



Low End Market Rental Program Requirements

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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

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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 rezoning:

- 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.

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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.