

# **Public Hearing Agenda**

Public Notice is hereby given of a Regular Council Meeting for Public Hearings being held on:

# Monday, November 15, 2021 – 7 p.m.

Council Chambers, 1<sup>st</sup> Floor Richmond City Hall 6911 No. 3 Road Richmond, BC V6Y 2C1

# **OPENING STATEMENT**

### **Page**

1. **RICHMOND ZONING BYLAW 8500, AMENDMENT BYLAW 10294** (File Ref. No. ZT 21-930124) (REDMS No. 6734642)

### **PH-3**

## See Page PH-3 for full report

**Location:** 13340 Smallwood Place

**Applicant:** Regional Animal Protections Society (RAPS)

**Purpose:** To amend the "Vehicle Sales (CV)" zone to add "Veterinary

Service" as a permitted use at 13340 Smallwood Place.

First Reading: October 12, 2021

### **Order of Business:**

- 1. Presentation from the applicant.
- 2. Acknowledgement of written submissions received by the City Clerk since first reading.
- 3. Submissions from the floor.

### **Council Consideration:**

1. Action on second and third readings of Richmond Zoning Bylaw 8500, Amendment Bylaw 10294.

### **Page**

2. RICHMOND ZONING BYLAW 8500, AMENDMENT BYLAWS 10297 AND 10260 (LOW END MARKET RENTAL HOUSING PROGRAM AMENDMENTS)

(File Ref. No. 08-4057-08) (REDMS No. 6743155)

### PH-21

## See Page PH-21 for full report

**Location:** City-wide

**Applicant:** City of Richmond

**Purpose:** To increase the Low End Market Rental (LEMR)

construction contribution rate from 10% to 15% for projects with more than 60 dwelling units within the City Centre Area Plan and to update the LEMR cash-in-lieu rates for projects with 60 dwelling units or less City-wide to reflect current

construction costs and sale prices in Richmond.

First Reading: October 12, 2021

### **Order of Business:**

- 1. Presentation from the applicant.
- 2. Acknowledgement of written submissions received by the City Clerk since first reading.
- 3. Submissions from the floor.

#### **Council Consideration:**

•	<i>-</i>		
1.		Action on second and third readings of Richmond Zoning Bylaw 8500 Amendment Bylaws 10297 and 10260.	,
2.		Adoption of Richmond Zoning Bylaw 8500, Amendment Bylaws 10297 and 10260.	7
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# **Report to Committee**

To:

Planning Committee

Date:

September 22, 2021

From:

Wayne Craig

File:

ZT 21-930124

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Director, Development

Re:

Application by Regional Animal Protection Society for a Zoning Text Amendment

at 13340 Smallwood Place

### Staff Recommendation

That Richmond Zoning Bylaw 8500, Amendment Bylaw 10294, for a Zoning Text Amendment to the "Vehicle Sales (CV)" zone to add "Veterinary Service" as a permitted use at 13340 Smallwood Place, be introduced and given first reading.

Wayne Craig

Director, Development

(604-247-4625)

WC:jr

Att. 6

REPORT CONCURRENCE		
ROUTED TO:	Concurrence	CONCURRENCE OF GENERAL MANAGER
Community Bylaws	Ø	be Erceg

### **Staff Report**

### Origin

The Regional Animal Protection Society (RAPS) has applied on behalf of TNC Automotive Inc. (Director, Darren Graham) for a Zoning Text Amendment to the "Vehicle Sales (CV)" zone to add "Veterinary Service" as a permitted use at 13340 Smallwood Place. A location map and aerial photo are provided in Attachment 1.

### **Findings of Fact**

A Development Application Data Sheet providing details about the development proposal is provided in Attachment 2.

### Background

Council issued a Temporary Commercial Use Permit (TCUP) on May 15, 2017 allowing "Veterinary Service" as a permitted use on a temporary basis at the subject site for the purpose of operating an animal hospital (TU 17-762905). The TCUP was valid for a period of 3 years ending on May 15, 2020. The applicant submitted a Zoning Text Amendment on March 31, 2021 to permit the "Veterinary Service" use outright, rather than pursuing an extension to the TCUP, due to the significant investment in the existing animal hospital and strong relationship with the property owner and Richmond Auto Mall Association (Attachment 3). The applicant also operates an animal adoption and education centre on the subject site in conjunction with the animal hospital, which would be formally permitted through this application.

The proposed Zoning Text Amendment would apply only to 13340 Smallwood Place and would not impact other properties in the "Vehicle Sales (CV)" zone. No changes to the building are proposed. The animal hospital occupies the second storey of the building, and there are no anticipated impacts to existing business operations on the first floor. Other uses on the property include vehicle repair and detailing and the owner's automotive dealership office.

### **Surrounding Development**

The subject site is located in the southeast corner of the Richmond Auto Mall. Development immediately surrounding the subject site is generally as follows:

- To the Northwest and Southwest: Car dealerships on lots zoned "Vehicle Sales (CV)".
- To the Northeast: A commercial office building on a lot zoned "Vehicle Sales (CV)".
- To the Southeast: Surface parking on a lot zoned "Vehicle Sales (CV)".

### **Related Policies & Studies**

### Official Community Plan/East Cambie Area Plan

The subject site is designated "Commercial" in both the Official Community Plan (OCP) and East Cambie Area Plan (Attachment 4). The proposed "Veterinary Service" use is consistent with this land use designation.

The East Cambie Area Plan identifies that the focus of this commercial area is auto-oriented uses, however the proposed animal hospital does not conflict with the ongoing operations of the area and has the support of both the property owner and the Richmond Auto Mall Association (Attachment 3).

### Floodplain Management Implementation Strategy

In accordance with the City's Flood Management Implementation Strategy, registration of a flood indemnity covenant on title is required prior to final adoption of the amendment bylaw.

## Aircraft Noise Sensitive Development Policy

The subject site is located within the Aircraft Noise Sensitive Development (ANSD) Policy Area 4, which allows for all aircraft noise sensitive land uses to be considered. Although the proposed land use is not a defined aircraft noise sensitive use, a legal agreement addressing aircraft noise mitigation and public awareness is to be registered on Title prior to final adoption of the amendment bylaw.

### **Public Consultation**

A development information sign has been installed on the subject property. Staff have not received any comments from the public about the application in response to the placement of the sign on the property.

Should the Planning Committee endorse this application and Council grant first reading to the rezoning bylaw, the bylaw will be forwarded to a Public Hearing, where any area resident or interested party will have an opportunity to comment. Public notification for the Public Hearing will be provided as per the *Local Government Act*.

### **Analysis**

## Proposed Zoning Text Amendment

The subject site is zoned "Vehicle Sales (CV)," which allows for vehicle sales and repairs along with a limited number of related uses. "Veterinary Service" is permitted in most commercial zones, but not in the "Vehicle Sales (CV)" zone.

As previously noted, the Animal Hospital was granted a Temporary Use Permit (TU 17-762905) to allow the use on a temporary basis in May 2017. The existing space occupied by the animal hospital has been donated to the applicant by the property owner. A letter from the applicant describing the activities on site is provided in Attachment 5. These activities include administrative offices for RAPS, the animal hospital, and an animal adoption and education centre. Adoptions are limited to cats only.

"Veterinary Service" is a defined land use in Richmond Zoning Bylaw 8500, and describes a facility for the care, examination, diagnosis, and treatment of sick, ailing, infirm, or injured pets, including medical intervention and surgery, and may include accessory short-term accommodation of pets, pet grooming, and the sale of medicine and pet supplies. "Animal

Breeding and Boarding", "Animal Shelters", and "Animal Day Care" are separately defined land uses and are not included within the scope of "Veterinary Service".

In addition to veterinary services, RAPS offers cat adoptions through the animal hospital. Animal adoption is not a defined use in the Zoning Bylaw. To accommodate animal adoptions, the proposed zoning amendment makes allowance for the adoption of domestic cats from the site provided that the cats are not boarded on the site. The applicant has confirmed that only cats receiving care will be boarded on site, and that cats available for adoption are boarded at an appropriately zoned site elsewhere in the city.

The proposed zoning text amendment would add "Veterinary Service" as a permitted use at the subject site only, with a site-specific regulation permitting animal adoption services associated with the "Veterinary Service" use and limited to cats and kittens as defined in Richmond Business Regulation Bylaw 7538. The proposed zoning text amendment would also limit the size of a "Veterinary Service" to no more than half of the total floor area of the building, to ensure that the property use remains generally consistent with the intent of the "Vehicle Sales (CV)" zone.

### **Business Licensing and Operations**

RAPS is a registered non-profit and was issued a business license to operate an animal hospital on the property in 2017. Staff have confirmed that the animal hospital operated by RAPS is fully accredited by the College of Veterinarians of British Columbia consistent with the *Veterinarians Act*.

### Transportation and Site Access

Vehicle access is provided via two driveway crossings to Smallwood Place. A parking area in front of the building contains 49 parking spaces, and additional parking is available on the street and behind the building on a property owned by Richmond Auto Mall Holdings Ltd. The animal hospital would require 13 parking spaces.

One loading space is provided on the north side of the building and is accessed via the neighbouring property. The vehicle parking and loading provided are generally consistent with the minimum requirements under Richmond Zoning Bylaw 8500.

Bicycle parking is not required for "Veterinary Service" uses, and currently there is no Class 2 bicycle parking for visitors on the subject site. The applicant has agreed to install one bike rack that could accommodate two bicycles. The bike rack must either be installed prior to final adoption of the amendment bylaw or secured through deposit of a security to the City based on a cost estimate for the purchase and installation of the bike rack.

## Landscaping

No landscape improvements are proposed through this application. Refreshed on-site and boulevard landscaping for the entire Richmond Auto Mall area is under review through a separate Development Permit (DP 18-842750) and would include the subject site.

## **Financial Impact**

None.

### Conclusion

The purpose of this application is to amend the "Vehicle Sales (CV)" zone to add "Veterinary Service" as a permitted use at 13340 Smallwood Place.

The proposal is generally consistent with the applicable policies and land use designations contained in the Official Community Plan (OCP).

The list of rezoning considerations is included as Attachment 6, which has been agreed to by the applicants (signed concurrence on file).

It is recommended that Richmond Zoning Bylaw 8500, Amendment Bylaw 10294 be introduced and given first reading.

Jordan Rockerbie

Planner 1

(604-276-4092)

### JR:blg

### Attachments:

Attachment 1: Location Map and Aerial Photo

Attachment 2: Development Application Data Sheet

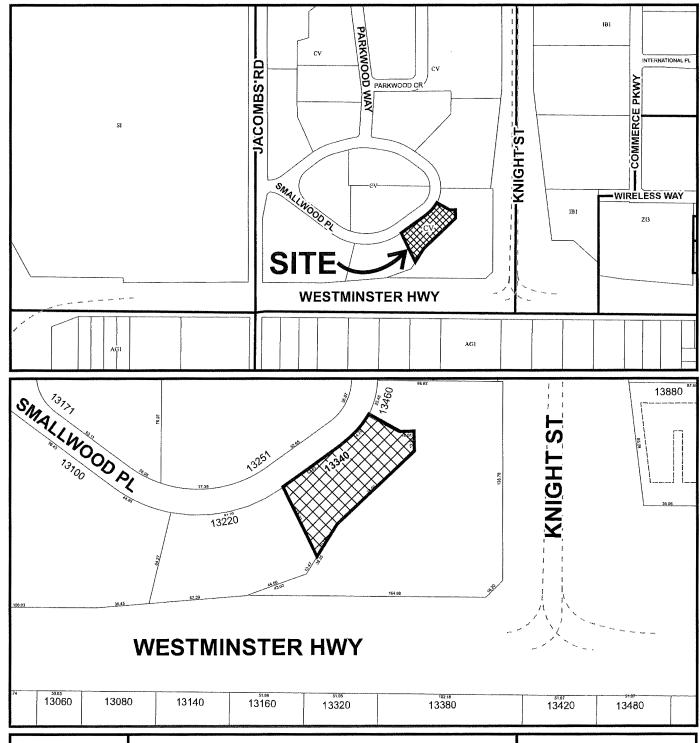
Attachment 3: Letters of Support

Attachment 4: East Cambie Area Plan Land Use Map

Attachment 5: Letter from the Applicant

Attachment 6: Rezoning Considerations







ZT 21-930124

PH = 8

Original Date: 04/12/21

Revision Date: 04/26/21

Note: Dimensions are in METRES







ZT 21-930124

PH \_ 9

Original Date: 04/12/21

Revision Date: 04/26/21

Note: Dimensions are in METRES



# **Development Application Data Sheet**

Development Applications Department

ZT 21-930124 Attachment 2

Address: 13340 Smallwood Place

Applicant: Regional Animal Protection Society

Planning Area(s): East Cambie

	Existing	Proposed
Owner:	TNC Automotive Inc.	No change
Site Size (m2):	3,696 m²	No change
Permitted Land Uses:	Car Wash Office Restaurant Restaurant, drive-through Services, financial Vehicle body repair or paint shop Vehicle sale/rental  Veterinary service previously permitted through a Temporary Commercial Use Permit	Addition of "veterinary service" as a permitted use at 13340 Smallwood Place only
OCP Designation:	Commercial	No change
Area Plan Designation:	Commercial	No change
Zoning:	Vehicle Sales (CV)	No change

	Bylaw Requirement	Proposed	Variance
Unit Size:	N/A	793 m² (8,538 ft²)	N/A
Off-street Parking Spaces Required for Proposed Use:	1.6 per 100 m <sup>2</sup> (i.e. 13 spaces)	13 spaces	none
Off-street Parking Spaces – Total:	49 spaces	49 spaces	none
Bicycle Parking – Class 1	0	0	none
Bicycle Parking – Class 2 (Visitor)	0	2	none

# VERIFICATION LETTER RAPS' LEASE AGREEMENT WITH APPLEWOOD FOR SECOND FLOOR SPACE AT 13340 SMALLWOOD PLACE, RICHMON BC

Mr. Norman Isaak Principals1062031 BC Ltd. (aka: Applewood Motors) 16299 Fraser Highway Surrey BC V4N 1W8

("Donors")

AND

Regional Animal Protection Society Unit 201 – 13340 Smallwood Place Richmond, BC V6V 1W8

("RAPS")

To whom it may concern,

This letter is to verify the support by the Donors (a.k.a. 1062031 BC Ltd.) for the Regional Animal Protection Society in donating the second floor of office building located at 13340 Smallwood Place, Richmond B.C. (the "space") and coincides with RAPS' Indenture of Lease Effective August  $1^{st}$ , 2016 for Unit 201 - 206, 13340 Smallwood Place expiring July  $31^{st}$  2031.

The intent of the Indenture of Lease signed between the parties is for the Donor to donate the basic rent for the space and for RAPS to pay the additional rent costs for the space. The additional rent schedule (triple net lease) shall start at \$6,000 plus GST per month August 1<sup>st</sup>, 2016 reaching \$10,000 plus GST per month in 2028.

RAPS commit to be an occupant of the space for the following duration (the "Duration"):

Duration Commencement Date: June 1<sup>st</sup>, 2017

Duration End Date: May 31<sup>st</sup>, 2023

RAPS shall provide, if requested by the Donors, tax receipts for the donated space as long as such tax receipts are allowed by CRA rules and guidelines for in-kind donation of space.

RAPS shall be governed by the Three-Way Agreement between Applewood, RAMA (Richmond Auto Mall Association) and RAPS signed November 19, 2020.

Signed this day 13th day of May 2021.

1062031 BC Ltd.

Mr. Norman Isaak Authorized Signatory

**RAPS** 

Mr. Eyal Lichtmann Authorized Signatory



September 17, 2021

Jordan Rockerbie Planning and Development City of Richmond 6911 No. 3 Road Richmond, British Columbia V6Y 2C1

Re: RAPS Animal Hospital Rezoning Application

Dear Mr. Rockerbie,

RAPS Animal Hospital provides an important service to the public. Their state of the art veterinary hospital has been a wonderful addition to the City of Richmond and beyond, allowing the multitudes of pet owners in the Lower Mainland affordable access to quality pet care.

The Richmond Auto Mall Association supports the RAPS hospital location in the Auto Mall and endorses the proposed zoning change from temporary to permanent for this purpose.

Should you require anything further, please don't hesitate to contact me.

Kind regards,

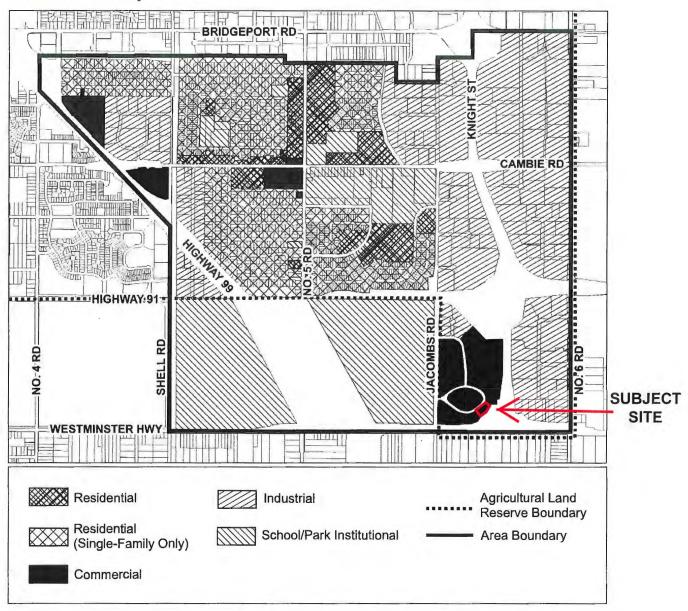
**Gail Terry** 

General Manager Richmond Auto Mall Office: 604-273-3243

Direct: 604-341-9928

gailterry@richmondautomall.com

### Bylaw 8948 2016/10/24 **Land Use Map**







### RAPS is a Registered Charitable Organization - visit us online at www.rapsbc.com

May 11<sup>th</sup>, 2021

THE CITY OF RICHMOND 6911 NO. 3 ROAD RICHMOND, B.C. V6Y 2C1

Re: Site activities at 13340 Smallwood Place (2nd floor)

To whom it may concern,

The location of the RAPS Animal Hospital at the Richmond Auto Mall is due to the fact that RAPS has been donated 7,000 square feet of otherwise unused second floor space for a period of 15 years. This equates to approximately \$3.6 million in-kind donation to RAPS.

The space occupied by RAPS, on the second floor of 13340 Smallwood Place:

- 1. Was previously utilized for financing and offices. It stood empty for five years before the space was donated to RAPS.
- 2. RAPS spent close to \$500,000 renovating the space.
- 3. RAPS invested approximately another \$600,000 outfitting the hospital with fixtures and equipment.
- 4. The space occupied by RAPS on the entire floor of 13340 Smallwood Place does not impede any car sales space at the Auto Mall. On the first floor of 13340 Smallwood Place are Applewood Mitsubishi and their dealership occupies all available space for a car dealership. It is not possible for another car dealership to operate out of the space utilized by RAPS because there is no place to display vehicles by the nature of the second floor location and there is absolutely no area around the building available for another car dealership. RAPS Animal Hospital does not impede any existing or prospective vehicle operator at the Richmond Auto Mall.
- 5. The RAPS Animal Hospital attracts close to 12,000+ additional visitations to the Auto Mall each year, which is good for local businesses.
- 6. We estimate the value of the community-owned RAPS Animal Hospital to be approximately \$4.6 million.
- 7. In addition to regular veterinary services for the public, we estimate the community benefit of the services (alone) from the RAPS Animal Hospital to be \$2.5 million in partial or whole veterinary care subsidies. Some of the groups RAPS assists through the hospital include Chimo Services (for women in crises), Salvation Army, Salvation Army Richmond House homeless shelter, Rain City Housing, Richmond's transitional housing facility, seniors, veterans, teachers, people living in social housing, single parents, students, people experiencing unemployment, people who are hospitalized or otherwise temporarily unable to care for their companion animals, the Royal Canadian Legion, BC Yukon Branch, first responders, nurses, other animal rescue agencies such as Rabbitats, service animals and many others.

The site activities RAPS is operating at 13340 Smallwood Place, in conjunction and approval of the Richmond Auto Mall Association (RAMA) include:





### RAPS is a Registered Charitable Organization - visit us online at www.rapsbc.com

- RAPS Animal Hospital Veterinary Services Open 8 a.m. 6 p.m. daily
  - Examination, diagnosis and treatment of sick, ailing, infirm or injured pets, including medical intervention and surgery
  - Sale of medicine and pet supplies
  - Short-term accommodation for sick pets
  - o Future expansion to 8AM to 8PM and then to a 24/7 available operation
- RAPS Hospital and Organization Administrative Offices 9 a.m. 5 p.m. Monday Friday
- Educational and Adoption Centre Noon 4 p.m. daily (only 4 hours per day)
  - Provide the public with educational materials and telephone support related to animal guardianship and care
  - o Educational programs for the public on animal care and advocacy
  - Elementary and high school educational programs on animal welfare, safe interactions and the joys and responsibilities of animal companions
  - Meet-and-greets for adoptable cats (only). There will be NO DOGS this is strictly for cats and no dogs will be going through the Education and Adoption Center
  - Holding bay for feral cats for the hospital (the cats must be separated until they, treated for lice and other ailments, are vaccinated and then transferred to the RAPS Cat Sanctuary unless adoptable).

RAPS has been trapping feral cat colonies in Richmond for 25 years.

- Feral cats are trapped, held at the Educational and Adoption Centre for medical treatment at the RAPS
   Animal Hospital across the hall. The Educational and Adoption Centre plays a role as outreach for the RAPS
   Animal Hospital. Kittens are held temporarily until they are old enough to be spayed/neutered and then
   adopted out.
- 2. Feral cats that can be socialized are adopted out and unadoptable cats are sent to the RAPS Cat Sanctuary, located at 3380 No. 6 Road, Richmond. Most other organization do trap and release (TnR) programs, where the spayed/neutered cats are released back into the wild. RAPS does not do this and that activity would not be beneficial for Richmond or the health of the cats or for the safety of wildlife, especially birds.
- 3. Because of RAPS' feral cat trapping efforts over the past 25 years, Richmond does not have a feral cat problem. (Surrey has an estimated 34,000 feral cats.) <a href="https://bc.ctvnews.ca/surrey-facing-cat-astrophe-with-up-to-34-000-wild-felines-1.2263011">https://bc.ctvnews.ca/surrey-facing-cat-astrophe-with-up-to-34-000-wild-felines-1.2263011</a> When there is any indication of a feral cat colony in Richmond, RAPS traps and then treats the cats.
- 4. All feral cats are spayed or neutered at our expense at the RAPS Animal Hospital. They are then adopted or sent to the RAPS Cat Sanctuary to live out their lives.
- 5. No other municipality in B.C. has similar combined resources to those of RAPS in controlling cat populations. These include a team of volunteer trappers, the RAPS Cat Sanctuary, the RAPS Animal Hospital and RAPS' Educational and Adoption Centre. These resources are ALL located in Richmond.

Feral cat populations (starting with 12 cats), if left alone and facing no predators, can expand to 66,000 cats in six years. <a href="https://www.animalleague.org/wp-content/uploads/2017/06/cats-multiply-pyramid.pdf">https://www.animalleague.org/wp-content/uploads/2017/06/cats-multiply-pyramid.pdf</a>





### RAPS is a Registered Charitable Organization – visit us online at www.rapsbc.com

6. We can assume the health of Richmond residents are impacted by how many feral animals there are within the municipality. RAPS traps feral cats everywhere – in the City, on farmland and even at the Lafarge cement factory. We know that the feral rabbit situation is a problem in Richmond. A direct correlation can be made to the overpopulation of rabbits in Richmond. There is no overpopulation of feral cats in Richmond because of RAPS' consistent and ongoing activities related to trapping and caring for feral cats.

City of Richmond Precedence: Animal Rescue Operations in Other or Same Areas

- BC SPCA Richmond Education & Adoption Centre at 7791 Steveston Hwy Richmond BC V7A 1L9 has been operating for at least 14 years despite not being zoned for that purpose. 7791 Steveston Hwy Richmond is zoned for Mixed Use as CN, or Neighbourhood Commercial. This type of zoning allows animal grooming and veterinary services, however animal shelter or animal boarding are not listed as permitted uses. However, the BCSPCA has been using that space for these non-permitted uses.
- Rabbitats https://rabbitats.org/ has operated (until one year ago) for many years at the Richmond Auto Mall trapping, spaying and neutering rabbits and then adopting them out or transferring them to their sanctuary in Surrey. There were at least, we estimate, 100 rabbits at a time on the premises in the care of Rabbitats. This greatly reduced the rabbit population in the area. Similarly, the Auto Mall was not zoned for this purpose.

**Financing** – the financing RAPS has with Vancity Savings Credit Union is directly connected to the 15-year no-rent use agreement with Applewood and the approval received from RAMA which required approval of the dealerships. Without the 15-year agreement (the loan is amortized over 15 years), RAPS would not be able to afford running the animal hospital as a charity hospital benefiting Richmond residents because the monthly costs would be debilitating for RAPS and inhibit our operations. We hope more Richmond businesses provide these types of donations for Richmond based charities.

**Conclusion** - we believe, and hope you agree, there is great value in RAPS' operations for the residents of Richmond and precedence in Richmond for allowing RAPS to operate the Hospital and the Educational and Adoption Centre at the same location at the Richmond Auto Mall. These activities do not impede any existing or prospective vehicle sales at the Richmond Auto Mall.

The RAPS Animal Hospital and the Education and Adoption Centre, we hope you agree, does not impede, in any way, the auto sales or operations of the Auto Mall. Our presence at the Auto Mall has been approved by RAMA.

We hope our application for permanent zoning for our current operations are approved. Thank you for your consideration.

Sincerely,

Eyal Lichtmann,

Executive Director & CEO



ATTACHMENT 6

# **Rezoning Considerations**

Development Applications Department 6911 No. 3 Road, Richmond, BC V6Y 2C1

Address: 13340 Smallwood Place

File No.: ZT 21-930124

# Prior to final adoption of Richmond Zoning Bylaw 8500, Amendment Bylaw 10294, the developer is required to complete the following:

- 1. Registration of an aircraft noise indemnity covenant on title (ANSD Area 4).
- 2. Registration of a flood plain covenant on title identifying a minimum habitable elevation of 2.9 m GSC.
- 3. Installation of a bike rack and inspection by the City, or deposit of a security based on a cost estimate for the purchase and installation of a bike rack. 100% of the security will be returned following an inspection by the City.

#### Note:

- Where the Director of Development deems appropriate, the preceding agreements are to be drawn not only as personal covenants
  of the property owner but also as covenants pursuant to Section 219 of the Land Title Act.
  - All agreements to be registered in the Land Title Office shall have priority over all such liens, charges and encumbrances as is considered advisable by the Director of Development. All agreements to be registered in the Land Title Office shall, unless the Director of Development determines otherwise, be fully registered in the Land Title Office prior to enactment of the appropriate bylaw.
  - The preceding agreements shall provide security to the City including indemnities, warranties, equitable/rent charges, letters of credit and withholding permits, as deemed necessary or advisable by the Director of Development. All agreements shall be in a form and content satisfactory to the Director of Development.
- Additional legal agreements, as determined via the subject development's Servicing Agreement(s) and/or Development Permit(s), and/or Building Permit(s) to the satisfaction of the Director of Engineering may be required including, but not limited to, site investigation, testing, monitoring, site preparation, de-watering, drilling, underpinning, anchoring, shoring, piling, pre-loading, ground densification or other activities that may result in settlement, displacement, subsidence, damage or nuisance to City and private utility infrastructure.
- Applicants for all City Permits are required to comply at all times with the conditions of the Provincial Wildlife Act and Federal Migratory Birds Convention Act, which contain prohibitions on the removal or disturbance of both birds and their nests. Issuance of Municipal permits does not give an individual authority to contravene these legislations. The City of Richmond recommends that where significant trees or vegetation exists on site, the services of a Qualified Environmental Professional (QEP) be secured to perform a survey and ensure that development activities are in compliance with all relevant legislation.

Signed	Date



# Richmond Zoning Bylaw 8500 Amendment Bylaw 10294 (ZT 21-930124) 13340 Smallwood Place

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 10.7 [Vehicle Sales (CV)] by:
  - a) Adding Additional Uses (Section 10.7.3.B), renumbering the previous sections accordingly, and adding the following text into the Additional Uses (Section 10.7.3.B):

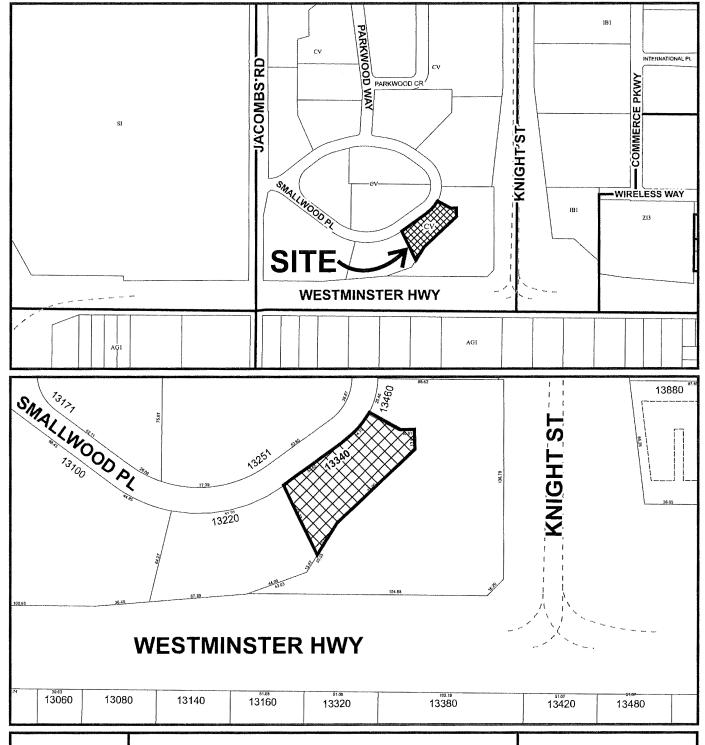
"Veterinary service"

- b) Inserting the following as new Section 10.7.11.3, and renumbering the remaining sections accordingly:
- a) A veterinary service shall be permitted on the following listed site and is limited to one per site:
  13340 Smallwood Place
  P.I.D. 000-955-558
  Lot 5 Section 5 Block 4 North Range 5 West New Westminster District Plan 68775
  - b) Notwithstanding the definition of **veterinary service**, a **veterinary service** may include animal adoption services limited to the adoption of "cats" and "kittens" as defined in the Richmond Business Regulation Bylaw 7538 and no other animal.
  - c) The total floor area of a veterinary service shall not exceed the total floor area of all other permitted uses on the site."
- 2. This Bylaw may be cited as "Richmond Zoning Bylaw 8500, Amendment Bylaw 10294".

FIRST READING	OCT 1 2 2021	CITY OF RICHMOND
A PUBLIC HEARING WAS HELD ON		APPROVED
SECOND READING		APPROVED by Director or Solicitor LB

Bylaw 10294	Page 2
THIRD READING	
MINISTRY OF TRANSPORTATION AND INFRASTRUCTURE APPROVAL	
OTHER CONDITIONS SATISFIED	
ADOPTED	
MAYOR	CORPORATE OFFICER







ZT 21-930124

PH - 20

Original Date: 04/12/21

Revision Date: 04/26/21

Note: Dimensions are in METRES



# **Report to Committee**

To:

Planning Committee

Date:

September 16, 2021

From:

John Hopkins

File:

08-4057-08/2021-Vol 01

Director, Policy Planning

Kim Somerville

Director, Community Social Development

Re:

Proposed Market Rental Housing Policy Changes and Low End Market

Rental (LEMR) Program Updates

### Staff Recommendations

Increase the Low End Market Rental (LEMR) construction contribution for developments inside of the City Centre Area Plan from 10% to 15%

1. That the Low End Market Rental contribution rate be increased from 10% to 15% within the City Centre Area Plan, and that the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10297 be introduced and given first reading;

Update LEMR cash-in-lieu rates to reflect current construction costs and sale prices in Richmond

- 2. That the following changes to the Low End Market Rental cash-in-lieu rates be approved and updated every two years, and the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10260, be introduced and given first reading:
  - a. \$8 per square foot outside of City Centre and \$12 per square foot inside of City Centre for single-family rezonings;
  - b. \$12 per square foot outside of City Centre and \$18 per square foot inside of City Centre for townhouse developments; and
  - c. \$15 per square foot outside of City Centre and \$25 per square foot inside of City Centre for apartment developments with 60 units or less;

Introduce a mandatory market rental contribution

- 3. That a mandatory market rental requirement is introduced to secure a minimum of 10% of residential floor area as market rental housing in multi-family projects with more than 60 apartment units, with a cash in lieu option for multi-family projects with five or more units, and that the associated Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, be introduced and given first reading;
- 4. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, having been considered in conjunction with:
  - a. the City's Financial Plan and Capital Program; and
  - b. the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans:

- is hereby found to be consistent with said City program and plans, in accordance with Section 477(3)(a) of the *Local Government Act*;
- 5. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, having been considered in accordance with Section 475 of the *Local Government Act* and the City's Official Community Plan Bylaw Preparation Consultation Policy 5043, be found not to require further consultation;
- 6. That amendments are made to the Zoning Bylaw to apply a mandatory market rental requirement to secure market rental housing units in multi-family projects with more than 60 apartment units, with an associated density bonus (0.1 floor area ratio), and that the associated Richmond Zoning Bylaw 8500, Amendment Bylaw 10298 be introduced and given first reading;

Provisions for instream applications and monitoring the updates

- 7. That instream rezoning applications received prior to Council's adoption of the proposed recommendations be processed under the existing market rental and Low End Market Rental policies provided that the application achieves first reading within one year of the adoption of the applicable Official Community Plan or Zoning Bylaw amendment;
- 8. That staff report back to Council regarding key findings related to the implementation of updates to the Official Community Plan Market Rental Housing Policy after the program provisions are in place for two years; and

Incentives for rental housing

9. That staff be directed to review the feasibility of reducing or waiving Development Cost Charges (DCC) for purpose built affordable housing developments with rental rates established below standard Low End Market Rental rates.

John Hopkins Director, Policy Planning

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Kim Somerville

Director, Community Social Development

(604-276-4671)

JH:dn Att. 6

REPORT CONCURRENCE				
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER		
Finance Law Development Applications	☑ ☑ ☑	pe Erceg		
SENIOR STAFF REPORT REVIEW	INITIALS:	APPROVED BY CAO		

### **Staff Report**

### Origin

The following referral was approved at the June 23, 2021 Planning Committee meeting:

That the following staff reports titled:

- (a) "Options to Secure Market Rental Housing in New Development and Options to Increase Low End Market Rental (LEMR) Contributions," dated April 19, 2021, from the Director, Policy Planning;
- (b) "Low End Market Rental Contribution Rate Review," dated April 19, 2021, from the Director, Community Social Development; and
- (c) "Supplementary Information: Options to Secure Market Rental Housing in New Development and Options to Increase Low End Market Rental (LEMR) Contributions," dated June 7, 2021, from the Director, Policy Planning;

be referred back to staff. (Complete reports are available at the following web address: https://www.richmond.ca/agendafiles/Open Spec Planning 6-23-2021.pdf).

The companion reports listed above were in response to the following referrals to staff:

- That staff provide suggestions and options for a market rental policy and report back.
- That staff explore options to increase the affordable housing requirement to above 10%.

In response to the Council referrals above, this report includes proposed policy, bylaw and program amendments, as well as supporting recommendations, which are summarized in Attachment 1. The list of proposed recommendations includes the following, which may be supported as a package or as separate items:

- 1. Amendments to the Low End Market Rental (LEMR) Program
  - Increase the Low End Market Rental (LEMR) construction contribution for developments inside of the City Centre Area Plan (staff recommendation #1).
  - Update LEMR cash-in-lieu provisions in alignment with current construction costs and sale prices in Richmond (staff recommendation #2).
- 2. Amendments to the Market Rental Housing Policy
  - Introduce a <u>mandatory</u> approach to securing market rental housing units in apartment developments with more than 60 units (staff recommendations #3-5).
  - Accept cash-in-lieu of constructed market rental units from townhouse and small apartment developments (staff recommendation #6).
- 3. Provisions for Instream Applications and Monitoring
  - Introduce provisions for instream development applications and monitor implementation of the policy and program amendments (staff recommendations #7, 8).

### 4. Incentives for Rental Housing

 Review the feasibility of reducing/waiving Development Cost Charges (DCC) for purpose built affordable housing developments with rental rates established below standard LEMR rates (staff recommendation #9).

The recommendations included in this report would maximize the number of rental housing units secured through development, without creating significant financial risks for private developers. Postponing updates to the City's rental housing approach would permit new applications to be reviewed under existing policy and program provisions, and would secure fewer rental housing units than determined to be financially feasible by an independent economic analysis.

This report supports Council's Strategic Plan 2018–2022 Strategy #6 Strategic and Well-Planned Growth:

Leadership in effective and sustainable growth that supports Richmond's physical and social needs.

- 6.1 Ensure an effective OCP and ensure development aligns with it.
- 6.5 Ensure diverse housing options are available and accessible across the housing continuum.

### **Analysis**

### Richmond Housing Policy Context

Rental housing is an important component of the housing continuum in the City of Richmond with approximately 26% of Richmond households residing in a rental unit. Rental housing accommodates a diverse range of households, including all income groups, age groups and family types.

For several decades, the City of Richmond has played a leadership role in securing rental housing for Richmond households. For example, since the first Affordable Housing Strategy was adopted in 2007, the City has secured more than 1,500 affordable housing units and \$45 million in cash-in-lieu contributions. More recently, the Official Community Plan (OCP) Market Rental Housing Policy was adopted, which has secured approximately 568 market rental units since 2018. Attachment 2 includes additional information about the City's current housing initiatives.

### Rental Housing Demand and Projections

While the City's housing programs and policies have achieved much success, there is significant demand for additional affordable and market rental housing units in Richmond. Based on Federal Census data and housing demand estimates from Metro Vancouver, City staff estimate that there is an annual demand for approximately 270 Low End Market Rental (LEMR) units and 190 market rental units in Richmond (Attachment 3).

Between January 2018 and August 2021, the City secured an average of 118 LEMR housing units annually. During the same period of time, an average of 142 market rental units were secured annually using existing OCP density bonusing provisions. Based on the proposed policy updates

described in this report, staff estimate that approximately 180 LEMR units and 125 secured market rental units would be secured annually, in addition to market rental units that are secured using density bonusing provisions that apply to voluntary purpose built rental developments (e.g. 100% purpose built rental housing).

In addition to securing constructed LEMR and market rental units, the City's housing programs and policies collect cash-in-lieu of constructed units through the rezoning process to support affordable housing projects that target low and moderate income households. The funds are directed to the Affordable Housing Reserve and can be used to support standalone non-market housing developments which provide rents below the standard LEMR rates. Examples of non-market housing include the Storeys development and future Pathways Affordable Housing development.

While the City has achieved significant success, housing affordability is a complex issue that cannot be solved by one program or level of government alone. As such, the City's housing policies are informed by the principles of collaboration and shared funding responsibility with a range of stakeholders. In particular, increasing the supply of affordable housing requires dedicated, sustained sources of funding from the provincial and federal governments.

The proposed policy updates outlined below would play a critical role in meeting housing needs, but are not the only source of rental housing units in Richmond. The proposed policy updates would complement rental housing units provided through the following sources:

- Standalone affordable housing projects funded by BC Housing and Canada Mortgage and Housing Corporation;
- Standalone market rental buildings enabled by the incentives provided by the current Market Rental Policy; and
- Houses and apartments owned and rented by individual owners (the secondary rental market).

### Policy Recommendations

The policy and program recommendations included in this report are based on the findings of an economic analysis that was undertaken by an experienced economic development consultant, G.P. Rollo & Associates. The consultant's analysis showed that the proposed contribution rates are financially feasible for the majority of developments. The proposed recommendations represent a balanced approach that would achieve a significant amount of rental housing without creating significant financial risks for developments. Overall, the proposed changes would allow Richmond to remain a regional leader in rental housing, and creation of a more diverse and inclusive community for the benefit of all Richmond residents.

The proposed policy updates, outlined below, complement the current direction in the OCP and the City's Affordable Housing Strategy, and are customized for both low density and higher density developments. Attachment 1 summarizes of the following proposed changes and supporting recommendations.

### 1. Amendments to the Low End Market Rental (LEMR) Program

Staff Recommendation #1: Increase the LEMR floor area contribution rate for properties inside of the City Centre Area Plan from 10% to 15%

Introduced in 2007, the LEMR program has achieved significant success. Updating the LEMR program to reflect current economic conditions is consistent with past practice. For example, from 2007 until 2017, the LEMR program secured a 5% floor area contribution rate for developments with more than 60 units. The program was last updated in 2017 to increase the floor area contribution rate from 5% to 10% of residential floor area in line with changing market conditions.

The economic analysis completed by G.P. Rollo & Associates tested various floor area contribution rates for the LEMR program. As land and development costs are variable, there is no single maximum contribution rate that applies for all developments. However, based on the economic analysis, 15% was determined to be appropriate for a wide range of developments inside of the City Centre Area Plan. Accordingly, staff recommend increasing the LEMR built unit contribution rate to 15% for development inside of the City Centre Area Plan with more than 60 units as it maximizes the number of affordable housing units that can be secured without creating significant financial risks for developments.

While the economic analysis indicated that a higher contribution rate of up to 20% may be financially feasible for some developments within the City Centre Area Plan, a higher rate would introduce moderate to significant financial risk for other developments, and may limit the City's ability to negotiate additional community amenities. As such, G.P. Rollo & Associates recommended a balanced approach and a LEMR contribution rate of 15% inside of the City Centre Area Plan.

No change is proposed to the LEMR floor area requirement outside of the area included in the City Centre Area Plan based on consideration of land values and associated achievable building densities. Additionally, no change is proposed to the current policy option of considering additional density exclusively for LEMR units on sites that are subject to the Arterial Road Land Use Policy. As directed by this policy, the City generally secures any additional density on certain arterial roads as affordable housing. On occasion, the Arterial Road Land Use Policy results in a LEMR contribution outside of the City Centre Area Plan that is greater than the 10% rate outlined in the Affordable Housing Strategy.

G.P. Rollo & Associate advises that the proposed clearly defined policy and program amendments would not increase sale prices for home buyers.

As referenced above, there is a significant need for additional affordable housing units in Richmond. The proposed policy change is consistent with past practice, would secure a greater number of units, and ensure a wide range of Richmond households can access housing that meets their financial needs.

### **Alternative Approach**

An alternative approach regarding the LEMR floor area construction rate includes the following:

• Implement a phased approach by which the LEMR floor area contribution rate inside of the City Centre Area Plan is increased from 10% to 12.5% for a period of 12 months, and increased to 15% after this initial 12 month period.

This approach is not recommended as the proposal to increase floor area contribution rates inside of the City Centre Area Plan is feasible for the majority of developments.

# Staff Recommendation #2: Update LEMR cash-in-lieu rates to reflect current construction costs and sale prices in Richmond

The second staff recommendation related to the Low End Market Rental program is to update the cash-in-lieu rates. The recommended rates correspond with the proposed increase in residential floor area to be secured as LEMR units and reflects updated construction costs and sale prices in Richmond.

Given that the LEMR cash-in-lieu rates have not been updated since 2017, the current rates are out of date relative to current housing market conditions. For example, both construction costs and average sale prices have increased significantly over the past five years. As a result, the current cash-in-lieu rates are outdated and can be increased as outlined below. Without an update to the LEMR cash-in-lieu rates, the City would leave an important funding source untapped. The economic analysis completed by G.P. Rollo & Associates indicated that the proposed updated rates are appropriate for the majority of developments, including projects developed by small builders. In total, the recommended cash-in-lieu approach would not adversely affect market development, and would secure a crucial source of funding for standalone affordable housing developments. Consistent with the Affordable Housing Strategy, in the future cash-in-lieu rates would be updated every two years to ensure the rates remain relevant and up to date.

Table 1: Recommended LEMR cash-in-lieu rates

Cash-in-lieu rate	Current	Proposed		
	Citywide	Outside of the City Centre Area Plan (\$/ft²)**	Inside of the City Centre Area Plan (\$/ft²)***	
Single family	\$4.00	\$8.00	\$12.00	
Townhouse	\$8.50	\$12.00	\$18.00	
Apartment*	\$10.00 to \$14.00	\$15.00	\$25.00	

<sup>\*</sup> Current rates for apartments differentiated between wood and concrete construction. For the updated rates, G.P. Rollo has recommended a single rate for all apartment developments.

## Alternative Approach

An alternative approach regarding the LEMR cash-in-lieu rates includes the following:

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<sup>\*\*10%</sup> LEMR equivalent

<sup>\*\*\*15%</sup> LEMR equivalent

• Implement a phased approach by which cash-in-lieu rates are increased to the recommended rate by applying 50% of the rate change for a period of 12 months, and applying the recommended rate after this initial 12 month period.

This approach is not recommended as the updated cash-in-lieu rates are feasible for the majority of developments, including projects advanced by small builders.

2. Amendments to the Market Rental Housing Policy

### Staff Recommendations #3-6: Introduce a mandatory market rental contribution

The findings of the independent economic analysis completed by G.P. Rollo & Associates support a mandatory approach to secure 10% of residential floor area as market rental units in apartment developments with more than 60 units. While application of an associated density bonus is not required by legislation, the recommended policy amendment includes a 0.1 floor area ratio (FAR) density bonus applied to the site. No change to the existing density bonusing approach for voluntary provision of market rental housing is proposed. Attachment 4 provides a summary of the existing and proposed variable density bonusing approach, which steps up density as additional rental housing is secured.

# Staff Recommendations #3-6: Accept cash-in-lieu of constructed market rental units from townhouse and small apartment developments

To ensure cash-in-lieu rates were appropriate for various development types, the feasibility analysis evaluated cash-in-lieu rates for both townhouse developments with five or more units and apartment developments with five to 60 units, which would not be required to construct market rental units. The recommended contribution rates are comparable with requiring 10% of the residential floor area to be secured as market rental housing. The funds would be collected through rezoning and directed to the Affordable Housing Reserve in order to support affordable housing projects that target low and moderate income households.

Table 2: Recommended market rental cash-in-lieu rates

		Proposed		
Cash-in-lieu rate	Current	Inside of the City Centre Area Plan (\$/ft²)	Outside of the City Centre Area Plan (\$/ft²)	
Townhouse	Not applicable	\$1.75		
Apartment	Not applicable	\$3.50	\$2.00	

### Alternative Approach

An alternative approach to securing market rental housing is to continue to rely on the existing policy, which includes incentives for developments that voluntarily secure market rental units. Council may decide to:

• Decline supporting the OCP and Zoning Bylaw amendments (Bylaws 10255 and 10298) that are recommended to both introduce a mandatory market rental contribution and establish

rates for cash-in-lieu of constructed market units from townhouse and small apartment developments.

The alternative approach is not recommended based on the findings of the independent economic analysis, which advises the proposed approach is financially feasible for the majority of developments. While proven to be successful, relying on the existing voluntary incentive based approach to secure rental housing units does not make the most of an identified opportunity to increase the availability of secured rental housing in the City. Further the amount of secured market rental units would fluctuate as the program is voluntary and subject to changes in the market.

3. Provisions for Instream Applications and Monitoring

# Staff Recommendations #7,8: Apply grandfathering provisions for instream applications and monitor implementation of the updates

A one year 'grandfathering' period for instream development applications is recommended and includes the following provisions:

- Rezoning applications that are received prior to Council's adoption of the proposed amendment bylaws may be processed under the existing policy and program specifications provided that the application achieves first reading within one year of the adoption of amendment bylaws.
- New applications that are received after Council adoption of the proposed amendment bylaws are subject to the terms in the revised policy and program.

The recommended instream provisions are consistent with the approach that was applied when the LEMR program was previously updated in 2017. The recommended approach is also consistent with provincial legislation that applies to instream applications when DCC rates are increased. In addition, the recommended provisions acknowledge that the development community applies current policies to plan a project's design, programming and funding. Application of provisions for instream projects provides the development community with an opportunity to make adjustments to future projects and for land values to adjust to reflect policy changes. If grandfathering terms are not limited and instream applications are permitted to proceed under current requirements, projects that do not include revised rental housing requirements may continue to be brought forward for Council consideration/approval for years into the future. A defined grandfathering period will encourage timely completion of instream applications.

In addition, staff recommend monitoring the changes and reporting back to Council regarding key findings related to the implementation of updates to the OCP Market Rental Housing Policy and the LEMR program after the program provisions are in place for two years.

### Alternative Approach

Alternative approaches to managing instream rezoning applications include the following options:

- Decline to support the recommendation to introduce grandfathering provisions for instream rezoning applications;
- Reduce the duration of the grandfathering term (e.g. from one year to six months); or

• Extend the duration of the grandfathering term (e.g. from one year to 18 months or two years).

### 4. Incentives for Rental Housing

Both the OCP Market Rental Housing Policy and LEMR program include density bonusing provisions. The variable density bonus approach to securing market rental housing is summarized in Attachment 4. Currently, staff expedite the review of purpose built 100% rental developments and the projects are exempted from providing a public art and community planning contribution. Further, the lowest residential parking rates apply to secured rental housing. The parking rates in Zoning Bylaw 8500 are a starting point for review and parking requirements may be further reduced on a site specific basis, as summarized in Attachment 5. Recently secured and instream rental housing developments have achieved an average 25% parking rate reduction for rental housing units.

# Staff Recommendation #9: Further Study (Waiving/Reducing DCCs for Deeply Subsidized Purpose Built Affordable Housing)

Based on a review of existing incentives and the findings of the economic analysis prepared by G.P. Rollo & Associates, which confirms the financial feasibility of the proposed approach, no new incentives are recommended. However, staff recommend undertaking a review of the feasibility of reducing or waiving Development Cost Charges (DCC) for purpose built affordable housing buildings where the rental rates for the majority of units are established below LEMR rates. The DCC review process is currently underway and will include an updated financial analysis and DCC values that inform the analysis. Staff will report back on the findings at a later date.

### Alternative Approach

To maintain the existing approach to applying DCCs to affordable housing, Council may decide to:

• Decline supporting the recommendation to further study the feasibility of waiving/reducing DCCs for affordable housing.

### **Public Consultation**

Attachment 6 includes a summary of consultation with respect to the *Local Government Act* and the City's OCP Bylaw Preparation Consultation Policy No. 5043 requirements, as well as consultation with key stakeholders. Should Planning Committee endorse the amendment bylaws, the bylaws will be forwarded to the next open Council meeting for consideration by City Council. Should City Council grant first reading to the amendment bylaws, the amendment bylaws will be forwarded to a Public Hearing. Public notification for the Public Hearing will be provided in accordance with the *Local Government Act*.

## **Financial Impact**

None.

### Conclusion

The OCP Market Rental Housing Policy and the Low End Market Rental program are important components of the City's approach to providing residents with rental housing options. The proposed recommendations include increasing the LEMR construction contribution for developments inside of the City Centre Area Plan and introducing a mandatory approach to securing market rental housing units in apartment developments with more than 60 units. The recommendations also include cash-in-lieu provisions to balance a developer's rental housing contribution between developments of various type and size and to reflect construction and sale prices in Richmond. The recommendations are based on the findings of an economic analysis and associated addendum studies that were undertaken by an experienced economic development consultant. The recommended options would maximize the number of rental housing units that can be secured through development without creating significant financial risks for private developments.

The bylaw amendments that are required to implement the recommended approach are attached to this report. It is recommended that Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10255, and Richmond Zoning Bylaw No. 8500, Amendment Bylaws 10297, 10260 and 10298 be introduced and given first reading.

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Attachment 1: Summary of Proposed Changes and Supporting Recommendations

Attachment 2: Summary of Existing Richmond Housing Policy and Program Context

Attachment 3: Rental Housing Demand Estimate

Attachment 4: Market Rental: Variable Density Bonusing (Existing and Proposed)

Attachment 5: Rental Housing Incentives Summary

Attachment 6: Public Consultation Summary

# Summary of Proposed Changes and Supporting Recommendations

The list of proposed recommendations include the following and may be adopted as a package or as separate items.

Recommendation Description	Rationale			
Amendments to the Low End Market Rental (LEMR) Program				
Increase the contribution rate from 10% to 15% for developments inside of the City Centre Area Plan.  Update cash-in-lieu contribution rates in alignment with current construction costs and sale prices in Richmond.	<ul> <li>Maximizes the number of LEMR units that can be secured without creating significant financial risks for private developments.</li> <li>No change is proposed to the construction contribution rate applied outside of the City Centre Area Plan where development is characterized by lower densities and smaller projects.</li> <li>Recommended construction and cash-in-lieu rates reflect current construction and land values, and recognize differences in land values and building densities.</li> <li>Cash-in-lieu is used to support affordable housing for low and moderate income households.</li> </ul>			
Amendments to the Market Renta	l Housing Policy			
Mandatory provision of market rental units in development with more than 60 apartment units.	<ul> <li>Policy can be implemented without creating a significant financial impact on the developer.</li> <li>0.1 floor area ratio (FAR) density bonus is applied to the site</li> </ul>			
Accept cash-in-lieu of construction contribution from multi-family development that includes five or more units and is not subject to mandatory provision of market rental units.	<ul> <li>when market rental units are constructed in mixed use development.</li> <li>The Local Government Act supports the use of rental zoning to secure market rental housing without an associated bonus density.</li> <li>Recommended cash-in-lieu rates are comparable with requiring 10% of the residential floor area to be secured as market rental housing.</li> <li>Cash-in-lieu is used to support affordable housing projects, including partnerships with senior levels of government.</li> </ul>			
Provisions for Instream Application	ns and Monitoring			
Introduce provisions for instream development applications.	<ul> <li>Recommended approach is consistent with past practice and provincial legislation that applies when DCC rates are increased.</li> <li>Provides the development community with an opportunity to adjust to the new conditions.</li> <li>A defined grandfathering period encourages timely completion of instream applications.</li> </ul>			
Monitor and report key findings related to updates to the Market Rental Housing Policy.	<ul> <li>Best practice to inform decision making and make appropriate adjustments.</li> <li>Ensure long term program success.</li> </ul>			
Incentives for Rental Housing				
Review reducing/waiving Development Cost Charges (DCC) for purpose built affordable housing with rental rates that are below standard LEMR rates.	DCC rate update review process is underway and current data will be readily available to review eligibility, program duration and anticipated impact.			

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### Summary of Existing Richmond Housing Policy and Program Context

Low End Market Rental (LEMR) Program

The Low End Market Rental (LEMR) program was introduced in 2007. The program currently secures 10% of residential floor area in apartment developments with more than 60 units as LEMR units. Smaller developments that are not required to construct LEMR units provide a cash-in-lieu contribution through the rezoning process to the City's Affordable Housing Reserve. These funds are used to support affordable housing projects that target low and moderate income households in Richmond.

Table 1 summarizes the current cash-in-lieu rates.

Table 1: Current LEMR Cash-in-lieu Rates

Type of Development	Current Citywide Cash-in-lieu Rate
Single family	\$4.00
Townhouse	\$8.50
Apartment	\$10.00 to \$14.00

The LEMR program is unique within the region as it applies to all forms of residential development throughout the city, which contrasts with other municipal programs that generally focus on higher density development in specific areas.

Official Community Plan (OCP) Market Rental Housing Policy

Adopted in 2018, the OCP Market Rental Housing Policy includes provisions to:

- Protect and enhance the existing stock of market rental housing;
- Support tenants at the time existing market rental housing is redeveloped; and
- Encourage the development of new purpose built market rental housing units.

Market rental housing rates are established by the market and while available to all income thresholds, new market rental units are generally rented by households with an annual income that is greater than \$70,000. Since the policy was adopted in 2018, approximately 568 market rental units have been recently secured through zoning and/or housing agreements (i.e. bylaw adopted or at third reading).

### Rental Housing Demand Estimate

Based on projected population growth and current demand rates, the estimated annual demand for market rental housing and LEMR units is approximately 190 and 270 units respectively.

The estimates are based on updated population growth demand figures provided by Metro Vancouver. The demand estimate for current residents is based on renter households spending more than 30% of household income on rent based on data from the 2016 Census and considerations related to latent demand.

Housing Type	Household Income Range	Metro Vancouver Demand Estimates – Population Growth (2021- 2030)	Demand estimate for current residents	Total Demand (current and future residents) – 10 year total and annual target
Non-Market Housing*	\$0 to \$39,999	2,018 households	2,500 households	4,518 units (451 per year)
LEMR	\$40,000 to \$69,999	1,175 households	1,500 households	2,675 units (268 per year)
Market Rental	\$70,000+	1,630 households	300 households**	1,930 units (193 per year)
Total Rental Housing	All income groups	4,823 households	4,300 households	9,123 (912 per year)

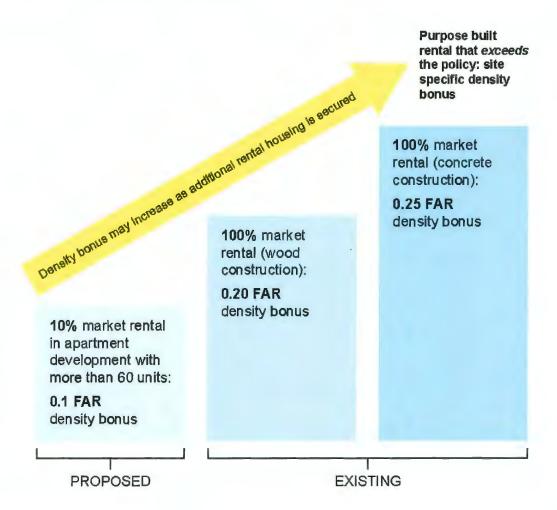
<sup>\*</sup> Cash-in-lieu collected through the rezoning process is directed to the Affordable Housing Reserve, which is used to support affordable housing developments, including non-market housing.

- Households that are not adequately housed and would move to more suitable housing (i.e. households spending more than 30% of household income on housing, housing that requires major repairs and/or inadequate size/composition of bedrooms).
- Households that need flexibility and/or prefer rental housing (e.g. students, contract workers, etc.).
- People who work in Richmond but do not live in Richmond. The City's strong employment market results in a net incoming flow of more than 30,000 workers.
- Households that can afford to purchase housing but choose to rent.

<sup>\*\*</sup> Latent demand for rental housing may include:

## Market Rental: Variable Density Bonusing (Existing and Proposed)

The density bonus for voluntary provision of secured market rental housing units is a starting place for discussion and may be increased based on site specific considerations and supplementary community amenity (e.g. include LEMR units in a 100% market rental development).



### Rental Housing Incentives Summary

• Density bonusing:

Both the OCP Market Rental Housing Policy and LEMR program include density bonusing provisions. The variable density bonus approach to securing market rental housing is summarized in Attachment 4.

• Expedited application review process:

Staff expedite the review of purpose built 100% rental developments.

• Reduced development related costs:

Purpose built rental projects are exempt from providing public art and community planning contributions.

• Application of the lowest residential parking rates:

The parking rates in Zoning Bylaw 8500 are a starting point for review. Opportunities to further reduce parking requirements include:

- o Shared parking between on-site uses.
- o Application of a 10% parking rate reduction on a site specific basis conditional to a supported transportation demand management (TDM) strategy.
- An additional parking rate reduction, conditional to the findings of an acceptable traffic impact analysis and TDM strategy.

Image: Potentially Achievable Site Specific Parking Rates for Secured Rental Housing

	City Centre Parking Rates As Low As (per unit)		Outside City Centre Parking Rates As Low As (per unit)	
	Bylaw Rate	Potential Reduced Rate	Bylaw Rate	Potential Reduced Rate
Apartment	1		1.50	
Secured Rental (LEMR and/or Market Rental)	0.8	0.54	1.0	0.75

## **Public Consultation Summary**

## OCP Consultation Policy

Staff have reviewed the proposed OCP amendments, with respect to the *Local Government Act* and the City's OCP Bylaw Preparation Consultation Policy No. 5043 requirements and recommend that this report does not require referral to external stakeholders. The table below clarifies this recommendation as it relates to the proposed OCP amendment.

Stakeholder	Referral Comment (No Referral necessary)
Agricultural Land Commission (ALC)	No referral necessary because the Land Reserve is not affected.
Richmond School Board	No referral necessary; however, staff met with School District staff to discuss the proposed amendments.
The Board of Metro Vancouver	No referral necessary because the Regional District is not affected.
The Councils of adjacent Municipalities	No referral necessary because adjacent municipalities are not affected.
First Nations (e.g. Sto:lo, Tsawwassen, Musqueam)	No referral necessary because First Nations are not affected.
TransLink	No referral necessary because the proposed amendments will not result in road network changes.
Port Authorities (Vancouver Port Authority and Steveston Harbour Authority)	No referral necessary because the Port is not affected.
Vancouver International Airport Authority (VIAA) (Federal Government Agency)	No referral necessary because the proposed amendments do not affect Transport Canada's maximum permitted building height or the OCP Aircraft Noise Sensitive Development (ANSD) Policy.
Richmond Coastal Health Authority	No referral necessary because the Health Authority is not affected.
Community Groups and Neighbours	Key stakeholders were consulted. Further, community groups including the Urban Development Institute and Richmond Community Services Advisory Committee will have the opportunity to comment on the proposed OCP amendment at Planning Committee and at a Public Hearing.
All relevant Federal and Provincial Government Agencies	No referral necessary because Federal and Provincial Government Agencies are not affected.

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#### Summary of Consultation with Key Stakeholders

At the Planning Committee meeting on May 4, 2021, staff were directed to consult with key stakeholders. Comments from key stakeholder groups are summarized below:

- Richmond Community Services Advisory Committee (RCSAC)
  - Support for the existing LEMR program and the proposed amendments to the LEMR program and OCP Market Rental Housing Policy.
- Richmond Small Home Builders Group
  - Encourage parking requirement reductions and support other incentives for construction of rental housing.
  - o Support provisions for instream applications.
- Urban Development Institute (UDI) Representatives
  - Encourage the City to be aggressive with parking reductions. Establish a menu/checklist to guide parking relaxations rather than site specific consideration of lower parking rates.
  - o Increase density bonus rates.
  - Certainty is critical for the development community. Concern that, in practice, expectations related to amenities and rental housing is greater than outlined in the proposed policy.
  - o Consider extending instream provisions from one year to at least two years.



## Richmond Zoning Bylaw 8500 Amendment Bylaw 10297 (Low End Market Rental Housing 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 4.2 [Calculation of Density in All Zones] by adding the following as a new Section 4.2.3:
  - "4.2.3 **Habitable area** of a **dwelling unit** shall be measured to the exterior face of the **dwelling unit's** exterior wall and the centre line of the partition walls that demise the unit from neighbouring **dwelling units** and the common corridor and/or space."
- 2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.11 [Medium Density Low Rise Apartments (RAM1, RAM2, RAM3)] by:
  - a) "at Section 8.11.4.3(b)(i), deleting the text "10%" and replacing it with "15%", and inserting the following at the end of the first bullet, "for development in the **City Centre** and 10% elsewhere;".
- 3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.12 [High Density Low Rise Apartments (RAH1,RAH2)] by:
  - a) at Section 8.12.4.2(b)(i), deleting the reference to "10%" and replacing it with "15%", and inserting the following to the end of the first bullet, "for development in the **City Centre** and 10% elsewhere;".
- 4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.3 [Downtown Commercial (CDT1, CDT2, CDT3)] by:
  - a) at Section 9.3.4.4, deleting the reference to "July 24th, 2017" and replacing it with "November 22nd, 2022", and deleting the reference to "3.15" and replacing it with "3.3";
  - b) at Section 9.3.4.4(a), deleting the reference to "5%" and replacing it with "10%";
  - c) at Section 9.3.4.5, deleting the reference to "3.30" and replacing it with "3.45";
  - d) at Section 9.3.4.5(a), deleting the reference to "10%" and replacing it with "15%";
  - e) at Section 9.3.4.6 deleting the reference to "3.15" and replacing it with "3.3", and replacing the reference to "3.18" and replacing it with "3.33";

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f) at Section 9.3.4.7 removing the reference to "3.30" and replacing it with "3.45", and replacing the reference to "3.33" and replacing it with "3.48";

- g) at Section 9.3.4.8 adding the following new text after CDT2, "and CDT3";
- h) at Section 9.3.4.8(a), deleting the reference to "80 or less **apartment housing dwelling units**" and replacing it with "60 or less **dwelling units**", and adding the following new text after CDT2, "and CDT3";
- i) at Section 9.3.4.8(b), deleting the reference to "60 apartment housing dwelling units" and replacing it with "60 dwelling units";
- j) at Section 9.3.4.8(b)(i), deleting the reference to "5%" and replacing it with "15%";
- k) at Section 9.3.5.9, deleting the reference to "Section 9.3.4.6" and replacing it with "Section 9.3.4.8"; and
- 1) at Section 9.3.4.10, deleting the reference to "Section 9.3.4.7(a)" and replacing it with "Section 9.3.4.9 (a)".
- 5. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.4 [Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5)] by:
  - a) at Section 9.4.4.3(b)(i), deleting the reference to "10%" and replacing with "15%"; and
  - b) at Section 9.4.4.4(d)(ii), deleting reference to "10%" from the first bullet and replacing it with "15%".
- 6. This Bylaw may be cited as "Richmond Zoning Bylaw 8500, Amendment Bylaw 10297".

FIRST READING	OCT 1 2 2021	CITY OF RICHMOND
PUBLIC HEARING		APPROVED by
SECOND READING		APPROVED by Director
THIRD READING		or Sollcitor
ADOPTED		Lagrana A.T.
MAYOR	CORPORATE OFFICER	





# Richmond Zoning Bylaw 8500 Amendment Bylaw 10260 (Low End Market Rental Program 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 Section 5.15.1 in its entirety and replacing it with new Section 5.15.1 as set out in Schedule "A" attached hereto and forming part of this Bylaw 10260.
- 2. This Bylaw may be cited as "Richmond Zoning Bylaw 8500, Amendment Bylaw 10260".

FIRST READING	OCT 1 2 2021	CITY OF RICHMOND APPROVED
PUBLIC HEARING		by Ja Mi
SECOND READING		APPROVED by Director or Solicitor
THIRD READING		
ADOPTED		
MAYOR	CORPORATE OFFICER	

## Schedule A to Bylaw 10260

"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 on or 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 <b>Principal Building</b>
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

Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
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
ZMU32	\$4.00
ZT70	\$2.00
ZS23	\$1.00
ZLR26	\$2.00 for housing, town, \$4.00 for housing, apartment
ZD5	\$2.00 [Bylaw 9551, Nov 13/18]
ZT80	\$2.00 [Bylaw 9563, Jul 27/20]

b) Where an amendment to this bylaw is considered by **Council** after September 24, 2016 and on or before 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 <b>Principal Building</b>
RS2/A-K	\$2.00
RC2	\$2.00
ZS21	\$2.00
Z\$22	\$2.00
RI2	\$4.00
RTL2	\$4.00

Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
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
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

Sum Per Buildable Square Foot of Permitted Principal Building	
ZS28	\$2.00 [Bylaw 9661, Mar 26/18]
ZT82	\$4.00 [Bylaw 9731, Feb 8/21]

c) Where an amendment to this bylaw is considered by **Council** after July 24, 2017 and on or before November 15, 2021, 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 <b>Principal Building</b>
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
RDA	\$8.50 <sup>[Bylaw 9975, Feb 19/19]</sup>
RTA	\$8.50 <sup>[Bylaw</sup> 9976, Feb 19/19]
RAL2	\$10.00 for wood frame construction \$14.00 for concrete construction
RAM2	\$10.00 for wood frame construction \$14.00 for concrete construction

_	Sum Per Buildable Square Foot of
Zone	Permitted <b>Principal Building</b>
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 \$14.00 for concrete construction
RCL2	\$14.00
ZHR6	<b>\$14.00</b>
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 <b>housing, town</b> \$10.00 for <b>housing, apartment</b>
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$8.00 for <b>housing, town</b> \$14.00 for <b>housing, apartment</b>
ZT87	\$4.00 [Bylaw 10152, Dec 14/20]

d) Where an amendment to this bylaw is considered by **Council** after November 15, 2021, 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:

i) Inside City Centre:

) Inside City Cent  Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
RS2/A-K	\$12.00
RC2	\$12.00
RI2	\$18.00
RTL2	\$18.00
RTL4	\$18.00
RTM2	\$18.00
RTM3	\$18.00
RTH1	\$18.00
RTH2	\$18.00
RTH3	\$18.00
RTH4	\$18.00
RTP1	\$18.00
RTP2	\$18.00
RTP3	\$18.00
RTP4	\$18.00
RDA	\$18.00
RTA	\$18.00
RAL2	\$25.00
RAM2	\$25.00
RAM3	\$25.00
RAH1	\$25.00
RAH2	\$25.00
CDT2	\$25.00
RCL2	\$25.00
ZHR6	\$14.00
ZR7	\$8.50
ZMU19	\$8.50 for housing, town \$10.00 for housing, apartment

Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
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 <b>housing, town</b> \$10.00 for <b>housing, apartment</b>
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$25.00
ZT87	\$4.00

ii) Outside City Centre:

Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
RS2/A-K	\$8.00
RC2	\$8.00
ZS21	\$8.00
ZS22	\$8.00
RI2	\$12.00
RTL2	\$12.00
RTL4	\$12.00
RTM2	\$12.00
RTM3	\$12.00
RTH1	\$12.00
RTH2	\$12.00

-	Sum Per Buildable Square Foot of
Zone	Permitted Principal Building
RTH3	\$12.00
RTH4	\$12.00
RTP1	\$12.00
RTP2	\$12.00
RTP3	\$12.00
RTP4	\$12.00
RDA	\$12.00
RTA	\$12.00
RAL2	\$15.00
RAM2	\$15.00
RAM3	\$15.00
RAH1	\$15.00
RAH2	\$15.00
CDT2	\$15.00
RCL2	\$15.00
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

Zone	Sum Per Buildable Square Foot of Permitted <b>Principal Building</b>
ZLR26	\$8.00 for <b>housing, town</b> \$10.00 for <b>housing, apartment</b>
ZMU33	\$10.00 for wood frame construction \$14.00 for concrete construction
ZMU40	\$10.00 for wood frame construction \$14.00 for concrete construction
CDT1	\$15.00
ZT87	\$4.00

For the purposes of Section 5.15.1, buildable square foot means 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) and (d), concrete construction includes steel construction."

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