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**To:** Planning Committee **Date:** May 5, 2022  
**From:** John Hopkins **File:** 08-4057-08/2022-Vol  
Director, Policy Planning 01  
**Re:** **Referral Response: Proposed Mandatory Market Rental Housing Policy and Proposed Rental Housing Parking Changes**

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**Staff Recommendation**

1. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000 Amendment Bylaw 10375, which proposes to amend the following:
  - a) in Schedule 1 of Richmond Official Community Plan Bylaw 9000, amend Section 3.3 “Diverse Range of Housing Types, Tenure and Affordability” by introducing City-wide market rental housing provisions for new development including:
    - i) inserting language to secure a minimum of 15% of residential floor area as market rental units in new development that includes more than 60 apartment units;
    - ii) inserting language to establish that for townhouse development with 5 or more units and apartment development with 60 or less units, a community amenity contribution may be accepted or voluntary construction of market rental units with an associated density bonus may be supported through a rezoning application; and
    - iii) inserting language to clarify further parking reductions for secured rental housing.
  - b) in Schedule 2.2A (Thompson Area Dover Crossing Sub-Area Plan), Schedule 2.4 (Steveston Area Plan), Schedule 2.10C (McLennan North Sub-Area Plan), Schedule 2.12 (Bridgeport Area Plan), and Schedule 2.14 (Hamilton Area Plan) of Richmond Official Community Plan Bylaw 9000, insert language to support density bonus provisions with respect to the Official Community Plan Market Rental Housing Policy,  
  
be introduced and given first reading.
2. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375, having been considered in conjunction with:
  - the City’s Financial Plan and Capital Program; and
  - the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;is hereby found to be consistent with said program and plans, in accordance with Section 477(3)(a) of the *Local Government Act*.

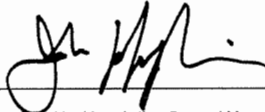

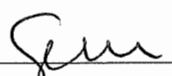
3. That Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375, having been considered in accordance with Section 475 of the *Local Government Act* and the City's Official Community Plan Bylaw Preparation Consultation Policy 5043, is found not to require further consultation.
4. That Richmond Zoning Bylaw 8500, Amendment Bylaw 10376, which proposes to update existing multi-family zones to reflect changes to the Official Community Plan Market Rental Housing Policy that introduce a mandatory market rental requirement be introduced and given first reading.
5. That the following provisions apply to instream applications that are received prior to adoption of Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375 and Richmond Zoning Bylaw 8500, Amendment Bylaw 10376:
  - a) Instream rezoning applications may be exempt from the mandatory provision of market rental housing provided the application achieves first reading within one year of the amendment bylaws being adopted and final adoption and issuance of a Development Permit within one year following the associated Public Hearing; and
  - b) Instream Development Permit applications may be exempt from the mandatory provision of market rental housing provided the Development Permit is issued within one year of the amendment bylaws being adopted.

Instream applications that are unable to comply with the timeline may be required to redesign to construct market rental housing.

6. 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.



John Hopkins  
 Director, Policy Planning  
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 Att. 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Affordable Housing	<input checked="" type="checkbox"/>	 John Hopkins, Acting General Manager, Planning and Development
Development Applications	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	INITIALS: 	<b>APPROVED BY CAO</b> <i>- Acting</i> 

## Staff Report

### Origin

At the October 12, 2021 Council meeting, the following referral motions were passed:

- *That Resolutions 3 and 6, as well as the provisions of Resolution 7 as it relates to market rentals be referred back to staff to study and report back on the proportional approach to securing market rental units, exploring the inclusion of a higher construction threshold, and including an analysis of the number of market rental units that would be required. (Resolutions 3, 6 and 7 relate to recommendations to introduce a mandatory market rental requirement in new development.); and*
- *That a new Recommendation 10 be inserted to direct staff to review the required parking ratios for 100% market rental buildings and report back.*

In response to Council's direction to staff to review the feasibility of an escalating mandatory market rental policy, staff revisited the analysis framework that was applied to develop a proposed mandatory market rental requirement in new development with more than 60 apartment units and a cash-in-lieu contribution for smaller apartment and townhouse development. In addition, an economic development consultant was retained to undertake supplementary economic feasibility analysis.

To expedite staff's response to the Council referral, staff recommend that public consultation regarding the policy and bylaw changes discussed in this report occur as part of Council's consideration of the proposed amendment bylaws. The statutory bylaw amendment process will provide stakeholders with multiple opportunities to share their views with City Council.

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.*

### Background

A targeted review of the Official Community Plan (OCP) is underway and includes exploring bold solutions and new tools to provide housing that is most needed in the City. The initial stages of the housing review will study factors affecting housing affordability and explore options to improve housing supply and affordability in the City. While a systematic work plan has been endorsed by Council, where feasible, staff will bring forward policy options for Council's consideration as it is developed (i.e., in advance of the targeted OCP review timeline).

Consistent with this approach, the policy and zoning bylaw amendments proposed in this report are being brought forward at the earliest opportunity and are consistent with the two key objectives for the OCP housing affordability update: fostering housing affordability through innovation and promoting affordable living.

## **Analysis**

### Summary of Recommendations

The amendment bylaws attached to this report propose to introduce a mandatory market rental requirement to increase the supply of secured market rental housing in the City. The proposed approach includes carrying over an existing density bonus that is included in the voluntary market rental housing policy approach for mixed rental/strata proposals and “carving out” residential floor area to be secured as market rental housing. Market rental housing is not subject to rental rate or household income thresholds and would be secured using rental tenure zoning. Further, the proposed approach maintains existing land use designations.

Whereas the originally proposed amendments to introduce a mandatory market rental policy (outlined in “Proposed Market Rental Housing Policy Changes and Low End Market Rental (LEMR) Program Updates” from the Director Policy Planning and Director Community Social Development, dated September 16, 2021) suggested securing 10% of the residential floor area as market rental housing in apartment development with more than 60 units, the recommendations included in this report suggest increasing the requirement to 15% of the residential floor area. The 15% market rental requirement would be in addition to the required 15% Low End Market Rental (LEMR) requirements for projects inside of the City Centre Area Plan (CCAP) and the required 10% LEMR requirement for projects outside of the CCAP. As a result, apartment developments with more than 60 units that are inside of the CCAP would be required to provide 30% of the residential floor area as rental housing.

Other elements of the proposed policy include the following:

- Smaller apartment and townhouse projects would either provide a cash-in-lieu contribution to the Affordable Housing Reserve at rates that are comparable with requiring construction of market rental housing or the owner may make use of a density bonus above the base density set out in the OCP or Area Plan conditional to the bonus density being used exclusively to secure habitable market rental floor area.
- Existing provisions in the OCP Market Rental Housing Policy that support density bonusing for voluntary provision of 100% market rental development would be preserved. For purpose built rental development that is associated with significant community benefit, simultaneously increasing building density and built form may be supported when neighbourhood design guidelines are preserved (e.g., townhouse development replaced with mid-rise apartment development, low-rise apartment development replaced with six storey apartment development).

The proposed amendments are supplementary to the existing voluntary OCP Market Rental Housing Policy, which is successfully securing purpose built market rental housing in the City.

Associated amendments to Zoning Bylaw 8500 are suggested to secure construction of market rental housing units in new apartment development that includes more than 60 units.

Amendments to the following zoning districts are proposed:

- Low Density Low Rise Apartments (RAL1, RAL2)
- Medium Density Low Rise Apartments (RAM1, RAM2, RAM3);
- High Density Low Rise Apartments (RAH1, RAH2);
- Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5); and
- Downtown Commercial (CDT1, CDT2, CDT3).

Attachment 1 provides a summary of the proposed OCP and Zoning Bylaw amendments.

### Amendments to the OCP Market Rental Housing Policy

#### *Rental Housing Supply and Affordability Context*

Since the feasibility of a mandatory market rental requirement was initially reviewed and a policy approach recommended in May 2021 (“Options to Secure Market Rental Housing in New Development and Options to Increase Low End Market Rental (LEMR) Contributions” from the Director, Policy Planning dated April 19, 2021), there have been changes in the housing context, and bylaw requirements for rental housing, including the following:

- On November 15, 2021, Council adopted changes to the LEMR program which include increasing the construction obligation from 10% to a minimum of 15% of the residential floor area for development sites inside of the CCAP and increasing the cash-in-lieu rates applied to smaller developments to reflect current economic conditions.
- On December 15, 2021, Council received for information a Housing Needs Report. The report finds there is significant need to increase the supply of all forms of rental housing and to introduce policy changes to stabilize and re-balance the housing market.
- On February 22, 2022, Council adopted zoning bylaw amendments to use residential rental tenure legislation to preserve 60 existing rental properties as rental housing sites. The zoning amendments protect the existing rental housing stock in case the property owner redevelops the site under existing zoning.
- On February 28, 2022, Council endorsed the scope of work for a targeted OCP update, which proposes to apply an unconventional approach to develop “policies, programs and housing delivery models that move beyond traditional or standard land use planning approaches”.

Based on these changes and in response to the Council referral, staff recommend a mandatory market rental policy that strikes a balance between maintaining feasibility for many sites acquired at or below 2020 land value prices and some sites acquired at higher land values, and incentivizes change to stabilize and/or reduce land value escalation.

In addition to land prices, economic feasibility is affected by the scale of development. An economic feasibility analysis prepared by an experienced economic development consultant, G.P. Rollo & Associates, finds that large sites are not as viable when density is constant as larger development sites take more time to build and sell, which increases risk and carrying costs, including lending and financing costs. Based on the advice from the economic development

consultant, which is summarized in Attachment 2, variable market rental construction requirements that escalate as the scale of development increases is not recommended.

The proposed approach of securing a minimum of 15% of residential floor area as market rental units in apartment development with more than 60 units intends to balance maximizing the amount of market rental housing secured in new development and reducing speculation and unsustainable land value escalation in the City. Staff recommend monitoring implementation of the proposed policy and reporting back to Council regarding the key findings after the proposed provisions are in place for two years with an intention to adjust the policy if development activity appreciatively declines. In addition, provisions for in-stream applications are recommended and are discussed in a subsequent section of this report.

#### *Parking Reductions for Rental Housing*

Parking reductions are among the levers that may be applied by a local government to improve the economic feasibility of a rental development. Recently proposed changes to Zoning Bylaw 8500 parking rates are discussed in Attachment 3.

#### **Proposed OCP Amendment to Clarify Parking Rate Reductions for Rental Housing**

In response to Council's referral to staff to examine parking reductions for 100% rental buildings, staff recommend amendments to the OCP Market Rental Housing Policy that would clarify further parking reductions that may apply to rental housing (i.e., provisions may apply to market rental units and/or LEMR units in a 100% rental building or a mixed tenure strata development). Staff suggest inserting clarification that conditional to exhausting the full Transportation Demand Management (TDM) reduction permitted by the Zoning Bylaw, rental housing may be eligible for the following parking reduction:

- Up to a total 50% parking reduction on sites that are within 800 m (10 minute walking distance) of a Canada Line Station.
- Up to a total 30% parking reduction on all other sites.
- The parking requirement may be further reduced on a site specific basis for projects that provide rental housing that is in addition to the provisions outlined in the OCP Market Rental Housing Policy, as determined by Council.

Site specific consideration of parking reductions for rental housing may include, but is not limited to assessing parking utilization rates related to unit types, risk assessment of parking spilling over into nearby neighbourhoods, proximity to transit, and implementation of measures to maximize parking use efficiency (e.g., requiring rental parking to be managed as a shared pool of parking to provide more flexibility and use on a first-come, first-served basis rather than assigning parking to individual units).

#### Recommendations

The policy recommendations included in this report propose to introduce a mandatory market rental housing construction requirement in apartment development with more than 60 units and to secure either a cash-in-lieu contribution or voluntary construction of market rental units from townhouse development with more than five units and small apartment development. The

recommendations respond to the Housing Needs Report finding that there is strong demand for market rental housing and intend to curb escalating land values.

**Staff Recommendation #1:**

**Recommended: Introduce a mandatory market rental construction requirement (secure a minimum of 15% of residential floor area as market rental units in apartment development with more than 60 units and cash-in-lieu or voluntary construction of market rental units in smaller development) and clarify parking reductions for rental housing**

The proposed approach is outlined in detail in Attachment 1 and is characterized by the following:

- Potential to curb escalating land value: Adopting a mandatory market rental policy that is financially feasible for many but not all properties may result in offer prices for land settling at an amount that reflects the policy requirement and less speculation that drives up land prices.
- Reallocate residential density to increase the supply of secure market rental units: The proposed approach would carry over the existing density bonus that is included in the voluntary market rental housing policy approach for mixed rental/strata proposals and “carve out” a minimum of 15% of the residential floor area to be secured as market rental housing in apartment development with more than 60 units. The proposed approach would maintain existing land use designations. Amendments to Zoning Bylaw 8500 are proposed to secure an equivalent construction contribution from sites that do not require rezoning.
- Include smaller developments in rental housing initiatives: A cash-in-lieu contribution from a townhouse development with more than 5 units or an apartment development with 60 or less units would be accepted. Alternatively, the owner may make use of an associated density bonus conditional to the bonus density being used exclusively to secure habitable market rental floor area.
- Preserve density bonusing provisions for 100% market rental development: The recommendations included in this report preserve existing density bonusing provisions for 100% market rental development, as well as associated incentives including exemption from public art and community planning contributions and an expedited application review process.
- Clarify parking rate reductions for secure rental housing: While Zoning Bylaw 8500 applies already reduced parking rates for secure rental housing, the proposed OCP amendment would clarify the range of possible further parking rate reductions that may apply to new rental housing units based on site specific considerations.

The proposed amendments to the OCP and Zoning Bylaw are summarized in Attachment 1.

**Alternative Approach/Not Recommended: Apply an escalating mandatory market rental construction requirement (i.e., 15% mandatory market rental requirement applied to development with 60 to 199 units, 17.5% mandatory market rental requirement applied to development with 60 to 499 units, and 20% mandatory market rental requirement applied to development with 60 to 500+ units)**

While an escalating construction requirement would secure a progressively greater percent of residential floor area from developments that include 200 or more units, the approach is not recommended. Increasing the mandatory market rental requirement to greater than 15% of the

residential floor area for development with 200 or more units would be financially very challenging for many to most developments as indicated by the economic consultant. The development community could potentially work-around the policy by limiting individual developments to less than 200 residential units resulting in a trend toward smaller consolidations and subdivision of larger sites to keep unit yield below the thresholds associated with a greater mandatory market rental requirement.

Larger development sites provide opportunities to maximize site planning and building massing options and secure ultimate road/land connections and servicing upgrades. Further, existing density bonusing provisions in the CCAP are used to secure construction of on-site community amenity space, which is transferred to the City at no cost to the City. The size of the community amenity space obligation is proportional to the scale of the development. Large community amenity spaces are preferred, which are feasibly accommodated only within large scale developments, to maximize co-location opportunities and realize operational efficiencies. A policy that is contrary to existing policies to encourage minimum development parcel sizes is not recommended.

**Staff Recommendation #2:**

**Recommended: Introduce provisions for instream applications and monitoring**

While the recommended instream provisions acknowledge that the development community applies current policies to plan a project's design, programming and funding, it also establishes a schedule to encourage timely completion of instream applications, which may otherwise continue to be brought forward for Council consideration/approval for years into the future.

Instream rezoning applications may be exempt from mandatory provision of market rental housing provided the project achieves the following:

- first reading within one year of the proposed amendment bylaws being adopted; and
- final adoption of the rezoning bylaw within one year of the associated Public Hearing.

For an instream rezoning application that does not meet the schedule outlined above, a report would be brought forward for consideration by Council. The report would consider the following options:

- Allow additional time for the project to be completed based on circumstances that have affected the timeline for a project that has been actively working to advance and achieve final adoption of the rezoning bylaw and issuance of the Development Permit; or
- Rescind third reading of the rezoning bylaw and require the project to be redesigned to include the required market rental housing.

Richmond Zoning Bylaw 8500, Amendment Bylaw 10376 includes provisions for two instream Development Permit applications that are zoned Downtown Commercial (CDT1) to permit the applications to advance without redesigning to include market rental housing provided the Development Permit is issued within one year of the proposed amendment bylaws being adopted.



Conditional to Council's adoption of the proposed Zoning Bylaw amendments, a property owner that applies for a Development Permit to develop a site that is zoned Low Density Low Rise Apartments (RAL1, RAL2), Medium Density Low Rise Apartments (RAM1, RAM2, RAM3), High Density Low Rise Apartments (RAH1, RAH2), Residential/Limited Commercial (RCL1, RCL2, RCL3, RCL4, RCL5), and/or Downtown Commercial (CDT1, CDT2, CDT3) and includes more than 60 apartment units, would be required to construct market rental housing units.

Recognizing the degree of variability in the housing development industry (e.g., recent increase in the annual inflation rate, predicted rate increases by the Bank of Canada, etc.), staff recommend that the implementation of a mandatory market rental policy is monitored and that staff report back to Council regarding the key findings after the proposed provisions are in place for two years.

**Alternative Approach/Not Recommended: Decline, reduce or extend provisions for instream applications and monitoring**

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

- Decline to support the recommendation to introduce grandfathering provisions for instream rezoning and Development Permit applications; or
- Reduce or extend the duration of the instream provisions.

Public Consultation

Attachment 4 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 a summary of consultation with key stakeholders that was undertaken in May 2021 regarding the introduction of a mandatory market rental requirement. 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 is an important addition to the City's approach to providing residents with rental housing options. The recommendations in this report include the following:

- Secure a minimum of 15% of residential floor area as market rental housing units in apartment developments with more than 60 units, which would increase the rental component to 30% for projects inside of the CCAP, and to 25% for projects outside of the CCAP.

- Include smaller developments in rental housing initiatives by including options to:
  - Accept a cash-in-lieu contribution to balance a developer's rental housing contribution between developments of various type and size; or
  - Permit an associated density bonus, provided it is used exclusively to construct market rental units in townhouse and small apartment developments.
- Amend standard multi-family zones that permit apartment development to secure construction of market rental units in strata developments.
- Clarify parking reductions for rental housing beyond those included in the Zoning Bylaw.

The recommended approach would increase the availability of secure rental housing and may reduce speculation. An economic feasibility analysis that was undertaken by an experienced economic development consultant finds that the proposed approach would be financially viable for many developments. To minimize risks and unintended outcomes associated with implementation (e.g., impacts of inflation and higher interest rates, appreciative decline in development activity, smaller development sites, etc.), staff recommend that implementation of the revised OCP Market Rental Housing Policy is monitored and that staff report back to Council regarding the key findings after the proposed bylaw amendments are in place for two years.

It is recommended that Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375, and Richmond Zoning Bylaw No.8500, Amendment Bylaw 10376 be introduced and given first reading.



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DN:cas

Attachment 1: Summary of Proposed Official Community Plan (OCP) and Zoning Bylaw Amendments

Attachment 2: Economic Feasibility Executive Summary (G.P. Rollo & Associates)

Attachment 3: Recent Zoning Bylaw 8500 Parking Rate Reductions for Rental Housing

Attachment 4: OCP Consultation Policy & Summary of Consultation with Key Stakeholders

Summary of Proposed Official Community Plan (OCP) and Zoning Bylaw Amendments

*Amendment Bylaw 10375: OCP Amendments*

1. Amendments to the OCP Market Rental Housing Policy to introduce a mandatory approach to secure market rental housing in development with more than 60 apartment units.

Amendment Bylaw 10375 proposes the following amendments:

- a) Delete the existing provisions for voluntary development of market rental housing units in a mixed market rental and strata building.
- b) Introduce a mandatory, rather than a voluntary, approach to securing market rental housing within development with more than 60 apartment units that includes the following:
  - Secure a minimum of 15% of the residential floor area, excluding residential floor area secured as affordable housing, as purpose-built market rental housing units.
  - Apply 0.10 FAR density bonus above the base density set out in the OCP to the site.
- c) Insert language to establish that for townhouse development with 5 or more units and apartment developments with 60 or less units:
  - A community amenity contribution may be accepted through a rezoning application; or
  - The owner may make use of up to 0.10 FAR bonus density conditional to the density bonus applying only to the portion of the development that contains habitable market rental floor area. The habitable floor area secured as market rental housing is exempt from affordable housing contribution requirements.
- d) Insert language to clarify the following:
  - Residential rental tenure zoning should be used to secure rental units.
  - Market rental housing units should incorporate basic universal housing features.
  - Stratification of new market rental housing units is restricted.
  - The secured market rental housing component in the development is eligible for exemption from public art and community planning contributions.
  - For 100% market rental housing project, exemption from affordable housing contribution requirements and density bonusing provisions are preserved.
- e) Insert language to clarify parking reductions for rental housing beyond those included in the Zoning Bylaw, as determined by Council.

2. Amendments to Arterial Road Land Use Policy. Amendment Bylaw 10375 would clarify additional density (0.1 FAR) may be considered along arterial roads when the additional density is used exclusively to secure market rental units. The bylaw would also clarify potential incentives including exemption of the secured market rental housing component from the affordable housing contribution requirement.

3. Amendments to Thompson Area Dover Crossing Sub-Area Plan, Steveston Area Plan, McLennan North Sub-Area Plan, Bridgeport Area Plan, and Hamilton Area Plan. Amendment Bylaw 10255 would clarify existing sub-area plan maximum density references to align provisions with the requirements of the OCP Market Rental Housing Policy. The bylaw would also update a reference to the LEMR program in the Hamilton Area Plan.

*Amendment Bylaw 10376: Zoning Bylaw Amendments*

1. Amendments to Zoning Bylaw 8500 to five existing residential and mixed use zones to reflect the recommended OCP Market Rental Housing Policy. The affected zones include the following:
  - Low Density Low Rise Apartments (RAL1, RAL2);
  - Medium Density Low Rise Apartments (RAM1, RAM2, RAM3);
  - High Density Low Rise Apartments (RAH1, RAH2);
  - Residential/Limited Commercial (RCL1 RCL2, RCL3, RCL4, RCL5); and
  - Downtown Commercial (CDT1, CDT2, CDT3).

The amendment bylaw includes instream provisions for Development Permit applications that do not require rezoning and would be affected by changes to the zones listed above.

Economic Feasibility Executive Summary (G.P. Rollo & Associates)**Re: Richmond Mandatory Market Rental Financial Analysis Executive Summary**

G. P. Rollo & Associates (GPRA) was retained to prepare a financial analysis to respond to a referral by Richmond City Council to evaluate the financial feasibility of a proposed market rental housing program, which would require a minimum floor area allocation for market rental as part of private market condominium developments using a tiered obligation based on the size of the development. These analyses build upon previous work completed by GPRA this year and reflect updated Low End Market Rental (LEMR) requirements and lower LEMR parking rates.

GPRA has undertaken this analysis and has the following to report:

1. **General Assumptions Update:** GPRA updated estimates for revenues and costs for development of strata and rental in both wood frame and concrete construction both outside and inside the City Centre Area Plan (CCAP). For our analysis GPRA has updated the estimated range of values for raw land provided last year by City Staff by 30% for City Centre and by 15% outside City Centre. The significant increases in assessed land value from last year to this year have outpaced market pricing increases for strata and rentals over the same time, which have had the effect of reducing the viability of development in some cases. This increase in value appears to be driven by speculation on either density increases or more likely in pricing increases for strata units in the future. We have also introduced a discounted cash flow analysis for larger developments to properly address the time value of money and increased risk in larger projects and switches some metrics for evaluation as compared to smaller developments. As such the analysis may indicate more difficulty for developers acquiring parcel for current assessed values and still being able to have an economically viable development, but policies introduced may be a way to cool land speculation in the future in the City.
2. **Economic Analysis:** GPRA found that it should be generally feasible to require 15% Market Rentals in addition to LEMR requirements in some new developments. This conclusion is based on the supported land value of scenarios including 15% Market Rentals exceeding the base land value estimate for land meeting the respective zoning densities for concrete and wood frame in City Centre and wood frame outside City Centre. For all three scenarios increasing the requirement to 20% Market Rental reduced the supported land value below that base market value for land. The same would hold true for increasing density commensurate to the gross area on 1 acre that would be achievable on a 2 acre site. The primary factor we determined having an impact is simply the additional time assumed for development and the interest costs associated with this additional time.

Although this does not mean all development parcels in the City will work with the 15% requirement today, it does illustrate that there are properties for which it will work and that once the policy requirement is adopted the bid price for land will come down to reflect this requirement and settle closer to the base amount indicated. Additional analysis was done escalating requirements from 15% to 17.5%, to 20% and above but the viability of increasing market rental requirements on larger parcels generally declined quite quickly, due to the combination of the increased assessed value for land and the increased interest and carrying costs with larger developments, with many costs being incurred up front, but revenue being deferred for up to 10 years.

3. **Options for Improving Viability:** Analysis indicates that the introduction of a 30% and a 50% reduction in parking requirements for rental units has a measured impact on improving viability, particularly on projects on 2+ acres and may be a useful tool for making the inclusion of market rentals on larger sites economically viable.
4. **Cash-In-Lieu:** Assuming the City were to proceed with a 15% requirement for Market Rentals GPRA estimates an appropriate Cash-in-Lieu value that would be the financial equivalent of providing built market rentals for a developer would be as follows:
  - **Townhouse:** \$2.65 per square foot GBA/\$28.52 per square metre
  - **Wood Frame Outside CCAP:** \$3.00 per square foot GBA/\$32.29 per square metre
  - **Apartments Inside CCAP:** \$5.25 per square foot GBA/\$56.51 per square metre

This assumes that the square footage is retained and used for strata apartments instead of rentals, excluding the 0.1 FAR density bonus which would no longer be available to the developer.

5. **Economies of Scale:** GPRA prepared analyses looking at increased market rental requirements as sites got larger and thus produced more units overall and found that increased requirements were generally unfeasible. In reviewing potential causes for this GPRA is of the opinion that the primary factor is additional time for construction and the associated increase in carrying costs. Generally financiers and banks view projects that are going to take a long time to develop to be a greater risk than projects to be completed in a relatively short time and make greater demands from the developer in terms of lending and financing costs
6. **Key Takeaways:**
  - General findings are that a 15% requirement for built market rentals should be feasible for most properties that were purchased prior to 2020 and many of those purchased more recently
  - The City saw an increase in land cost of 30% in the CCAP and 15% outside in a year
  - sales prices and rents have increased, but not by the same amount as land, and are offset by comparable increases in hard costs
  - land prices likely reflect significant speculative value and make development increasingly risky
  - larger projects with more units take more time to build and sell, which in turn increases risk and carrying costs, and may be subject to higher scrutiny from lenders
  - Economies of scale are not generally found in projects of the sizes being examined; rather savings on materials and labour are more likely going from say 20 units to 100, rather than 200 to 400 units.
  - As such, increased expectations from larger projects to provide a higher percentage of market rentals is not proven out from the financial analysis
  - Large projects that require several years (3+) to build and market will attract a different developer that use different metrics for measuring project viability and rely on forecasts of future growth in pricing outstripping rising costs for projects being viable. Even then there is significantly increased risk that the market could take a downturn due to any number of factors.

Recent Zoning Bylaw 8500 Parking Rate Reductions for Rental Housing

Parking reductions are among the levers that may be applied by a local government to improve the economic feasibility of a rental development. The following summarizes changes to Zoning Bylaw 8500 parking rates that were adopted on March 21, 2022:

- The Transportation Demand Management (TDM) off-street parking reduction, which may be applied to the already lower residential parking rates that apply to rental housing, was increased from a maximum 10% to 20% reduction.
- The minimum parking spaces requirement for affordable housing units in areas within the City Centre that benefit from the highest level of transit service was reduced to 0.8 spaces per unit and are eligible for the further 20% parking reduction with TDM measures.

The Zoning Bylaw parking rates for market rental and affordable housing units are a starting point for review and provisions for reductions are embedded in the Zoning Bylaw.

OCP Consultation Policy & Summary of Consultation with Key Stakeholders

*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.

<b>Stakeholder</b>	<b>Referral Comment (No Referral necessary)</b>
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.
Vancouver 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 (RCSAC) 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.



*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.
  - 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.
  - 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.
  - Consider extending instream provisions from one year to at least two years.



**Richmond Official Community Plan Bylaw 7100 and 9000,  
Amendment Bylaw 10375  
(Market Rental Housing Amendments)**

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

1. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 1 (Official Community Plan), Section 3.3, Objective 4 [Encourage the development of new purpose-built market rental housing units] by:
  - a) Deleting subsection a) and replacing it with the following:
    - “a) support the provision of new market rental housing units and replacement market rental housing units, where relevant, and secure all rental units in perpetuity by utilizing residential rental tenure zoning, where applicable, one or more legal agreements, and/or an alternative approach to the satisfaction of the City;”;
  - b) Deleting subsections c), d), e) and f) and replacing them with the following:
    - “c) a minimum of 40% of market rental housing units in a development should include two or more bedrooms that are suitable for families with children and market rental housing units should incorporate basic universal housing features;
    - d) stratification of individual market rental housing units is prohibited unless otherwise approved by Council;
    - e) for new development, City-wide market rental provisions include the following:
      - for new development that includes more than 60 apartment units, the owner shall provide purpose-built market rental housing units in the building. The combined habitable space of the market rental housing units will comprise at least 15% of the total residential floor area ratio in the building, excluding residential floor area secured as affordable housing, and will be secured by utilising residential rental tenure zoning, where applicable. The associated density bonus is 0.10 floor area ratio above the base density set out in the OCP or Area Plan, which is applied

- to the site and included for the purpose of calculating the affordable housing built contribution;
- for new townhouse development with 5 or more townhouse units, and for new apartment development with 60 or less units:
    - a community amenity contribution may be accepted through a rezoning application. Community amenity contributions will be collected in the Affordable Housing Reserve Fund and calculated on the total residential floor area of the development, excluding habitable residential floor area secured as affordable housing, as follows:
      - for townhouse development: \$28.52 per buildable m<sup>2</sup> (\$2.65 per buildable ft<sup>2</sup>);
      - for apartment development inside of the City Centre Area Plan: \$56.51 per buildable m<sup>2</sup> (\$5.25 per buildable ft<sup>2</sup>); and
      - for apartment development outside of the City Centre Area Plan: \$32.29 per buildable m<sup>2</sup> (\$3.00 per buildable ft<sup>2</sup>); or
    - the owner may make use of up to 0.10 FAR above the base density set out in the OCP or Area Plan conditional to the density bonus being used exclusively to secure habitable market rental floor area secured by utilizing residential rental tenure zoning. The secured market rental housing units are exempt from the affordable housing contribution requirement;
    - by February 28, 2023, and then every two years thereafter, the community amenity contribution rates are to be revised by adding the annual inflation for the preceding two calendar years by using the Statistics Canada *Vancouver Consumer Price Index – All Items* inflation rate; with revised rates published in a City Bulletin;
  - for new mixed tenure development that provides additional rental housing to address community need, the density bonus may be increased on a site-specific basis;
  - the secured market rental housing component in the development is eligible for exemption from public art and community planning contributions.
- f) for new development that provides 100% of the residential use at the site as secured market rental housing, the following considerations apply:
- the following density bonusing provisions may apply:
    - for ground oriented townhouses and wood frame apartment (inside or outside of the City Centre Area Plan): 0.20 FAR above the base density set out in the OCP or Area Plan;
    - for concrete buildings (inside or outside) of the City Centre Area Plan: 0.25 above the base density set out in the OCP or Area Plan;

- for new development that provides additional rental housing to address community need, the density bonus may be increased on a site-specific basis.
  - new developments are subject to the following:
    - priority locations include sites that are located inside of the City Centre Area Plan or within the neighbourhood centres identified in the OCP. Other locations may be considered on a case by case basis;
    - developments meet or exceed the City’s sustainability objectives related to building energy and emissions performance;
    - proposed developments demonstrate that they would integrate well with the neighbourhood and comply with OCP Development Permit Guidelines;
    - community consultation is undertaken.
  - new developments are eligible for the following incentives:
    - exemption from affordable housing requirements in recognition of the significant community benefit provided by the market rental housing units;
    - exemption from public art and community planning contributions;
    - expedited rezoning and development permit application review ahead of in-stream applications.
- g) conditional to exhausting all parking rate reduction provisions in the Zoning Bylaw, and subject to staff review of site specific considerations, new market rental units and/or Low End Market Rental units in a 100% rental building or a mixed tenure strata development may be eligible for the following parking reduction:
- up to a total 50% parking reduction on sites that are within 800 m (10 minute walking distance) of a Canada Line Station;
  - up to a total 30% parking reduction on all other sites;
  - the parking requirement may be further reduced, as determined by Council, on a site specific basis for projects that provide additional rental housing to address community need.”
2. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 1 (Official Community Plan), Section 3.6.1 [Arterial Road Land Use Policy], Arterial Road Townhouse Development Requirements, by inserting the following as a new Section 12 and Section 13 under the heading “Additional Density” and renumbering the subsequent section accordingly:
- “12. Additional density, up to 0.10 FAR above the base density set out in the OCP, may also be considered for the provision of secured market rental housing units provided that:

- a) the additional density is used exclusively to secure market rental units;
  - b) where applicable, the purpose-built market rental housing units are secured by utilizing residential rental tenure zoning;
  - c) the proposed development demonstrates it integrates well with the neighbourhood and complies with OCP policies for the provision of market rental housing units.
13. The secured market rental housing component in a townhouse development is eligible for the following incentives:
- o exemption from the affordable housing contribution requirement;
  - o reduced parking requirements; and
  - o exemption from public art contributions.”.
3. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at Schedule 2.14 (Hamilton Area Plan) by:
- a) At Section 3.3, Objective 12: Density Bonusing and Community Amenities, Provision of Community Amenities at the second bullet under Section a) deleting the words “5% of the gross residential floor area of apartment and mixed-use developments with over 80 units” and replacing them with “10% of the gross residential floor area of apartment and mixed-use developments with over 60 units”;
  - b) At Section 3.3, Objective 12: Density Bonusing and Community Amenities, Provision of Community Amenities adding the following as a new bullet under subsection a):
    - “ • A density bonus approach will apply to new development that includes market rental housing that satisfies the requirements of the OCP market rental housing density bonus provisions, over and above that permitted by the development site’s designation in the Land Use Map.”; and
  - c) Deleting the notation that is included in the Land Use Map on page 12-4, “The densities (in FAR) for each land use designation below are the maximums permitted based on the net parcel area and including any density bonus that may be permitted under the Plan’s policies.”, and replacing it with the following text:
 

“The densities (in FAR) for each land use designation below are the maximums permitted based on the net parcel area including any density bonus that may be permitted under the Plan’s policies, except any density bonus for market rental housing in a new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.
4. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.2A (Thompson Area Dover Crossing Sub-Area Plan) by inserting the following footnote on the Land Use Map on page 21:

“A density bonus approach will apply to new development that includes market rental housing that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 5. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.4 (Steveston Area Plan) by inserting the following footnote on the Steveston Village Land Use Density and Building Height Map on page 9-69:

“A density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 6. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.10C (McLennan North Sub-Area Plan) by inserting the following footnote on the Land Use Map on page 23:

“A density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 7. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.12 (Bridgeport Area Plan) by inserting the following footnote on the Land Use Map – Bridgeport on page 27:

“For area designated Residential Mixed-Use, a density bonus approach will apply to new development that satisfies the requirements of the OCP market rental housing density bonus provisions.”.

- 8. This Bylaw may be cited as “**Richmond Official Community Plan Bylaw 7100 and Bylaw 9000, Amendment Bylaw 10375**”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

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MAYOR

\_\_\_\_\_  
CORPORATE OFFICER



**Richmond Zoning Bylaw 8500  
Amendment Bylaw 10376 (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 8.10 [Low Density Low Rise Apartments (RAL1, RAL2)] by:

- a) deleting Section 8.10.1 and replacing it with the following:

**“8.10.1 Purpose**

The **zone** provides for 3 to 4 **storey** apartments outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 2 sub-**zones**, RAL1 and RAL2. The zone includes **density bonus** provisions in order to help achieve the **City’s affordable housing and market rental housing objectives.**”;

- b) inserting the following as a new Section 8.10.4 and renumbering the remaining sections accordingly:

**“8.10.4 Residential Rental Tenure**

1. **Residential rental tenure** may be located anywhere in this zone.
  2. For **apartment housing** including more than 60 **dwelling units**:
    - a) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
    - b) in addition to section 8.10.4.2(a) above, if **affordable housing units** are provided on the **site** in compliance with Section 8.10.5.3 below, **residential rental tenure** shall also apply to those **dwelling units.**”;
  3. For **development** consisting of 5 or more **town housing** units or 60 or less **apartment housing** units, if **market rental units** are provided on the **site** in compliance with Section 8.10.5.1(b) or 8.10.5.2(b), **residential rental tenure** shall apply to those **dwelling units**.
- c) deleting Sections 8.10.5.1 and 8.10.5.2 from the now renumbered Section 8.10.5 [Permitted Density] and replacing them with the following:

- “1. For **apartment housing** and **town housing** zoned RAL1, the maximum **floor area ratio** is 0.80, together with an additional:
  - a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
  - b) 0.10 **floor area ratio** provided that **market rental units** are provided:
    - i) pursuant to Section 8.10.4.2(a); or
    - ii) for **development** consisting of 5 or more **town housing** units or 60 or less **apartment housing** units, utilizing no less than the entire 0.10 **floor area ratio** as **market rental unit habitable space**.
2. For **apartment housing** zoned RAL2, the maximum **floor area ratio** is 0.80, together with an additional:
  - a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
  - b) 0.10 **floor area ratio** if **market rental units** are provided:
    - i) pursuant to Section 8.10.4.2(a); or
    - ii) for development consisting of 5 or more **town housing** units or 60 or less **apartment housing** units, utilizing no less than the entire 0.10 **floor area ratio** as **market rental unit habitable space**.”; and
  - d) at now renumbered Section 8.10.12.2, deleting the reference to “Section 8.10.11.1.” and replacing it with “Section 8.10.12.1”.
2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.11 [Medium Density Low Rise Apartments (RAM1, RAM2, RAM3)] by:
  - a) deleting Section 8.11.1 and replacing it with the following:
 

**“8.11.1 Purpose**

The **zone** provides for 4 to 5 **storey** apartments within and outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 3 sub-**zones**, RAM1, RAM2 and RAM3. The zone includes **density bonus** provisions in order to help achieve the **City’s affordable housing** and **market rental** housing objectives.”;
  - b) inserting the following as a new Section 8.11.4 and renumbering the remaining sections accordingly:
 

**“8.11.4 Residential Rental Tenure**

    1. **Residential rental tenure** may be located anywhere in this zone.
    2. For **apartment housing** including more than 60 **dwelling units**:
      - a) If the **site** is located in the **City Centre**:



- i) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
    - ii) in addition to section 8.11.4.2(a)(i) above, if **affordable housing units** are provided on the **site** in compliance with Section 8.11.5.3 below, **residential rental tenure** shall also apply to those **dwelling units**.
  - b) If the **site** is located outside the **City Centre**:
    - i) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
    - ii) in addition to section 8.11.4.2(b)(i) above, if **affordable housing units** are provided on the **site** in compliance with Section 8.11.5.3 below, **residential rental tenure** shall also apply to those **dwelling units** .
- 3. For **development** consisting of consisting of 5 or more **town housing** units or 60 or less apartment housing units, if **market rental units** are provided on the site in compliance with Section 8.11.5.1(c) or 8.11.5.2(b), **residential rental tenure** shall apply to those **dwelling units**.”;
- c) deleting Sections 8.11.5.1 and 8.11.5.2 from the now renumbered Section 8.11.5 [Permitted Density] and replacing them with the following:
  - “1. For **apartment housing** and **town housing** zoned RAM1, the maximum **floor area ratio** is:
    - a) 0.60 for the first 3,000.0 m<sup>2</sup> of **lot area**;
    - b) 0.9 for the next 6,000.0 m<sup>2</sup> of **lot area**; and
    - c) for portions of the **lot area** over 9,000.0 m<sup>2</sup>, together with an additional:
      - i) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
      - ii) 0.10 **floor area ratio** provided that **market rental units** are provided:
        - a. pursuant to Section 8.11.4.2(a)(i) or Section 8.11.4.2(b)(i); or

- b. for **development** consisting of 5 or more **town housing** units or 60 or less **apartment housing** units, utilizing no less than the entire 0.10 **floor area ratio** as **market rental unit habitable space**.
- 2. For **apartment housing** zoned RAM2 or RAM3, the maximum **floor area ratio** is 1.2, together with an additional:
  - a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**; and
  - b) 0.10 **floor area ratio** provided that **market rental units** are provided:
    - i. pursuant to Section 8.11.4.2(a)(i) or Section 8.11.4.2(b)(i); or
    - ii. for **development** consisting of 5 or more **town housing** units or 60 or less **apartment housing** units, utilizing no less than the entire 0.10 **floor area ratio** as **market rental unit habitable space**”;
  - d) at now renumbered Section 8.11.5.3, deleting the reference to “Section 8.11.4.2” and replacing it with “Section 8.11.5.2”; and
  - e) at now renumbered Section 8.11.12.2, deleting the reference to “Section 8.11.11.1” and replacing it with “Section 8.11.12.1”.
- 3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 8.12 [High Density Low Rise Apartments (RAH1,RAH2)] by:
  - a) deleting Section 8.12.1 and replacing it with the following:
 

**“8.12.1 Purpose**

The **zone** provides for 4 to 6 **storey** apartments within and outside the **City Centre**, plus compatible **uses**. The **zone** is divided into 2 sub-**zones**, each provides for **density bonus** that would be used in order to help achieve the **City’s affordable housing** and **market rental** housing objectives.”;
  - b) inserting the following as a new Section 8.12.4 and renumbering the remaining sections accordingly:
 

**“8.12.4 Residential Rental Tenure**

    - 1. **Residential rental tenure** may be located anywhere in this zone.
    - 2. For **apartment housing** including more than 60 **dwelling units**:
      - a) If the **site** is located in the **City Centre**:
        - i) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total

- residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
- ii) in addition to section 8.12.4.2(a)(i) above, if **affordable housing units** are provided on the **site** in compliance with Section 8.12.5.2 below, **residential rental tenure** shall also apply to those **dwelling units**.
- b) If the **site** is located outside the **City Centre**:
- i) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
  - ii) in addition to section 8.12.4.2(b)(i) above, if **affordable housing units** are provided on the **site** in compliance with Section 8.12.5.2 below, **residential rental tenure** shall also apply to those **dwelling units** .
3. For **development** consisting of 60 or less **apartment housing unit**, if **market rental units** are provided on the site in compliance with Section 8.12.5.1(b), **residential rental tenure** shall apply to those **dwelling units**.”;
- c) deleting Section 8.12.5.1 from the now renumbered Section 8.12.5 [Permitted Density] and replacing it with the following:
- “1. The maximum **floor area ratio** is 1.2, together with an additional:
- a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
  - b) 0.10 **floor area ratio** provided that **market rental units** are provided:
    - i. pursuant to Section 8.12.4.2(a)(i) or Section 8.12.4.2(b)(i); or
    - ii. for **development** consisting of 60 or less **apartment housing units**, utilizing no less than the entire 0.10 **floor area ratio** as **market rental unit habitable space**.”;
- d) at now renumbered Section 8.12.5.2, deleting the reference to “Section 8.12.4.1” and replacing it with “Section 8.12.5.1”;
- e) at now renumbered Section 8.12.5.3, deleting the reference to “Section 8.12.4.2” and replacing it with “Section 8.12.5.2”;

- f) at now renumbered Section 8.12.5.3(a), deleting the reference to “Section 8.12.4.2 a)” and replacing it with “Section 8.12.5.2 a)”, and deleting the reference to “Section 8.12.4.2 b)” and replacing it with “Section 8.12.5.2 b)”.
4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 9.3 [Downtown Commercial (CDT1, CDT2, CDT3)] by:

- a) deleting Section 9.3.1 and replacing it with the following”

**“9.3.1 Purpose**

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

- b) inserting the following as a new Section 9.3.4 and renumbering the remaining sections accordingly:

**“9.3.4 Residential Rental Tenure**

1. **Residential rental tenure** may be located anywhere in this zone.
2. For **apartment housing** including more than 60 **dwelling units**:
  - a) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
  - b) in addition to Section 9.3.4.2(a) above, if **affordable housing units** are provided on the **site** in compliance with Section 9.3.5.4, Section 9.3.5.5, and/or Section 9.3.5.8 below, **residential rental tenure** shall also apply to those **dwelling units**.”;
- c) deleting Sections 9.3.5.2 and 9.3.5.3 from the now renumbered Section 9.3.5 [Permitted Density] and replacing it with the following:
  2. For downtown commercial **sites** zoned CDT1, the maximum **floor area ratio** is 3.0 together with an additional:
    - a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.

- b) 0.20 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
  - c) 0.10 **floor area ratio** if **market rental units** are provided pursuant to Section 9.3.4.2(a).
3. For downtown commercial **sites** zoned CDT2 and CDT3, the maximum **floor area ratio** is 2.0 together with an additional:
- a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
  - b) 0.20 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
  - c) 0.10 **floor area ratio** if **market rental units** are provided pursuant to Section 9.3.4.2(a).”;
- d) at now renumbered Section 9.3.5.4, deleting the reference to “Section 9.3.4.2” and replacing it with “Section 9.3.5.2”;
  - f) at now renumbered Section 9.3.5.5, deleting the reference to “Section 9.3.4.2” and replacing it with “Section 9.3.5.2”;
  - e) at now renumbered Section 9.3.5.6, deleting the reference to “Section 9.3.4.4” and replacing it with “Section 9.3.5.4”;
  - f) at now renumbered Section 9.3.5.7, deleting the reference to “Section 9.3.4.5” and replacing it with “Section 9.3.5.5”;
  - g) at now renumbered Section 9.3.5.8, deleting the reference to “Section 9.3.4.3” and replacing it with “Section 9.3.5.3”;
  - h) at now renumbered Section 9.3.5.9, deleting the reference to “Section 9.3.4.6” and replacing it with “Section 9.3.5.8”; and
  - i) at now renumbered Section 9.3.5.10, deleting the reference to “Section 9.3.4.7a)” and replacing it with “Section 9.3.5.9 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) deleting Section 9.4.1 and replacing it with the following:

**“9.4.1 Purpose**

The **zone** accommodates mid- to high-rise apartments within the **City Centre**, plus a limited amount of **commercial use** and compatible **secondary uses**. The **zone** is divided into 5 sub-zones, RCL1, RCL2, RCL3, RCL4 and RCL5. Each provides for a **density bonus** that would be used in order to help achieve the

**City's affordable housing and market rental** housing objectives. RCL3 provides for an additional **density bonus** that would be used for rezoning applications in the Village Centre Bonus Map area of the **City Centre** in the **City Centre** Area Plan to achieve **City** objectives for **child care**, amenity, and **commercial use**. RCL4 and RCL5 provide for a **density bonus** that would be used for rezoning applications in the Capstan Station Bonus Map area designated by the **City Centre** Area Plan to achieve, among other things, **City** objectives in respect to the Capstan Canada Line station.”;

- b) inserting the following as a new Section 9.4.4 and renumbering the remaining sections accordingly:

**“9.4.4 Residential Rental Tenure**

1. **Residential rental tenure** may be located anywhere in this zone.
  2. For **apartment housing sites** including more than 60 **dwelling units**:
    - a) **residential rental tenure** shall apply to **dwelling units**, being **market rental units**, on the **site** with a combined **habitable space** equal to at least 15% of the total residential **floor area** of the **buildings**, excluding residential **floor area** secured as **affordable housing units**; and
    - b) in addition to Section 9.4.4.2(a) above, if **affordable housing units** are provided on the **site** in compliance with Section 9.4.5.3 and/or Section 9.4.5.4 below, **residential rental tenure** shall also apply to those **dwelling units**.”;
- c) deleting Sections 9.4.5.1 and 9.4.5.2 from the now renumbered Section 9.4.5 [Permitted Density] and replacing them with the following:

“1. For residential/limited commercial **sites** zoned RCL1, the maximum **floor area ratio** is:

- a) 0.70 for **lots** less than 3,000.0 m<sup>2</sup> in **lot area**;
- b) for **lots** between 3,000.0 m<sup>2</sup> and 6,000.0 m<sup>2</sup> in **lot area**; and
- c) for **lots** 6,000.0 m<sup>2</sup> or larger in **lot area**,

together with an additional:

- i) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
- ii) 0.10 **floor area ratio** provided that is entirely used to accommodate **community amenity space**.
- iii) 0.10 **floor area ratio** if **market rental units** are provided pursuant to Section 9.4.4.2(a).

2. For residential/limited commercial **sites** zoned RCL2, RCL3, RCL4, or RCL5, the maximum **floor area ratio** is 1.2, together with an additional:
  - a) 0.10 **floor area ratio** provided that it is entirely used to accommodate **amenity space**.
  - b) 0.10 **floor area ratio** provided that it is entirely used to accommodate **community amenity space**.
  - c) 0.10 **floor area ratio** provided that **market rental units** are provided as outlined in Section 9.4.4.2(a).”;
  - d) at now renumbered Section 9.4.5.3, deleting the reference to “9.4.4.2” and replacing it with “9.4.5.2”;
  - e) at now renumbered Section 9.4.5.4, deleting the reference to “Section 9.4.4.2” and replacing it with “Section 9.4.5.2”;
  - f) at now renumbered Section 9.4.5.5, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”; and deleting reference to “Section 9.4.4.4” and replacing it with reference to “Section 9.4.5.4”;
  - g) at now renumbered Section 9.4.5.6, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”;
  - h) at now renumbered Section 9.4.5.7, deleting reference to “Section 9.4.4.3” and replacing it with “Section 9.4.5.3”;
  - i) at now renumbered Section 9.4.5.7(a), deleting reference to “Section 9.4.4.3(a) or (b)” and replacing it with “Section 9.4.5.3(a) or (b)”;
  - j) at now renumbered Section 9.4.5.8, deleting by deleting reference to “Section 9.4.4.4” and replacing it with “Section 9.4.5.4”.
  - k) at now renumbered Section 9.4.5.8(a), deleting reference to “Section 9.4.4.4” and replacing it with “Section 9.4.5.4”; and
  - l) at now renumbered Section 9.4.12.2, deleting reference to “Section 9.4.11.1” and replacing it with “Section 9.4.12.1”.

6. With respect to the following properties, this Bylaw is effective as of June 20, 2023:

8131 Westminster Highway

P.I.D. 007-168-870

Lot 67 Section 4 Block 4 North Range 6 West New Westminster District Plan 44025

8100 Westminster Highway

P.I.D. 011-316-462

Lot 3 Section 9 Block 4 North Range 6 West New Westminster District Plan 8649

8120 Westminster Highway  
P.I.D. 011-316-454  
Lot 2 Section 9 Block 4 North Range 6 West New Westminster District Plan 8649

8180 Westminster Highway  
P.I.D. 004-060-547  
Lot 1 Section 9 Block 4 North Range 6 West New Westminster District Plan 8649

- 7. This Bylaw may be cited as **“Richmond Zoning Bylaw 8500, Amendment Bylaw 10376”**.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

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MAYOR

\_\_\_\_\_  
CORPORATE OFFICER