



To: Planning Committee

Date: March 8, 2024

From: Kim Somerville
Director, Community Social Development

File: 08-4057-05/2024-Vol 01

Re: Low-End Market Rental (LEMR) Program and LEMR Unit Management

Staff Recommendations

1. That staff be authorized to engage in discussions with BC Housing to determine if and how BC Housing could be secured to manage and operate existing and future LEMR units and to report back to Council following such discussions, as outlined in the report titled “Low-End Market Rental (LEMR) Program and LEMR Unit Management”, dated March 8, 2024, from the Director, Community Social Development; and
2. That should discussions with BC Housing not envision the organization as the sole manager and operator of existing and future LEMR units, that staff be authorized to explore alternative opportunities to retain an independent organization to manage the LEMR program, and to report back to Council following this exploration.

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

Att. 3

REPORT CONCURRENCE		
ROUTED TO: Development Applications Real Estate Services Law Policy Planning	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO

Staff Report

Origin

This report responds to the following two staff referrals, the first of which was passed at the Council meeting on July 10, 2023, and the second of which was passed at the Council meeting on December 11, 2023:

- (1) That staff explore options for management of all Low End Market Rental (LEMR) units, past, present and future, and report back with possibilities and recommendations.*
- (2) That the Richmond Poverty Reduction Coalition presentation be referred to staff to further analyse and report back on the LEMR housing program.*

This report is intended to address the Council referrals and respond to the issues raised by the Coalition.

This report supports Council's Strategic Plan 2022–2026 Focus Area #2 Strategic and Sustainable Community Growth:

Strategic and sustainable growth that supports long-term community needs and a well-planned and prosperous city.

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

This report supports Council's Strategic Plan 2022–2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.2 Seek improvements and efficiencies in all aspects of City business.

This report supports Council's Strategic Plan 2022–2026 Focus Area #6 A Vibrant, Resilient and Active Community:

Vibrant, resilient and active communities supported by a wide variety of opportunities to get involved, build relationships and access resources.

6.4 Support vulnerable populations through collaborative and sustainable programs and services.

This report also supports Strategy Direction 1 of the City of Richmond's Affordable Housing Strategy (2017–2027):

Use Regulatory Tools to Encourage a Diverse Mix of Housing Types and Tenures

This report demonstrates the City's ongoing commitment to supplying housing options for low-to moderate-income households through the Low-End Market Rental (LEMR) program.

Analysis

Housing affordability continues to be a critical challenge for many households in Richmond. The issue affects all segments of the population and in order to address housing need, considerable efforts must be taken by all levels of government. Over the past two decades, the City of Richmond has been a leader in increasing the supply of housing options across the housing continuum that would not otherwise be realized in the private market.

While senior levels of government are primarily responsible for increasing the supply of affordable housing, the City has been directly involved in building capacity within local shelters, establishing temporary supportive housing, and developing affordable rental housing for some of the community's most vulnerable residents. These efforts have been complemented by a policy framework that incentivises the private market construction of low-end market rental (LEMR) housing as well as market rental housing. While proven to increase the supply of affordable housing in Richmond, the LEMR program is only one component of the housing solution.

The Summary of Affordable Housing Units (2006–2023) (Attachment 1) lists the number of affordable rental and market rental housing units that have been built in Richmond since 2006, units that have been conditionally approved, and those that are currently tied to projects under review. The City's commitment to delivering a variety of housing options continues to help address the diverse housing needs of those in the community.

Richmond Poverty Reduction Coalition

The Richmond Poverty Reduction Coalition (Coalition) has continued to advocate for an increased supply of non-market rental housing. Correspondence received from the Coalition, coinciding with the above-noted referrals, is included in Attachment 2. Through delegations to Council, the Coalition has sought:

- Greater effort by the City to secure federal, provincial and other sources of funding to develop non-market housing and shelters using City-owned land;
- A reduction in the number of Richmond residents on the BC Housing waitlist by up to 50 per cent within five years (2027);
- Improved clarity regarding how the LEMR program works;
- Greater oversight and accountability for the management of LEMR units to ensure those with the greatest need are being served by the LEMR program;
- The involvement of non-profit housing operators as opposed to for-profit property managers secured as the authority to oversee the occupancy of LEMR units;
- Annual reporting which identifies the number of LEMR units, rents and income limits; and
- The development of a LEMR Housing Registry and waitlist for LEMR units.

Securing Funding for Affordable Housing Development

The City continuously seeks funding from senior levels of government to build and maintain supportive housing in addition to other types of non-market housing. Since the early 2000s, the City has been successful in securing funding that has been used to respond to local housing need.

In 2009, the City partnered with BC Housing and a non-profit consortium (Turning Point Recovery Society, SUCCESS, Coast Mental Health, Pathways Clubhouse and Tikva Housing Society) to support the construction of “Storeys,” 129 units of affordable housing on City-owned land. In 2012, the City collaborated with the Richmond Kiwanis Senior Citizens Housing Society and BC Housing to build 296 units of affordable rental housing geared to seniors. More recently, the City has worked with BC Housing and Pathways Clubhouse Society to develop an 80-unit affordable housing project on City-owned land.

In 2023, the City was successful in securing over \$9 million in funding through the Canada Mortgage and Housing Corporation’s (CMHC) Rapid Housing Initiative (RHI). This funding is being complemented with capital and operating funding from BC Housing. The project will introduce 25 units of affordable housing, to be operated by Turning Point Housing Society, on City-owned land.

Additional affordable projects for which the City has partnered with BC Housing include two temporary projects on City-owned land, Alderbridge Supportive Housing (40 units) and Aster Place Supportive Housing (40 units). Currently, the City is in the planning stages with BC Housing to build a permanent supportive housing project on City-owned land. The project will provide an opportunity for those residing in Alderbridge and Aster Place to move into a more permanent home. In addition, the City is actively planning for a comprehensive development of approximately 200 affordable rental housing units on City-owned land. These projects demonstrate the City’s partnerships with senior levels of government that are helping to bring non-market housing to Richmond.

Further to these projects, earlier in 2024, the City was successful in securing nearly \$36 million from CMHC to implement a number of initiatives to help streamline the development application review process, thereby lessening the time and costs associated within bringing affordable rental and market rental housing to the market. Further, the funding will support the implementation of programs that will incent the construction of non-market housing. It is anticipated that, coupled with the ongoing success of the LEMR Program, the aforementioned efforts by the City will have a tangible impact on reducing the number of households on BC Housing’s waitlist for subsidized housing.

Richmond’s Low-End Market Rental (LEMR) Program

Since Council’s approval of the first Affordable Housing Strategy in 2007, over 530 LEMR units have been built and an additional 840 LEMR units have been secured but are not yet constructed. The LEMR program utilizes a conditional zoning approach through which developers receive a density bonus in exchange for built LEMR units. The City’s LEMR program sets maximum monthly rents and income thresholds intended to serve low- to moderate-income households. For reference, low-income households are those with a gross household income of between \$39,500 and \$63,200 and moderate-income households are those with a gross income of between \$63,200 and \$94,800. Housing agreements are used to secure the maximum rents and income thresholds

established within the LEMR program. As outlined in this report, the City's current LEMR program provides a depth of housing affordability that is greater than that being achieved by other local governments in the Lower Mainland.

Past and Present LEMR Program Framework

As Council is aware, the LEMR program has two income and rent packages. The majority of LEMR units built prior to 2017 were secured with income thresholds and maximum rents set using BC Housing's Household Income Limits (HILs). HILs are based on figures established by CMHC and are intended to reflect the minimum income required to afford appropriate accommodation in the private market. The City's housing agreements that use HILs set maximum rents at 30 per cent of the HIL, divided by 12 (months); housing affordability is considered housing for which shelter costs do not exceed 30 per cent of gross household income.

Securing LEMR units using HILs was intended to address the housing needs of low- and moderate-income households. However, the HILs that are applicable to the City of Richmond are those encompassing the Vancouver planning area and, if used to set maximum rents, result in rent rates that are unaffordable to Richmond's low-income households. In 2017, through the creation of the current Affordable Housing Strategy (2017–2027) and as a result of a viability assessment done at the time, Council adjusted the LEMR program to ensure rents remained within reach of low-income households, which resulted in a second income and rent package. To this end, income thresholds were set at 10 per cent below HILs and maximum rents were set at 10 per cent below CMHC's average market rents, the latter being specific to the City of Richmond. These LEMR income thresholds and maximum rents, which remain current today, are outlined in the City's LEMR Bulletin (Attachment 3).

The Coalition has raised concerns about the management of LEMR units, reporting circumstances in which a property manager has set income thresholds and maximum rents in excess of those outlined in the LEMR Bulletin. The Statutory Declaration process, conducted every two years to ensure income thresholds and maximum rents are compliant with the terms of the housing agreements, has proven successful. However, the discrepancies raised by the Coalition may, be attributable to situations where the rates are based on HILs and not the rates set out in the bulletin. For example, in 2018, the HILs-based income thresholds for a two-bedroom unit would have been \$58,000 while the current LEMR program rate is \$46,800. Similarly, in 2018 the maximum rent for a two-bedroom unit, secured based on HILs, would have been \$1,450 and under the current LEMR program the maximum rent would be \$1,218. This example demonstrates the benefit in using the current LEMR program framework to set maximum rents at levels that are more affordable to low-income households.

Annual Review of LEMR Units, Rents and Income Limits

The City's Affordable Housing Strategy provides for a bi-annual review of the LEMR program, including a review of income thresholds and maximum rents. This review provides the City with an opportunity to evaluate the LEMR program in addition to other matters such as the suitability of minimum unit sizes and contribution requirements. The following sections offer a review of current income thresholds and maximum rents considering trends in the housing market and the practices of other municipalities in the Lower Mainland.

Setting Income Thresholds

Housing agreements that incorporate income thresholds and maximum rents per the 2017 LEMR program include terms that allow for adjustment to these limits based on a measure of inflation, being the percentage increase in the Consumer Price Index (CPI). Table 1 below compares the current LEMR income thresholds against BC Housing's HILs. As shown in the table, adjusted LEMR income thresholds fall between 30 and 50 per cent below 2023 HILs, providing a deeper level of affordability for vulnerable households.

Table 1: Comparison of Current LEMR Income Thresholds and BC Housing's HILs

Size of Household	LEMUR Income Threshold (2023) ¹	Household Income Limit (HILs) (2023)	Difference (value)	Difference (per cent)
Studio	\$39,151	\$58,000	\$18,849	48%
1 Bedroom	\$43,219	\$58,000	\$14,781	34%
2 Bedroom	\$52,879	\$72,000	\$19,121	36%
3 Bedroom	\$65,591	\$86,000	\$20,409	31%

¹ LEMR Income Thresholds (set in 2017) have been adjusted by CPI beginning in 2019.

Setting Maximum Rents

Over the past two decades, there has been a notable increase in average market rents throughout the Lower Mainland. Since the LEMR program was last updated in 2017, average market rents have increased by over 60 per cent. Table 2 highlights the difference between current LEMR maximum rents, adjusted for inflation, and 2023 CMHC average market rents. As illustrated in the table, LEMR rents are between 40 and 65 per cent lower than 2023 CMHC market averages.

Table 2: Current LEMR Maximum Rent Rates and CMHC Market Average Rents

Size of Household	LEMUR Maximum Rent Rates (2023) ¹	CMHC Average Market Rent (2023)	Difference (value)	Difference (per cent)
Studio	\$916	\$1,501	\$585	64%
1 Bedroom	\$1,102	\$1,714	\$612	56%
2 Bedroom	\$1,376	\$2,028	\$652	47%
3 Bedroom	\$1,672	\$2,348	\$676	40%

¹ LEMR Maximum Rent Rates (set in 2017) have been adjusted by CPI beginning in 2019.

Staff have undertaken a cursory review of rental rates used in securing affordable housing in other parts of the Lower Mainland. It is noted that the City of Port Moody and the City of Burnaby identify affordable housing with rent rates set 20 per cent below CMHC's median rent. The City of New Westminster sets affordable rents at 10 per cent below CMHC median market rents and the City of North Vancouver sets maximum rents at 10 per cent below CMHC market averages.

Table 3 compares the City of Richmond's adjusted 2023 LEMR rent rates against CMHC's 2023 market averages for Richmond, and presents potential alternative rents at 10, 20 and 30 per cent below the averages. The table highlights the difference in current LEMR maximum rents and rents set at 10, 20 and 30 per cent below market averages.

Table 3: LEMR Maximum Rents compared with Reduced CMHC Market Rents

Size of Household	LEMUR Max. Rents (2023) ¹	2023 CMHC Market Avg.	Reduced Market Average		
			10% below	20% below	30% below
Studio	\$916	\$1,501	\$1,351	\$1,201	\$1,051
1 Bedroom	\$1,102	\$1,714	\$1,543	\$1,371	\$1,200
2 Bedroom	\$1,376	\$2,028	\$1,825	\$1,622	\$1,420
3 Bedroom	\$1,672	\$2,348	\$2,113	\$1,878	\$1,644

¹ LEMR Maximum Rent Rates (set in 2017) have been adjusted by CPI beginning in 2019.

Current LEMR income thresholds and maximum rents were set in 2017. In 2019, when rates were scheduled for review, the pandemic arose and due to the unique period, it was determined to postpone the review to lessen the potential negative impact on vulnerable households in the community. With a gradual return to pre-pandemic conditions, staff will undertake a review of current LEMR income thresholds and maximum rents and report back to Council later in 2024.

City Oversight of the LEMR Program

The management of LEMR units is largely structured around the terms and conditions of the housing agreement used to secure the units. The City of Richmond is a third party to the LEMR unit owner-tenant relationship and does not own or manage these units directly. The City verifies compliance with the terms of a housing agreement by conducting a statutory declaration process once every two years. In addition to carrying out this process, staff conduct ongoing monitoring of the LEMR program by liaising with LEMR property managers throughout the year.

In 2021, a statutory declaration process was carried out for all 383 LEMR units that were constructed at that time. The process identified that 93 per cent of units complied with household income thresholds as set out in applicable housing agreements. Areas of non-compliance were largely attributable to the receipt of financial supports provided to low-income households during the pandemic. The City’s Real Estate Department will be conducting a statutory declaration process in 2024 and will report out on the results later in the year.

The Involvement of Non-Profit Housing Operators in LEMR Unit Management

The Affordable Housing Strategy (2017–2027) recognizes the value in securing non-profit housing operators to manage LEMR units. Non-profit organizations are often established with a broader mandate to serve vulnerable segments of the population and may also be able to offer wraparound services to those in need. As noted by the Coalition, the majority of built LEMR units are not associated with a non-profit organization; this is accurate in that currently, nearly 75 per cent of built LEMR units are not managed by a non-profit. However, since 2017 the City has been successful in securing the involvement of a non-profit housing operator in over 60 per cent of all built LEMR units. Further, over the past two years non-profit housing operators have been secured to manage nearly 80 per cent of all LEMR units.

Through the review of development applications, staff regularly advocate for the involvement of a non-profit housing operator, particularly in cases where LEMR units are to be clustered in a

building or buildings. Where a non-profit operator is required, staff work with the developer to identify and secure the operator drawing from a working list of local non-profits. Further, staff commonly meet with non-profit operators and other LEMR unit managers to discuss the terms and conditions of housing agreements, the framework and requirements of the statutory declaration process, and the City's overall expectations as they relate to delivering housing for low- to moderate-income households.

Affordable Housing Guide

City staff maintain an Affordable Housing Guide (Guide), which is published on the City's website. The Guide lists local affordable housing developments, provides property manager contact information, and identifies specific eligible tenant groups where applicable (i.e. seniors, families and single occupant households). Staff regularly refer those seeking affordable housing to the Guide.

The Guide recognizes affordable housing projects under the headings "Non-Market Housing," "Housing Co-operatives," and "Low-End Market Rental (LEMR) Units." Projects under the latter heading include all LEMR units without any distinction between those tied to a HILs-based housing agreement (i.e. supporting the majority of LEMR units secured prior to 2017) and those structured per the current LEMR program framework (i.e. supporting units secured following LEMR program changes in 2017). In response to the concerns raised by the Coalition, being that some property managers are using higher income thresholds and charging higher rents than those established in the LEMR program, staff will update the Guide to reflect the income and rent structure for each of the listed projects. In addition, staff will provide information about the how the two income and rent packages (i.e. HILs versus current LEMR) differ from one another.

Opportunities for Management of LEMR Units

Through the two referrals, Council has directed staff to explore options for the management of LEMR units, past, present and future. Reviewing the structure of the program and making adjustments where justified will allow the City to ensure the program continues to serve the needs of low- and moderate-income households. The following four options propose alternative approaches to managing affordable housing in the region:

1. Maintaining the Status Quo: the ongoing private ownership and management of LEMR units subject to a statutory declaration process carried out by the City every two years;
2. The retention of a third party to manage, on behalf of the City, all existing and future LEMR units and in doing so administer the LEMR program. The management of any existing LEMR unit would be limited by the owner's voluntary participation in the option;
3. The negotiation of an operating agreement with BC Housing to manage all future LEMR units and potentially manage existing LEMR units by way of voluntary participation (RECOMMENDED); and
4. The allocation of new staffing resources to manage all existing and future LEMR units and administer the LEMR program. The management of any existing LEMR unit would be limited by the owner's voluntary participation in the option.

Option 1: Status Quo

The status quo scenario would maintain the current approach to securing and managing, at arms length, LEMR units. The City would continue to undertake the statutory declaration process as a means of confirming compliance with the terms and conditions of a housing agreement. Through the ongoing review of the LEMR program, and as a complement to the current management of the LEMR program, the City would evaluate:

- The suitability of existing income thresholds and maximum rent rates considering the increased costs associated with LEMR unit management;
- The suitability of minimum size requirements, by unit type (see Attachment 3);
- Approaches to securing non-market housing in other jurisdictions;
- The opportunity to amend the LEMR program to place greater emphasis on, or simply require, the involvement of a non-profit housing operator in all LEMR projects; and
- The density bonusing framework used to secure LEMR units and the potential need for adjustments in order to overcome financial impediments to building LEMR housing.

If Council endorses the status quo option, staff will undertake the items outlined above and report back to Council on the findings of this work. There would be no additional resource needs to support this Option.

Option 2: Securing an Independent LEMR Program Manager

The City is a third party to the management of LEMR units as property owners and housing unit managers/operators engage directly with the tenants. The Coalition has voiced concerns over the management of the LEMR program, citing the need for greater oversight and accountability in tenant selection to ensure those with the greatest need are being provided access to LEMR housing. The Coalition has also sought the establishment of a centralised registry and waitlist for access to LEMR units. The City does not have the staffing complement to directly manage LEMR units or, in doing so, maintain a registry and waitlist. Taking this into account, the City could look to retain an independent LEMR program manager to manage existing and future LEMR units (i.e. a non-profit operator, an affordable housing stakeholder or an advocacy group).

Having a single entity directly manage LEMR units would allow for the creation of a centralized registry and waitlist as sought by the Coalition. However, retaining a LEMR program manager may be problematic where unit owners have entered into agreements with another property manager or non-profit operator. In such cases, the LEMR unit owner could be provided the opportunity to voluntarily retain the City-appointed program manager. If this opportunity were not pursued, the City could also invite LEMR unit owners to voluntarily participate in the use of a central registry and shared waitlist. If directed to pursue this option, staff will engage candidate housing unit managers and present Council with a framework and costs to further consider this opportunity.

Option 3: Securing BC Housing to Manage LEMR Housing (Recommended)

As part of the ongoing review of the LEMR program, City staff have reached out to BC Housing and will engage in discussions to determine whether or not the organization could be involved in managing LEMR units. As an example, the City of Coquitlam has entered into a formal arrangement with BC Housing to manage Coquitlam's below-market rental units. The arrangement provides that:

- The private developer will own the below-market units which will be leased to BC Housing for 60 years;
- BC Housing will take on the administrative responsibilities for the below-market units including tenant selection and income testing to ensure the below-market housing meets the requirements of Coquitlam's Housing Agreement; and
- The below-market units managed by BC Housing will rent for at least 20 per cent below market for 60 years and will be available to moderate-income households.

Securing BC Housing as the sole operator of future LEMR and other non-market housing units may lessen the reported constraints developers face when seeking out a non-profit housing operator. Further, securing BC Housing would allow the City to leverage the organization's expertise in delivering non-market housing while supporting operational economies of scale. It is noted that BC Housing is charging the City of Coquitlam a nominal fee to provide management services to the municipality. Having a sole operator manage future LEMR units would also enable the creation of a housing registry, similar to the subsidized housing registry currently managed by BC Housing, and to maintain a waitlist for eligible tenants.

Staff seeks approval from Council to engage BC Housing in discussions about the potential for the organization to manage existing and future LEMR units as well as any other non-market rental units secured by way of a housing agreement. Should Council direct staff to engage in such discussions, a future report will identify options that may be available to pursue a partnership with BC Housing.

Option 4: City of Richmond Staff Management of LEMR Program

As noted, the City does not currently have the staffing capacity to carry out the responsibility of directly managing existing and future LEMR units. Should City operating funding be made available for additional staffing, this option may be viable. Similar to the constraints outlined in Options 2 and 3, the City's management of LEMR units would require voluntary participation amongst the owners of existing LEMR units, particularly where an owner has entered into an agreement with a housing operator. As in Options 2 and 3, the City's management of LEMR units would allow for the creation of a centralized registry and housing waitlist.

At present, the City is a third party to the owner-tenant relationship in the management of LEMR units. Being at arm's length allows the City to retain autonomy when negotiating the supply of LEMR units. Furthermore, the City regularly advocates for the involvement of non-profit housing operator to manage LEMR units. Such operators are recognized for their expertise in managing housing for low-income households while, in some cases, being able to provide wraparound services to tenants. Taking on the responsibility of managing LEMR units may detract from the benefits realized in leveraging the expertise of non-profit organizations and their mandate to serve vulnerable members of the community.

Should Council direct staff to pursue this option, a report outlining the management framework, resource needs, and related matters would be provided at a later date.

Next Steps

This report presents potential options to explore for the management of all LEMR units past, present and future, as well as to undertake further analysis and report back to Council on the LEMR program. In summary, the following actions are proposed:

- Engage in discussions with BC Housing to determine if and how the organization could be secured to manage and operate the City's LEMR program and report back to Council on the results of these discussions by the beginning of the fourth quarter 2024;
- Alternative to securing BC Housing as the sole manager and operator of LEMR units, explore opportunities to retain an independent agency to manage the LEMR program and report back to Council on the progress of this exploration by the beginning of the fourth quarter 2024;
- Carry out an analysis of the income thresholds and maximum rental rates supporting the current LEMR program and report back to Council on the findings of this analysis, including potential recommended changes to the LEMR program, by the end of 2024; and
- Update the Affordable Housing Guide to distinguish between developments that have income thresholds and maximum rents based on BC Housing's HILs, and those based on the rates set within the current LEMR program framework, by the end of the second quarter 2024.

Staff will provide Council with updates on the progress of the above-listed action items. Where required, staff will seek further direction from Council in order to proceed with measures that will further improve the structure of the LEMR program and the corresponding management of LEMR units.

Financial Impact

None.

Conclusion

Since the adoption of its first Affordable Housing Strategy in 2007, the City of Richmond has achieved considerable success in bringing low-end of market rental (LEMR) housing to the community in addition to non-market housing units with the involvement of senior levels of government. In 2017, as a result of the update to the City's Affordable Housing Strategy and a viability assessment conducted at the time, the City modified the framework of its LEMR program to ensure housing secured through the private market in exchange for additional building density remained within reach of low-income households. Today, the City remains committed to the ongoing review of its LEMR program to ensure vulnerable households in need are provided access to affordable housing.



Greg Newman
Manager, Affordable Housing
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- Att. 1: Summary of Affordable Housing Units (2006–2023)
2: Richmond Poverty Reduction Coalition Submissions to Council (dated July 11, 2022, July 10, 2023 and December 11, 2023)
3: Bulletin INFO-51 - Low End Market Rental Program Requirements

Summary of Affordable Housing Units (2006–2023)

Housing Type	# of Units (2006 to 2023)			Additional Information
	Built/ Occupied	Approved/ Under Development	Under Review (Estimate)	
EMERGENCY SHELTER				
Emergency Shelter Beds Temporary accommodation and services for residents experiencing homelessness	45	N/A	N/A	The Richmond House Emergency Shelter provides temporary accommodation, meals and supports to people experiencing homelessness. The City contributed land for the emergency shelter, developed in partnership with BC Housing and operated by The Salvation Army.
AFFORDABLE RENTAL HOUSING				
Supportive Housing Self-contained units with on-site supports for people who have experienced homelessness	118	0	60	Aster Place (40 units), Alderbridge Supportive Housing (40 units) and Storeys (38 units) provide housing for those who are homeless or at risk of becoming homeless. In 2023 the City continued to explore opportunities for a 60 unit permanent supportive housing project on City-owned lands.
Non-Market Housing Rental units for households with annual incomes less than \$40,000	522	105	112	In 2022 and 2023, the City supported non-market housing projects including the 80-unit Pathways project, which will offer three-tiers of affordable housing for low to moderate-income households, and the Rapid Housing Initiative (RHI), which will provide 25 units for women and children.
Modest Market Rental Below market rental units for households with an income of between \$40,000 and \$60,000	0	14	19	The West Cambie Area Plan includes policies that support a density bonus for affordable housing.
Low-End Market Rental (LEMR) Below market rental units for households with an income of between \$35,000 and \$60,000	538	822	613	In 2022 and 2023, a number of projects including LEMR units were approved. Two of the larger projects include the Talisman Park development (156 units) and the Azure development (50 units); the Azure project also includes moderate market rental and market rental units.
Moderate Market Rental Housing A rent geared to income based on BC Housing's Household Income Limits (HILs), with an average income range generally between \$58,000 to \$107,500	0	176	340	In 2023, three moderate market rental projects were approved by Council. These include 66 units at Cook and Citation and 110 units on Azure Road. Note BC Housing sets HILs annually. The range noted comes from the 2023 HIL figures.
SUB-TOTAL	1,178	1,117	1,144	
MARKET RENTAL HOUSING				
Secondary Suites & Coach Houses Legal self-contained rental units located in a single-detached house or townhome, and separate rental units in the backyard of a single-detached house	1,665	186	46	The City requires all new single family rezonings to have a secondary suite or contribute to the Affordable Housing Reserve. Secondary suites are also encouraged in duplexes and townhouses.
Purpose Built Market Rental Units secured in perpetuity as rental units based on market rental rates	448	1,135	683	Since the adoption of the Market Rental Housing Policy in 2018, there has been a high level of interest in 100% market rental projects.
SUB-TOTAL	2,113	1,321	729	
GRAND TOTAL	3,291	2,438	1,873	



City of Richmond Council Meeting - July 11, 2022

Richmond Poverty Reduction Coalition Delegation - Non Agenda Item

This submission is presented on behalf of the Richmond Poverty Reduction Coalition (RPRC), a charitable non-profit society comprised of Richmond residents and local service organizations working together to reduce the effects of poverty with research, projects, and public education. In doing so, the RPRC advocates for improvements to public policy and proposes ideas for new policy.

RPRC member organizations include the Richmond Centre for Disability, Richmond Food Bank, Richmond Family Place, Richmond Women's Resource Centre, Family Services of Greater Vancouver-Richmond, Kehila Society of Richmond, Richmond Addiction Services, Gilmore Park United Church, Heart of Richmond AIDS Society, Richmond Presbyterian Church, and Richmond Mental Health Consumer & Friends Society.

Together, our member organizations represent thousands of Richmond residents who receive services and resources from them. Recipients of services include seniors, low-income families and single parent families, people with disabilities, people with health challenges, newcomers, BIPOC and LGBTQ2S people, and other underserved and vulnerable residents.

All our member organizations report that the crucial need for non-market housing overloads their own capacities to respond effectively. Richmond residents on low-incomes are spending their food budgets on rent. As clients they are becoming increasingly distressed and the need for vital services and resources are stretched to the limit.

The RPRC acknowledges that there are limits to what a municipal government can do to improve access to non-market rental housing. However, we do believe each level of government has a duty to maximize electors' abilities to find secure, dignified, and appropriate housing .

After a year of reviewing the City of Richmond's Affordable Housing Strategy, researching best practices, and speaking with city staff and councillors and people with lived experience, the RPRC has identified realistic strategies and actions that are within the City's scope to solve.

Following, is a précis of our findings:

- Over the past thirty years, 94% of Richmond new builds have been condos, townhouses and single family dwellings and only 6% have been purpose-built rentals,¹ and
- The last non-market rental developments were built over five years ago,² and

¹ City of Richmond Housing Needs Report November 2021

² City of Richmond Affordable Housing Strategy 2017-2027

c/o RFBS #100 – 5800 Cedarbridge Way, Richmond BC V6X 2A7
info@richmondprc.org www.richmondprc.org

- The City approves an average of 375 ground-oriented housing demolitions per year,³ and
- The City's 1:1 rental replacement policy⁴ does not count ground-oriented housing demolitions as losses in rental housing in the City's figures, and
- The City's rental relocation policy does not have the same tenant protections as other Metro cities⁵ and,
- 33.6% of renter households are in 'core' housing need⁶, meaning more than 50% of household income is spent on rent, and
- The rental vacancy rate in Richmond is 1.1%⁷ and the City's rental relocation policy has little force or function when there is nothing for low income families and individuals to rent, and
- The demolition of Minoru Gardens will result in the displacement of another 130 low-income rental families,⁸ and
- The City has little accountability for the LEMR⁹ program, and LEMR suites are not easy for renters to understand and access.

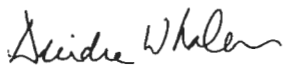
Therefore, considering the foregoing:

The Richmond Poverty Reduction Coalition (RPRC) delegation urges Richmond City Council to undertake the following three initiatives to increase non-market rental supply, and to provide yearly progress reports on each initiative to the public:

1. Actively pursue and secure federal, provincial, and any other accepted sources of funding to develop non-market housing and shelters using City-owned land,
2. Order a full LEMR (Low End Market Rental) Review, and develop a LEMR Housing Registry and wait list for all LEMR units, AND
3. Reduce the number of Richmond residents on the BC Housing wait list by 50% within five years (2027) by using rental tenure zoning and innovative partnerships to build sufficient housing for Richmond residents on the waitlist.

Thank you for your attention to this serious matter. I will take questions, if any.

Deirdre Whalen



President, RPRC

³ Metro Vancouver Housing Data Book 2019 (375 demolitions are a 5-year average from 2013-2018)

⁴ https://www.richmond.ca/_shared/assets/planning0551568.pdf

⁵ https://www.richmond.ca/_shared/assets/tenreloassist57852.PDF

⁶ Metro Vancouver Housing Data Book 2019 (33.6% were in core need in 2016)

⁷ Metro Vancouver Housing Data Book 2019 (2018 average figure)

⁸ <https://www.richmond-news.com/opinion/letters-wrong-time-to-demolish-homes-3125723>

⁹ https://www.richmond.ca/_shared/assets/info5159495.pdf



City of Richmond Council Meeting - Monday July 10, 2023

Richmond Poverty Reduction Coalition Delegation - Non-Agenda Item

This submission is presented on behalf of the Richmond Poverty Reduction Coalition (RPRC). We are a *'coalition of Richmond individuals and agencies working together to reduce poverty and the impacts of poverty with research, projects and public education.'* Through our community work, the RPRC advocates for improvements to public policy in Richmond.

Members of the RPRC include local non-profit organizations that collectively represent thousands of low-income Richmond residents such as seniors, people with disabilities, newcomers, families, people with health challenges, BIPOC, LGBTQ2S people, and other vulnerable residents.

They are: Richmond Food Bank Society, Richmond Centre for Disability, Richmond Women's Resource Centre, Family Services of Greater Vancouver-Richmond, Richmond Family Place, Richmond Mental Health Consumers & Friends Society, Richmond Addictions Services Society, Richmond Cares Richmond Gives, Kehila Society of Richmond, Gilmore Park United Church, Richmond Presbyterian Church, and Heart of Richmond AIDS Society.

We are speaking to you tonight specifically about our research that shows the City's current policy with regards to Low End Market Rentals or LEMR is not meeting the needs of the people it is meant to serve.

You will recall one year ago, on July 11, 2022, the RPRC made a similar delegation to City Council. You can find our submission on our website at <https://www.richmondprc.org/wordpress/wp-content/uploads/2023/04/RPRC-Delegation-re-non-market-housing-July-11-2022.pdf>

At that point we advised Council that we had studied the City's policies and strategies on affordable housing and urged you to undertake the following three initiatives to increase non-market rental supply, and to provide yearly progress reports on each initiative to the public:

1. Actively pursue and secure federal, provincial, and any other accepted sources of funding to develop non-market housing and shelters using City-owned land,
2. Order a full LEMR (Low End Market Rental) Review, and develop a LEMR Housing Registry and wait list for all LEMR units, AND
3. Reduce the number of Richmond residents on the BC Housing wait list by 50% within five years (2027) by using rental tenure zoning and innovative partnerships to build sufficient housing for Richmond residents on the waitlist.

We are back one year later to ask what has happened to the City Council referral to staff. You already know that in recent months, we met with each and every one of you on Council regarding our recommendations. We focused on discussing the LEMR program as it is the foundation of the City's Affordable Housing Strategy.

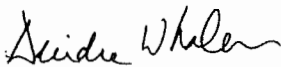
From our conversations with Mayor & Councillors we believe the LEMR program and policies can be vastly improved with the following changes. The City must:

- recognize that Richmond taxpayers deserve to know how this program works,
- acknowledge that the City has responsibilities after LEMR units are built,
- have ongoing oversight and accountability for the LEMR program units,
- establish a LEMR registry for every unit that is transparent and accessible,
- establish one easily accessible waitlist for all LEMR units,
- mandate information sharing from developers and operators on the use of LEMR units,
- publish an annual LEMR report including number of units/ rents/ income thresholds

Publicly funded housing is a sign of a civil society and our municipal government is the first stop sign along the way. City Council approved the LEMR policy. City Council can amend it to make it transparent, accessible and equitable for taxpayers and everyone who needs non-market housing,

Some of our members wish to tell you about their experiences. We understand the whole delegation has five minutes. We will make it brief.

Sincerely,



Deirdre Whalen
President, RPRC



City of Richmond Council Meeting - Monday December 11, 2023

Richmond Poverty Reduction Coalition Delegation - Non-Agenda Item - LEMR program

This submission is presented on behalf of the Richmond Poverty Reduction Coalition (RRPC). The RRPC includes 12 local non-profits that collectively represent thousands of low-income Richmond residents. Many are here with me tonight.

We are here to give you hundreds of postcards signed by Richmond residents who believe it is time for a LEMR Registry and a LEMR waitlist.

We've seen six Affordable Housing Managers come and go in the last 10 years, so it's no wonder the LEMR program is a mess. It seems no one is in charge and it shows.

On your website the LEMR requirements bulletin ¹ has a rental rate of \$975 for a one bedroom. However when we call LEMR operators such as Pinnacle International, they tell us the rents are \$1150 to \$1450 for a one bedroom. And no one has vacancies.

The LEMR bulletin says income thresholds are about \$34K to \$58K. But a developer operator sent us the BC Housing income limits for the private market that they are using for LEMR units. Those income limits range from \$58K to \$107K. And still, no one has no vacancies.

What is going on? Who is setting the tenancy requirements? Are tenants truly low to moderate income that the LEMR program is supposed to benefit?

The City's Affordable Housing Guide ² lists 474 LEMR units. Attached as *Addendum 1*, is a listing from the Affordable Housing Guide that we re-sorted by type of housing operator. 1/4 of these units are managed by 7 non-profits. And 3/4 of all the units are managed by developers, real estate companies and property management companies.

This is despite receiving through Mayor Brodie's office, the approved listing of 18 local non-profits wanting to manage LEMR units in Richmond

What is going on? Why does the City not compel developers to choose non-profit operators?

¹ https://www.richmond.ca/__shared/assets/info5159495.pdf

² https://www.richmond.ca/__shared/assets/affordablehousingguide66343.pdf

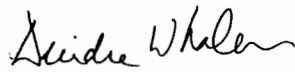
In 2022 we made a delegation to City Council on non-market housing, specifically LEMR.³ This July we appeared again.⁴ We are not going away.

We need huge improvements to the LEMR program. The City is accountable for this program. We are again asking for a full review and a transparent process that includes a LEMR registry and waitlist.

LEMUR can be the stepping stone in this homeless and housing crisis, if managed properly.

Some of our supporters wish to tell you about their experiences.

Sincerely,



Deirdre Whalen
President, RPRC

cc. RPRC Directors
RPRC Membership

Note: See *Addendum 1: LEMR Housing Operators* on pages 3 and 4

ADDENDUM 1

³ <https://www.richmondprc.org/wordpress/wp-content/uploads/2023/04/RPRC-Delegation-re-non-market-housing-July-11-2022.pdf>

⁴ <https://www.richmondprc.org/wordpress/wp-content/uploads/2023/12/RPRC-delegation-to-Council-LEMUR-July-2023.pdf>

LOW END MARKET RENTAL (L.E.M.R.) UNITS

LEMR HOUSING OPERATORS

Source: City of Richmond Affordable Housing Guide July 2023 pages 6-8

Source: Type of Operator - Taken directly from company websites

NAME	TYPE	PROJECT	# UNITS
Minglian Holdings	Developer	The Camber	6
Minglian Holdings	Developer	The Camino	5
Onni Group	Developer	The Ora	20
Onni Group	Developer	RIVA	9
Onni Group	Developer	RIVA 3	9
Oris Consulting	Developer	Hamilton Village	3
Pinnacle International	Developer	Pinnacle at Capstan	13
Pinnacle International	Developer	Sorrento at Capstan	11
Pinnacle International	Developer	Torino at Capstan	12
Sian Group	Developer	Sterling	6
Townline Homes	Developer	Harmony	7
Yuanheng Holdings	Developer	Viewstar Lot A	41
			142

NAME	TYPE	PROJECT	# UNITS
CCM Investment Gp	Property Management	The Grand	7
FirstService Residential	Property Management	Saffron Homes	21
Park Residences	Property Management	Tower A	22
Peterson Commercial	Property Management	Camellia	19
Sunshine Holdings	Property Management	The Nova	8
Tribe Management	Property Management	The Emerald	13
			90

NAME	TYPE	PROJECT	# UNITS
Amacon	Real Estate	Tempo	14
Concord Pacific	Real Estate	Monet	7
Dorset Realty	Real Estate	Elle	5
Greta Luk	Real Estate	The Omega	10
Prompton Real Estate	Real Estate	Central Estates	7
Prompton Real Estate	Real Estate	Concord Galleria	12
Prompton Real Estate	Real Estate	Park Estates	17
Prompton Real Estate	Real Estate	Park Estates II	15

Prompton Real Estate	Real Estate	South Estates	17
Re/Max Crest Realty	Real Estate	Spark	6
Reliance Properties	Real Estate	Richstone	3
			113

NAME	TYPE	PROJECT	
Az-Zahraa Housing	Non-profit organization	Calla	4
Az-Zahraa Housing	NPO	Cascade	14
Az-Zahraa Housing	NPO	The Dahlia	11
Catalyst Community Development	NPO	Rivermark	31
Kiwanis Seniors	NPO	Trafalgar Square	6
Kiwanis Seniors	NPO	Berkley House	13
More Than A Roof	NPO	Fiorella	11
Sanford Housing	NPO	Kingsley Estates	12
YWCA	NPO	Moiz & Nadia Place	27
			129

TYPE	# UNITS	% UNITS
For Profit Operators	345	73%
Non Profit Organizations	129	27%
Total	474	100%



Low End Market Rental Program Requirements

No.: INFO-51
Date: 2021-11-22

Purpose

The purpose of this bulletin is to provide an overview of the City of Richmond's Low End Market Rental Program. The requirements defined below are in effect as of November 15, 2021.

The West Cambie Alexandra Neighbourhood has its own affordable housing calculations, which are detailed in the West Cambie Area Plan. The Plan can be found online at www.richmond.ca/cityhall/bylaws/ocp/sched2.htm. The requirements defined below apply to all other areas in the city.

Background

Housing affordability continues to be a critical challenge for many households in Richmond. This issue affects a range of social and demographic groups, with the greatest impact on households with low to moderate incomes. Within this context, the City of Richmond is committed to playing a leadership role in increasing the supply of affordable housing for Richmond residents.

Launched in 2007, the Low End Market Rental Program uses an inclusionary zoning approach through which developers receive a density bonus in exchange for providing built units or a cash-in-lieu contribution.

Program Requirements

The following requirements are in effect for new rezoning applications as of November 15, 2021. Applications received prior to this date will be processed under the previous program rules provided the application receives first reading by November 15, 2022.

Larger Apartment Rezoning Applications

In exchange for a density bonus, each multi-family rezoning application that includes more than 60 residential units is required to provide a built contribution. As of November 15, 2021, there are two distinct sets of rates:

- Properties located outside of the City Centre Plan Area are required to provide at least 10% of residential floor area as affordable housing units; and
- Properties located within the City Centre Plan Area are required to provide at least 15% of residential floor area as affordable housing units.

These units must be operated as affordable housing units based on the following maximum rental rates and income thresholds:

Table 1: Maximum rental rates and income thresholds

Unit Type	Maximum Rental Rates	Income Thresholds
Studio	\$811 per month	\$34,650
1 Bedroom	\$975 per month	\$38,250
2 Bedroom	\$1,218 per month	\$46,800
3 Bedroom	\$1,480 per month	\$58,050

See over →

Design requirements for these units are as follows:

- Units must meet the following minimum size requirements:
 - Studio: 400 square feet
 - 1 Bedroom: 535 square feet
 - 2 Bedroom: 741 Square feet
 - 3 Bedroom: 980 Square feet
- At least 15% of the units are required to be provided as 2-bedroom units, while 5% must be provided as 3-bedroom units, with a target of securing 30% 2-bedroom units and 30% 3-bedroom units; and
- A target of securing at least 85% of the units to be designed to meet the City’s Basic Universal Housing standard.

Unit Placement

In general, LEMR units must be evenly dispersed throughout the market strata units provided in the development, although clustered LEMR units may be permitted on the condition that an experienced non-profit housing provider is secured to manage the units.

Cash-in-lieu Contributions

Residential rezoning applications that include 60 units or less and all townhouse developments are required to provide a cash-in-lieu contribution in exchange for a density bonus. Cash contributions are directed to the City’s Affordable Housing Reserve and used to support the development of standalone affordable housing buildings. As of November 15, 2021, there are two distinct sets of rates—one for properties inside the City Centre Plan Area (Table 2) and another for properties located outside the city centre (Table 3).

Table 2: Cash-in-lieu rates for properties within City Centre

Housing Type	Cash-in-lieu Rate
Single-detached	\$12 per buildable square foot
Townhouse	\$18 per buildable square foot
Apartments involving 60 or fewer units	\$25 per buildable square foot

Table 3: Cash-in-lieu rates for properties outside of City Centre

Housing Type	Cash-in-lieu Rate
Single-detached	\$8 per buildable square foot
Townhouse	\$12 per buildable square foot
Apartments involving 60 or fewer units	\$15 per buildable square foot

Single Family Rezoning

In addition to providing a cash-in-lieu contribution, single-family rezoning applications also have the option of providing at least one secondary suite to satisfy the Affordable Housing Policy requirements. The following options are available for single-family rezonings:

- a) Secondary suites in 100% of new lots developed;
- b) Secondary suites in 50% of new lots and cash-in-lieu contribution for the remaining 50%; or
- c) A cash-in-lieu contribution for 100% of new lots developed.

See over →

Property Management Requirements

The following requirements relate to the management of LEMR units:

- Property managers must enforce the maximum rental rates and income thresholds secured through the housing agreement registered on title and will verify all tenant household incomes using personal income tax documents. Owners and property managers are also required to confirm ongoing compliance with income and rental rate requirements through the Statutory Declaration process.
- The owner will not require LEMR tenants to pay any of the following fees:
 - Move in/move out fees;
 - Strata fees;
 - Strata property contingency reserve fees;
 - Any fees for the use of parking spaces assigned for the exclusive use of LEMR tenants;
 - Any fees for the use of common property, common spaces or amenities;
 - Any fees for the use of sanitary sewer, storm sewer, water or other utilities; or
 - Property or similar tax.
- The owner will allow LEMR tenants and any of their visitors to have full access to all on-site common indoor and outdoor amenity spaces that are available to residents of the residential strata units contained within the same building as the LEMR units.
- The owner will not permit a LEMR unit to be subleased or for the tenancy agreement to be assigned.
- The owner will not permit a LEMR unit to be used for short-term rental purposes (for example, units rented through Airbnb or VRBO), or any other purposes that do not constitute a permanent residence of an eligible tenant.

Tenant Selection Guidelines

- The purpose of the LEMR program is to provide housing to Richmond residents who would not be able to afford permanent rental housing at market rates in Richmond. Property managers must enforce the maximum income thresholds secured through the housing agreement registered on title.
- Property managers must verify the income of all tenants 18 years of age and over using their most recent Notice of Assessment from Canada Revenue Agency.
- Property managers should consider the National Occupancy Standards as defined by CMHC when selecting eligible tenants:
 - There shall be no more than 2 or less than 1 person per bedroom;
 - Spouses and couples share a bedroom;
 - Parents do not share a bedroom with a child;
 - Dependents aged 18 or more do not share a bedroom; and
 - Dependents aged 5 or more of opposite sex do not share a bedroom.

Contact Information

For additional information regarding the Low End Market Rental program, contact the City's Program Manager, Affordable Housing at 604-247-4916.