartments from 5% to 10% of the total building floor area, and,
- Increase the density bonus provision for the Downtown Commercial (CDT1) zone.

It is recommended that Richmond Zoning Bylaw 8500, Amendment Bylaw 9760 be introduced and given first reading.



Barry Konkin
Program Coordinator, Development
(604-276-4138)



Jeanette Elmore
Planner 2, Policy Planning
(604-247-4660)

JE:cas

Attachment 1: Section 5.15 of the Richmond Zoning Bylaw 8500

5.15 Affordable Housing

5.15.1 Where an amendment to this bylaw was considered by **Council** before September 24, 2016, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used: [Bylaw 9641, Jan 16/17]

Zone	Sum Per Buildable Square Foot of Permitted Principal Building	<small>[Bylaw 9641, Jan 16/17]</small>
RS2/A-K	\$1.00	
RC2	\$1.00	
ZS21	\$1.00	
ZS22	\$1.00	
RI2	\$2.00	
RTL2	\$2.00	
RTL4	\$2.00	
RTM2	\$2.00	
RTM3	\$2.00	

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RTH1	\$2.00
RTH2	\$2.00
RTH3	\$2.00
RTH4	\$2.00
RTP1	\$2.00
RTP2	\$2.00
RTP3	\$2.00
RTP4	\$2.00
RAL2	\$4.00
RAM2	\$4.00
RAM3	\$4.00
RAH1	\$4.00
RAH2	\$4.00
CDT2	\$4.00
RCL2	\$4.00
ZHR6	\$4.00
ZR7	\$2.00
ZMU19	\$4.00
ZMU20	\$4.00
ZMU21	\$4.00
ZMU22	\$4.00
ZMU24	\$4.00
ZMU26	\$4.00
ZT70	\$2.00
ZS23	\$1.00
ZLR26	\$2.00 for housing, town , \$4.00 for housing, apartment

[Bylaw 9641, Jan 16/17]

For the purposes of Section 5.15.1, buildable square foot is the maximum **floor area ratio** and excludes the items not included in the calculation of **density** (e.g., **enclosed parking**; unenclosed **balconies**; common stairwells and common elevator shafts; etc.). [Bylaw 9641, Jan 16/17]

5.15.1.A Where an amendment to this bylaw is considered by **Council** after September 24, 2016, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used. [Bylaw 9641, Jan 16/17]

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$2.00
RC2	\$2.00
ZS21	\$2.00
ZS22	\$2.00
RI2	\$4.00
RTL2	\$4.00
RTL4	\$4.00
RTM2	\$4.00
RTM3	\$4.00
RTH1	\$4.00
RTH2	\$4.00
RTH3	\$4.00
RTH4	\$4.00
RTP1	\$4.00
RTP2	\$4.00
RTP3	\$4.00
RTP4	\$4.00
RAL2	\$6.00
RAM2	\$6.00
RAM3	\$6.00
RAH1	\$6.00
RAH2	\$6.00
CDT2	\$6.00
RCL2	\$6.00
ZHR6	\$6.00
ZR7	\$4.00
ZMU19	\$6.00
ZMU20	\$6.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building	[Bylaw 9641, Jan 16/17]
ZMU21	\$6.00	
ZMU22	\$6.00	
ZMU24	\$6.00	
ZMU26	\$6.00	
ZT70	\$4.00	
ZS23	\$4.00	
ZLR26	\$4.00 for housing, town , \$6.00 for housing, apartment	
ZMU33	\$4.00	[Bylaw 9558, May 23/17]

For the purposes of Section 5.15.1A, buildable square foot is the maximum **floor area ratio** and excludes the items not included in the calculation of **density** (e.g., **enclosed parking**; unenclosed **balconies**; common stairwells and common elevator shafts; etc.). [Bylaw 9641, Jan 16/17]



**Richmond Zoning Bylaw 8500
Amendment Bylaw 9760
(Affordable Housing Rates and Requirements)**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 5.15 [Affordable Housing] by deleting Sections 5.15.1 and 5.15.1.A in their entirety and substituting them with new Sections 5.15.1, 5.15.1(a), 5.15.1(b) and 5.15.1(c) as set out in Schedule “A” attached hereto and forming part of Bylaw 9760.
2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.10 [Low Density Low Rise Apartments (RAL1, RAL2)] by:
 - a) amending Section 8.10.4.3(a) by deleting the reference to “80” and replacing it with “60”;
 - b) amending Section 8.10.4.3(b) by deleting the reference to “80” and replacing it with “60”; and
 - c) amending Section 8.10.4.3(b) by deleting the reference to “5%” and replacing it with “10%”.
3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.11.4 [Medium Density Low Rise Apartments (RAM1, RAM 2, RAM3)] by:
 - a) amending Section 8.11.4.3(a) by deleting the reference to “80” and replacing it with “60”;
 - b) amending Section 8.11.4.3.(b) by deleting the reference to “80” and replacing it with “60”; and
 - c) amending Section 8.11.4.3(b)(i) by deleting the reference to “5%” and replacing it with “10%”.
4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.12.4 [High Density Low Rise Apartments (RAH1, RAH2)] by:
 - a) amending Section 8.12.4.2(a) by deleting the reference to “80” and replacing it with “60”;

- b) Amending Section 8.12.4.2(b) by deleting the reference to “80” and replacing it with “60”; and
 - c) amending Section 8.12.4.2(b)(i) by deleting the reference to “5%” and replacing it with “10%”.
5. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.3 [Downtown Commercial (CDT1, CDT2, CDT3)] by:

- a) removing Section 9.3.1 in its entirety and replacing it with the following:

“9.3.1 Purpose

The **zone** provides for a broad range of commercial, service, **business**, entertainment and residential needs typical of a **City Centre**. The zone is divided into 3 sub-zones: CDT1 which provides for a **density bonus** to help achieve the City’s affordable housing objectives within **sites** zoned downtown commercial; CDT2 which provides for a **density bonus** that would be used for rezoning applications in order to help achieve the **City’s** affordable housing objectives; and CDT3 which provides for an additional **density bonus** that would be used for rezoning applications in the Village Centre Bonus Area of the **City Centre** in order to achieve the **City’s** other objectives.”;

- b) deleting Section 9.3.4.4 in its entirety and replacing it with:

“Section 9.3.4.4 Notwithstanding Section 9.3.4.2, for an application that was received by the **City** prior to July 24th, 2017, the reference to a maximum **floor area ratio** of “3.0” in relation to a **building** used for mixed commercial/residential **uses** or multiple-family residential purposes is increased to a higher **density** of “3.15” on **sites** zoned CDT1, if prior to the first occupancy of the **building** the **owner**:

- a) provides in the **building** not less than four **affordable housing units** and the combined **habitable space** of the total number of **affordable housing units** would comprise at least 5% of the total residential floor area; and
 - b) enters into a **housing agreement** with respect to the **affordable housing units** and registers the **housing agreement** against the title to the **lot**, and files a notice in the Land Title Office.
- c) adding a new Section 9.3.4.5 by inserting the following section and renumbering the remaining sections accordingly:

- “9.3.4.5 Notwithstanding Section 9.3.4.2, the reference to a maximum **floor area ratio** of “3.0” in relation to a building used for mixed commercial/residential **uses** or multiple-family residential purposes is increased to a higher **density** of “3.30” on **sites** zoned CDT1, if prior to the first occupancy of the **building** the **owner**:
- a) provides in the **building** not less than four **affordable housing units** and the combined **habitable space** of the total number of **affordable housing units** would comprise at least 10% of the total residential **floor area**; and
 - b) enters into a **housing agreement** with respect to the **affordable housing units** and registers the **housing agreement** against the title to the **lot**, and files a notice in the Land Title Office.
- d) Adding a new Section 9.3.4.7 by inserting the following section and renumbering the remaining sections accordingly:

“9.3.4.7 Notwithstanding Section 9.3.4.5, the **density bonus** of “3.30” is further increased to a higher **density** of “3.33” on **sites** zoned CDT1 provided that the **owner**:

- a) uses at least 1% of the **gross floor area** of the **building** for **child care** or **uses** that provide a community amenity to the satisfaction of the **City** (e.g., community recreation, **library and exhibit**, heritage); or
- b) at the time **Council** adopts a zoning amendment bylaw to include the **owner’s lot** in the CDT1 **zone**, pays into the **child care reserve fund** or alternative funds the sum specified in Section 5.16 of this bylaw.

6. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.4.4 [Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5)] by:
- a) amending Section 9.4.4.3(a) by deleting the reference to “80” and replacing it with “60”.
 - b) amending Section 9.4.4.3(b) by deleting the reference to “80” and replacing it with “60”;
 - c) amending Section 9.4.4.3(b)(i) by deleting the reference to “5%” and replacing it with “10%”;
 - d) amending Section 9.4.4.4(d)(i) by deleting the reference to “80” and replacing it with “60”; and

- e) amending Section 9.4.4.4(d)(ii) by deleting the reference to “80” and replacing it with “60”, and by deleting the reference to “5%” and replacing it with “10%”.

7. This Bylaw may be cited as “**Richmond Zoning Bylaw 8500, Amendment Bylaw 9760**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED by <i>RK</i>
APPROVED by Director or Solicitor <i>il</i>

MAYOR

CORPORATE OFFICER

SCHEDULE A to Bylaw 9760

“5.15.1 Where an owner pays into the **affordable housing reserve** in accordance with this bylaw, as amended or replaced from time to time, the sum shall be determined as listed below:

- a) Where an amendment to this bylaw was considered by **Council** before September 24, 2016, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$1.00
RC2	\$1.00
ZS21	\$1.00
ZS22	\$1.00
RI2	\$2.00
RTL2	\$2.00
RTL4	\$2.00
RTM2	\$2.00
RTM3	\$2.00
RTH1	\$2.00
RTH2	\$2.00
RTH3	\$2.00
RTH4	\$2.00
RTP1	\$2.00
RTP2	\$2.00
RTP3	\$2.00
RTP4	\$2.00
RAL2	\$4.00
RAM2	\$4.00
RAM3	\$4.00
RAH1	\$4.00
RAH2	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
CDT2	\$4.00
RCL2	\$4.00
ZHR6	\$4.00
ZR7	\$2.00
ZMU19	\$4.00
ZMU20	\$4.00
ZMU21	\$4.00
ZMU22	\$4.00
ZMU24	\$4.00
ZMU26	\$4.00
ZT70	\$2.00
ZS23	\$1.00
ZLR26	\$2.00 for housing, town , \$4.00 for housing, apartment

- b) Where an amendment to this bylaw is considered by **Council** after September 24, 2016 and before July 24th, 2017, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$2.00
RC2	\$2.00
ZS21	\$2.00
ZS22	\$2.00
RI2	\$4.00
RTL2	\$4.00
RTL4	\$4.00
RTM2	\$4.00
RTM3	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RTH1	\$4.00
RTH2	\$4.00
RTH3	\$4.00
RTH4	\$4.00
RTP1	\$4.00
RTP2	\$4.00
RTP3	\$4.00
RTP4	\$4.00
RAL2	\$6.00
RAM2	\$6.00
RAM3	\$6.00
RAH1	\$6.00
RAH2	\$6.00
CDT2	\$6.00
RCL2	\$6.00
ZHR6	\$6.00
ZR7	\$4.00
ZMU19	\$6.00
ZMU20	\$6.00
ZMU21	\$6.00
ZMU22	\$6.00
ZMU24	\$6.00
ZMU26	\$6.00
ZT70	\$4.00
ZS23	\$4.00
ZLR26	\$4.00 for housing, town, \$6.00 for housing, apartment

- c) Where an amendment to this bylaw is considered by Council on or after July 24, 2017, and where an **owner** pays into the **affordable housing reserve** according to the **density bonusing** provisions of this bylaw, the following sums shall be used:

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
RS2/A-K	\$4.00
RC2	\$4.00
ZS21	\$4.00
ZS22	\$4.00
RI2	\$8.50
RTL2	\$8.50
RTL4	\$8.50
RTM2	\$8.50
RTM3	\$8.50
RTH1	\$8.50
RTH2	\$8.50
RTH3	\$8.50
RTH4	\$8.50
RTP1	\$8.50
RTP2	\$8.50
RTP3	\$8.50
RTP4	\$8.50
RAL2	\$10.00 for wood frame construction \$14.00 for concrete construction
RAM2	\$10.00 for wood frame construction \$14.00 for concrete construction
RAM3	\$10.00 for wood frame construction \$14.00 for concrete construction
RAH1	\$10.00 for wood frame construction \$14.00 for concrete construction
RAH2	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT2	\$10.00 for wood frame construction

Zone	Sum Per Buildable Square Foot of Permitted Principal Building
	\$14.00 for concrete construction
RCL2	\$14.00
ZHR6	\$14.00
ZR7	\$8.50
ZMU19	\$8.50 for housing, town , \$10.00 for housing, apartment
ZMU20	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU21	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU22	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU24	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU26	\$10.00 for wood frame construction \$14.00 for concrete construction
ZT70	\$8.50
ZS23	\$4.00
ZLR26	\$8.00 for housing, town , \$10.00 for housing, apartment
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$8.00 for housing, town , \$14.00 for housing, apartment

For the purposes of Section 5.15.1, buildable square foot is the maximum **floor area ratio** and excludes the items not included in the calculation of **density** (e.g., **enclosed parking**; unenclosed **balconies**; common stairwells and common elevator shafts; etc.).

For the purposes of Section 5.15.1(c), concrete construction includes steel construction.