



**To:** Planning Committee

**Date:** June 13, 2018

**From:** Barry Konkin  
Manager, Policy Planning

**File:** 08-4057-08/2018-Vol 01

**Re:** **Market Rental Housing Policy**

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### Staff Recommendation

1. That Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, to incorporate the Market Rental Housing Policy into OCP Bylaw 9000 and a companion policy to ensure family-sized units are provided in all multi-family developments, be introduced and given first reading;
2. That Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889, to incorporate a Market Rental Housing Policy provision into the West Cambie Area Plan, be introduced and given first reading;
3. That Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, and Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889, having been considered in conjunction with:
  - the City's Financial Plan and Capital Program;
  - the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;

are hereby found to be consistent with said program and plans, in accordance with Section 477(3)(a) of the *Local Government Act*;

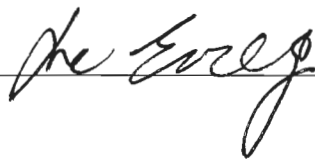

4. That Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, and Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, are hereby found not to require further consultation;
5. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9886, to introduce new parking rates for market rental housing and new parking rates and other provisions related to secondary suites in townhouse units, be introduced and given first reading; and

- 6. That upon adoption of Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, existing Council Policy 5012, "Strata Title Conversion Applications – Residential" be rescinded.

  
 Barry Konkin  
 Manager, Policy Planning

Att. 4

BK:ta

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
Affordable Housing	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CJ	APPROVED BY CAO 

## Staff Report

### Origin

At the November 14, 2017 Council meeting, staff presented the report titled, “Proposed Draft Market Rental Housing Policy” to set out the proposed Market Rental Housing Policy and seek authorization to consult with stakeholders and the public. Council endorsed the report and the following recommendation was adopted:

*That staff be directed to seek comments and feedback from key stakeholders and the public regarding the proposed Draft Market Rental Housing Policy and report back to Planning Committee.*

This report provides a summary of the Council-endorsed consultation process and presents the new Market Rental Housing Policy, incorporating the outcomes of the consultation for Council’s consideration. It is recommended that the new Market Rental Housing Policy be incorporated into Richmond’s Official Community Plan.

The Draft Market Rental Housing Policy (Attachment 1), as endorsed by Council, proposed eight policy directions that working in combination would potentially:

- protect the stock of existing market rental housing;
- support tenants of market rental housing who may be displaced by redevelopment; and
- incentivize the construction of new market rental housing.

This report supports the following Council’s 2014-2018 Term Goals:

- Goal #3: A Well-Planned Community:

*Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.*

*3.4. Diversity of housing stock.*

- Goal 8: A Supportive Economic Development Environment:

*Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.*

*8.1. Richmond’s policies, programs, and processes are business-friendly.*

This report supports Affordable Housing Strategy Strategic Direction 1:

*Strategic Direction #1: Use Regulatory Tools to Encourage a Diverse Mix of Housing Types and Tenures*

This report also supports Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

*Strategic Direction #1: Expand Housing Choices*

**Draft Market Rental Housing Policy Consultation Process and Findings**

Staff conducted stakeholder consultation on the Draft Market Rental Housing Policy in January and February 2018 through workshops (Attachment 2) with targeted key stakeholders and the public. Five of the workshops were targeted to specific stakeholders including landlords, housing agencies, non-profit groups and the development industry. One general public session was also held. Over 50 individuals representing approximately 40 organizations participated in the workshops. Information about the draft policy and a feedback form was also available on LetsTalkRichmond.ca. A total of 97 people completed the feedback form between January 25 and February 18 (Attachment 3). The City also received additional correspondence about the Draft Market Rental Housing Policy (Attachment 4).

Table 1, below, provides a summary of the consultation process.

<b>Table 1: Summary of Draft Market Rental Housing Policy Consultation Process</b>		
<b>Initiative</b>	<b>Date</b>	<b>Engagement</b>
Workshop with Richmond Home Builders Group	January 18, 2018	20 participants
Workshop #1 with Urban Development Institute Sub-Committee	January 24, 2018	10 sub-committee members and staff
Workshop with a Range of Housing and Not-for-Profit Stakeholders	January 30, 2018	11 participants representing 8 agencies
Workshop with Landlord BC and Market Rental Building Owners & Managers	February 1, 2018	9 participants
Public Workshop	February 7, 2018	3 participants
Workshop #2 with Urban Development Institute Sub-Committee	February 13, 2018	5 sub-committee members and staff
LetsTalkRichmond Feedback Form	January 25 – February 18, 2018	97 responses received

Table 2, below, identifies some of the comments from the consultation process.

<b>Table 2: Comments from Draft Market Rental Housing Policy Consultation</b>		
<b>Issue/Policy Direction</b>	<b>LetsTalkRichmond (LTR)</b>	<b>Workshops &amp; Correspondence</b>
Protect the Existing Stock of Market Rental Housing in Richmond	<ul style="list-style-type: none"> <li>Strong support (83.5%) for this policy direction.</li> </ul>	<ul style="list-style-type: none"> <li>This should be balanced with the objective of increasing the number of market rental housing units as some buildings will reach the end of their life cycle.</li> </ul>
Strengthen Existing OCP 1:1 Rental Replacement Policy and Require "Like-For-Like" Market Rental Units (e.g. same number of bedrooms and ground oriented units)	<ul style="list-style-type: none"> <li>Strong support (83.2%).</li> </ul>	<ul style="list-style-type: none"> <li>1:1 replacement of rental units as affordable housing (current policy) may be a disincentive to redevelopment due to lower rents that may have to be charged;</li> <li>Consider income and asset testing for returning tenants (e.g. those with higher</li> </ul>

**Table 2: Comments from Draft Market Rental Housing Policy Consultation**

Issue/Policy Direction	LetsTalkRichmond (LTR)	Workshops & Correspondence
		incomes should not be eligible for the affordable units).
<p>Family-Sized Market Rental Units</p> <p>3 options proposed (20%; 30%; or 40% of new units to have 2 or more bedrooms)</p>	<ul style="list-style-type: none"> <li>Higher preference for 40% of units to have 2 or more bedrooms:                             <ul style="list-style-type: none"> <li>11.6% of LTR chose 20%</li> <li>37.9% of LTR chose 30%</li> <li>43.2% of LTR chose 40%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Supply should match demand;</li> <li>Should be left to the market to determine;</li> <li>Some support for 20% of units to have 2+BR;</li> <li>3 BR units can be hard to rent.</li> </ul>
<p>Tenant Relocation Plan</p>	<ul style="list-style-type: none"> <li>77.9% support for this policy direction.</li> </ul>	<ul style="list-style-type: none"> <li>This could be onerous and may prevent redevelopment.</li> </ul>
<p>Increase the Supply of Market Rental Housing</p> <p>3 options proposed (incentives; mandatory; or hybrid )</p>	<ul style="list-style-type: none"> <li>Mixed response:                             <ul style="list-style-type: none"> <li>incentives: 22.9% of LTR</li> <li>mandatory: 36.5% of LTR</li> <li>hybrid: 32.3% of LTR</li> </ul> </li> <li>Comments about not being in favour of density bonus.</li> </ul>	<ul style="list-style-type: none"> <li>Lack of support for a mandatory approach; could deter development;</li> <li>The more incentives offered, the more will be built;</li> <li>Density bonus has to be much higher.</li> </ul>
<p>Fast Tracking Development Applications</p>	<ul style="list-style-type: none"> <li>Identified as the most helpful incentive;</li> <li>Comment that there should be different fees for market rental.</li> </ul>	<ul style="list-style-type: none"> <li>Improvements in processing time will reduce costs and improve project viability;</li> <li>Consider removing some processing steps;</li> <li>Fast tracking should not just apply to 100% market rental projects.</li> </ul>
<p>Parking Reductions</p>	<ul style="list-style-type: none"> <li>Concern that adding density, suites or parking reductions will exacerbate traffic &amp; parking issues.</li> </ul>	<ul style="list-style-type: none"> <li>Comment that City has taken strides to reduce parking and these proposed relaxations are a good incentive.</li> </ul>
<p>Increasing the Supply of Secondary Suites in Townhouses and Apartments</p> <p>2 options proposed (voluntary; or mandatory)</p>	<ul style="list-style-type: none"> <li>Strong preference (67% of LTR) for a voluntary approach;</li> <li>No strong preference for suites in apartments                             <ul style="list-style-type: none"> <li>35.1 % of LTR support;</li> <li>29.8% of LTR don't support;</li> <li>23.5% of LTR are neutral.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Strong preference that this should be voluntary;</li> <li>Support for lock-off suites (in apartments) but this should not be mandated.</li> </ul>
<p>What Else the City Should be Doing to Encourage Market Rental Housing</p>	<ul style="list-style-type: none"> <li>Pre-zone for market rental housing;</li> <li>Don't put up too much red tape;</li> <li>More options to rent and potentially rent-to-own;</li> <li>More suites and coach houses in single family dwellings.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce or eliminate development cost charges (DCCs);</li> <li>Consider property tax reductions or waivers;</li> <li>Encourage non-profits to have a role in delivering market rental units;</li> <li>City should invest more in market rental housing and pre-zone;</li> <li>Partnerships with all levels of government.</li> </ul>

**Recent Housing Actions**

City Action on Rental Housing

Since 2007, when the Affordable Housing Strategy (AHS) was first adopted, the AHS has been extremely successful, with approximately 2,500 rental housing units approved in Richmond. This has included:

- 320 low-end market rental (LEMR) units;
- 477 non-market, social housing units;
- over 400 new market rental housing units;
- approximately 229 secondary suites secured in single family dwellings at the time of rezoning through the Affordable Housing Strategy;
- approximately 1,018 secondary suites approved through the building permit process;
- 62 coach houses; and
- 7 secondary suites in townhouses.

### Senior Government Housing Initiatives

Since the Draft Market Rental Housing Policy was received by Council in November 2017, senior governments have advanced several housing initiatives, as summarized below.

#### *National Housing Strategy*

On November 22, 2017, the Federal Government released a new National Housing Strategy (NHS). The NHS sets ambitious targets to reduce homelessness and create new and repaired or renewed housing units. The National Housing Strategy focuses on affordable housing but also includes initiatives related to rental housing (e.g. ongoing programs to support rental construction and new measures to ensure that existing rental housing is not lost to disrepair).

These programs may be available to developers and providers of market rental housing and may contribute to the construction of new market rental housing in the city over time. Staff will continue to monitor any programs or opportunities arising out of the NHS that may be available to the City.

#### *Recent Provincial Government Action*

In February 2018, the Province of BC released, “Homes for BC: A 30-Point Plan for Housing Affordability in British Columbia”. The Plan identifies measures to stabilize the housing market, increase housing supply and improve security for renters. In April 2018, a Rental Housing Task Force was formed to advise the Province on a broad range of issues including potential changes to tenancy laws. (Recent amendments to the Residential Tenancy Act in June 2018 are discussed later in this report). Staff will participate in the Task Force’s consultation process. If there are any outcomes that will be of specific benefit to Richmond, staff will report back to Council.

On May 31, 2018, amendments to the *Local Government Act* and the *Vancouver Charter* were approved to allow residential rental tenure zoning. This new power allows municipalities to limit the form of tenure in a Zoning Bylaw to residential rental tenure if they choose to do so. This includes the ability to specify the number, portion or percentage of housing in a building that must have rental tenure.

This new legislation may assist Richmond in achieving some of its market rental housing goals. Some of the potential benefits of residential rental tenure zoning are as follows:

- Opportunity to achieve a mix of housing tenures through zoning rather than through OCP policy and individual development negotiations; and
- Opportunity to define the types of rental tenure required (e.g. “market rental”, “affordable rental”, “subsidized rental”).

Staff are continuing to research the possible application of this legislation and will report back to Council when further analysis has been undertaken.

The proposed Market Rental Housing Policy, which follows, provides a new framework for protecting existing market rental housing and outlines an incentives-based approach to encouraging the development of additional market rental housing units. This policy, in tandem with Federal and Provincial initiatives, will provide a range of options for developers who may wish to pursue market rental housing projects.

### **Proposed Market Rental Housing Policy**

Staff have reviewed the feedback received from stakeholders and have amended the policy, as presented to Council in November 2017, where appropriate. The policy detailed in this report incorporates, where possible, the outcomes of the consultation process.

The draft policy directions, key feedback from the consultation process and any recommended changes to the policy directions are provided below. It is proposed that the Market Rental Housing Policy be incorporated into the OCP so that all related housing policy is located in a single, convenient location accessible to developers, staff and the public.

The various components of the Market Rental Housing Policy may be used singly or in combination for a development proposal, depending on the particular circumstances and project details. Several components of the strategy would apply where existing market rental housing is present. This includes the 1:1 Replacement and Tenant Relocation Plan requirements, as well as policies related to maintaining buildings in good repair. Other policies would apply to proposed strata conversions and others to new development.

Staff are of the opinion that, over time, implementation of the policy will support Richmond’s renter households in finding accommodation that meets their specific needs. Market rental housing, along with affordable housing units, are important components of the city’s housing continuum.

The specific market rental housing policies are as follows:

## 1. Strengthen Existing Strata Conversion Policy

### *Summary of Draft Policy from November 2017 (Policy Direction #1)*

- Strengthen intent of existing Council Policy 5012, “Strata Title Conversion Applications – Residential”, but incorporate the policy into the OCP with the new Market Rental Housing Policy. (The policy would continue to set out matters for Council to consider before deciding on a strata title or cooperative conversion application involving three or more units);
- Proposed enhancements to the policy were to:
  - set a higher vacancy rate threshold of 4% (increased from the current 2%) before a strata conversion application could be considered;
  - lower the number of affected units to four (reduced from the current 12 unit threshold) before a conversion application could be considered;
  - introduce new requirements, including granting displaced tenants the right-of-first-refusal to purchase a converted unit at 5% discount from market prices and providing financial and relocation assistance for tenants who have lived in the building for more than one year.

### *Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Strong support (83.3% of LTR respondents) for this policy direction;
- Workshop comment that the policy direction is not really needed as the vacancy rate is so low; and
- Comment that the conversion of rental units to strata also provides affordable home ownership.

### *Discussion*

In 2017, the residential vacancy rate in Richmond was 0.6% (down from 0.9% in 2016). In the last ten years, the vacancy rate has exceeded 2% only twice – in 2009 and 2013. Although it may be unlikely that vacancy rates will rise to 4% in the near future, raising the threshold from 2% to 4% in the policy would provide further protection to existing rental units from conversion to strata units.

Staff recommend reducing the number of affected units from 12 to 4 before a conversion application is considered as this would prevent the conversion of smaller rental projects, even if the vacancy rate is 4% or more. Council would continue to consider applications based on these higher thresholds and the potential impacts on the rental housing stock and tenants. The policy, as proposed, would also enable displaced tenants to purchase a converted unit at a discounted price.



*Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective (“**Limit the strata conversion of existing residential rental or cooperative units**”) with the following policies:
  - Limit the strata conversion of existing rental or cooperative units involving three or more dwelling units (duplex strata conversions are acceptable). Council will consider the following before approving a residential strata conversion:
    - The impact a proposed conversion will have on the stock of rental housing in Richmond. If the rental vacancy rate is less than 4% and the number of affected units is 4 or more, then Council should consider refusing the application until vacancy rates have risen to 4% or higher;
    - The views of existing tenants submitted to the City in writing;
    - A tenant relocation plan to protect tenants who may be displaced by the proposed strata conversion. The tenant relocation plan will incorporate the following:
      - A minimum four months’ notice to end the tenancy and otherwise as set out in the provincial *Residential Tenancy Act*;
      - A right-of-first-refusal for existing, displaced tenants to purchase a strata unit at a 5% discount from market prices;
      - For tenants who have resided in the applicable rental units longer than one year:
        - three months’ free rent or lump sum equivalent at the discretion of the tenant; and
        - assistance in finding alternative accommodation which meets the tenant’s needs, is located in Richmond, or in another location at the tenant’s discretion, where the rent does not exceed Canada Mortgage and Housing Corporation’s (CMHC) average area rents for Richmond.
    - The submission of a Building Condition Assessment Report in a form acceptable to the City from a registered architect, engineer, or another qualified professional, including an assessment of the life expectancy and the state of repair of the building, general workmanship and the degree of compliance with all City bylaws, servicing standards and requirements;
    - Provision of open space, landscaping and common facilities, in general compliance with the OCP’s Development Permit Guidelines, along with preserving all required off-street parking and loading spaces; and

– Other site-specific development conditions that might be appropriate to the specific circumstances.

## 2. Encourage Owners to Maintain Buildings in Good Repair

*Summary of Draft Policy from November 2017 (Policy Direction #2)*

- Continue to rely on the City’s Rental Premises Standards of Maintenance Bylaw 8159 which requires owners to ensure that rental premises conform to minimum livability and comfort standards;
- State the City’s expectation that market rental buildings be kept in good repair and in a safe condition for the benefit of tenants; and
- Encourage owners to undertake repairs while the tenant still lives in the unit or has temporary alternate accommodation.

*Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective (“**Protect and enhance the existing stock of market rental housing**”) with the following policies:
  - Acknowledge that market rental housing comprises an important and substantial component of the city’s supply of affordable housing, meets the needs of a diverse population and contributes to social diversity and healthy communities;
  - Encourage property owners to maintain existing market rental buildings in good repair and in a safe condition. Maintenance, repair and renovation should be done while the tenant(s) still lives in the unit or has been provided with temporary alternate accommodation by the property owner(s) at the same rental rate before returning to the unit; and
  - Support the identification of funding sources (e.g. from senior government or other) that may be used to upgrade and extend the life span of existing market rental buildings.

## 3. Enhance the Current 1:1 Replacement Policy

*Summary of Draft Policy from November 2017(Policy Direction #3)*

- Current OCP policy requires no net loss of rental units and encourages 1:1 replacement as affordable housing at the City’s low-end market rental (LEMR) rates in appropriate circumstances. The 1:1 replacement applies to all types of rental housing;
- Proposed enhancements to the policy were to:
  - Exempt returning tenants from meeting the City of Richmond’s income thresholds. The City’s Affordable Housing Strategy identifies minimum income levels that tenants must meet in order to be eligible for LEMR units. In the case of

replacement of market rental units, only new and future tenants would be required to meet these income levels; and

- Ensure replacement market rental units have “like-for-like units” with the same number of bedrooms and ground orientation (e.g. townhouse units replaced with townhouse units);
- The draft policy also proposed that sites which have 100% of the existing units as market rental housing may only be used for market rental in the future; and
- The replacement policy would apply to properties that are included in Canada Mortgage and Housing Corporation’s (CMHC) annual Rental Market Report (including strata titled buildings or units that are identified as rental and are therefore included in the report).

*Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Strong support from LTR respondents on enhancing the current policy (e.g. with “like-for-like” units);
- Workshop comments that the existing OCP policy requiring 1:1 replacement units as affordable (low-end market rental) units may be a disincentive to redevelopment and that such units may not go to those who really need them;
- Comment that requiring existing market rental sites to only be redeveloped with 100% market rental housing could be onerous and undermine project feasibility in some cases;
- Workshop comment that there should be more flexibility in the number and type of replacement ground oriented units.

*Discussion*

Staff recommend that all replacement market rental units be provided as affordable (LEMUR) housing as this would reflect current OCP policy which has been in place since 2007. Low-end market rental (LEMUR) units would provide secure and affordable housing for returning tenants who choose to move back to the replacement units. Ensuring that replacement units are preserved and secured as LEMUR units also contributes to the stock of affordable rental housing in Richmond.

Maintaining existing market rental sites for market rental only is intended to add to the stock of market rental units over time and help meet the demand for such housing. Requiring replacement units to be ground oriented ensures family-friendly replacement units.

*Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective (“**Protect and enhance the existing stock of market rental housing**”) with the following policies:
  - Discourage redevelopment of properties containing purpose-built market rental housing;

- Consider allowing the redevelopment of sites that have existing market rental units only if the site continues to be used for market rental housing and any existing rental units are replaced as affordable housing (e.g. low-end market rental, or LEMR) units;
- Ensure that all existing market rental units are replaced at a minimum ratio of 1:1 (one new market rental unit for each existing market rental unit) that meet the City's Affordable Housing Strategy and are secured in perpetuity as affordable housing through one or more legal agreements or other alternate approach to the satisfaction of the City. Replacement market rental units will have the same number of bedroom units and the same number of ground oriented units as originally located on site.

In addition to the OCP policies discussed above, an amendment to Richmond Zoning Bylaw is proposed to introduce a definition for "market rental unit" and "market rental agreement". The latter is a new agreement that staff propose to be used to secure market rental units. Similar to a housing agreement, the market rental agreement will require a bylaw be adopted by Council.

#### 4. Incentives to Increase the Supply of Market Rental Housing

##### *Summary of Draft Policy from November 2017(Policy Direction #6)*

- Three options were proposed to increase supply: 1) density bonus incentive; 2) mandatory requirement; and 3) hybrid approach;
- The draft density bonus incentive approach identified a modest framework with:
  - A density bonus for sites that provide 100% market rental, varied by the built form and construction method:
    - 0.20 FAR for ground-oriented townhouses and wood frame apartments, city-wide;
    - 0.25 FAR for concrete buildings in City Centre; and
  - a density bonus of 0.10 FAR for sites that provide a mix of market rental and strata units;
- Other incentives considered:
  - reduced parking requirements for market rental housing units (based on a comprehensive parking study of existing market rental sites in Richmond);
  - waiving affordable housing requirements for the floor area of the market rental housing units;
  - waiving the public art rate (currently \$0.85 per square foot) and the community planning contribution rates (currently \$0.28 per square foot in City Centre and

Broadmoor and \$0.08 per square foot in West Cambie) for the floor area of the market rental housing units (this is consistent with the City's current practise to waive these fees for floor area dedicated to affordable housing); and

- fast tracking development applications for sites with 100% market rental housing units.

*Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- General public support for a mandatory approach (36.5% of LTR respondents) compared to the other two options;
- Strong preference for an incentives-based approach expressed during stakeholder workshops;
- Comment that the proposed density bonus that would be available is too small and is not a sufficient incentive;
- Comment that allowing existing market rental sites to take advantage of the density bonus only if the site continues to be used for 100% market rental purposes would result in stabilized land values and an increase in rental units; and
- Comment that fast tracking should apply to projects that also include less than 100% market rental units.

*Discussion*

Following the consultation process, staff are recommending a density bonus incentive approach, rather than a mandatory or hybrid approach. Providing incentives would be consistent with the City's approach to securing affordable housing and is a common approach used by other jurisdictions in the region to encourage the creation of market rental housing. The proposed density bonus framework (with modest density increases) was shown by third party economic analysis to be financially viable. As such, it has the potential to encourage the development of buildings that offer 100% market rental housing. This in turn may move Richmond more quickly to meeting its demand estimate of approximately 120 market rental housing units per year. The density bonus framework, as proposed, is intended to ensure that new development aligns with the built form and character set out in Richmond's OCP.

The suite of incentives proposed, while encouraging market rental generally, also aims to highlight the importance of developments that propose providing 100% of units as market rental housing. Implementation of the Market Rental Housing Policy will be monitored over time. If revisions to the incentives package are warranted, these will be brought forward for Council's consideration at a future date.

*Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective ("**Encourage the development of new purpose-built market rental housing units**") with the following policies:

- Support the provision of new market rental housing units and replacement market rental housing units, where relevant, and secure all rental units in perpetuity through one or more legal agreements or other alternate approach to the satisfaction of the City;
- Proposed development sites for new market rental housing must at the time of development approval be designated in the OCP as Neighbourhood Residential, Apartment Residential or Mixed Use and must permit the housing type proposed (e.g. townhouses or apartments);
- Additional density (density bonus) may be considered for new developments that provide secured market rental housing subject to the following:
  - Sites must be located with the City Centre or within the Neighbourhood Centres identified in the OCP. Other locations that are within 400 m of a Frequent Transit Network (key transit corridors with higher levels of all day demand in both directions) may also be considered;
  - Proposed developments meet or exceed the City's sustainability objectives related to building energy and emissions performance;
  - 100% of the market rental units incorporate basic universal housing features (see Section 8, below);
  - Proposed developments demonstrate that they would integrate well with the neighbourhood and comply with OCP Development Permit Guidelines;
  - Community consultation is undertaken.
- The maximum additional density that may be considered for market rental housing is:
  - For ground oriented townhouses and wood frame apartments (inside or outside City Centre) on sites that provide 100% of the residential use at the site as market rental: 0.20 FAR above the base density set out in the OCP or Area Plan;
  - For concrete buildings in City Centre only on sites that provide 100% of the residential use at the site as market rental: 0.25 FAR above the base density set out in the OCP or Area Plan; and
  - For mixed market rental and strata buildings: 0.10 FAR above the base density set out in the OCP or Area Plan, with the density bonus applying only to that portion of the new development that contains the market rental housing units;

- New developments that provide secured market rental housing units may be eligible for the following incentives:
  - reduced parking requirements;
  - exemption from all or a portion of affordable housing requirements in recognition of the significant community benefit provided by the proposed market rental housing units; and
  - exemption from all or a portion of public art and community planning contributions; and
- Amend the West Cambie Area Plan (OCP Bylaw 7100) to enable waiving of the community and engineering planning cost for new market rental housing.

In addition to the OCP policies discussed above, an amendment to Part 7 of the Richmond Zoning Bylaw 8500 (Parking and Loading) is proposed to incorporate new market rental housing parking rates (Table 3, below). Further parking reductions may be possible subject to submission of additional studies and /or measures to the satisfaction of the City.

<b>Table 3: Proposed Market Rental Housing Parking Rates</b>			
<b>Market Rental Housing Type</b>	<b>Location of Market Rental Housing</b>	<b>Recommended Parking Rate (spaces per unit)</b>	<b>Current Multi-Family Parking Rate</b>
Apartment	City Centre Zone 1	0.8	1.0
	City Centre Zone 2	1.0	1.2
	City Centre Zone 3	1.2	1.4
	Outside City Centre	1.2	1.5
Townhouse	City Centre Zone 1	0.9	1.0
	City Centre Zone 2	1.1	1.2
	City Centre Zone 3	1.3	1.4
	Outside City Centre	1.8	2.0

These proposed parking rates have been reviewed and accepted by Transportation staff. It is anticipated that there should be minimal impacts arising out of the proposed changes. The parking study showed, for example, that parking spaces were generally not fully utilized in the market rental sites surveyed.

5. Increase the Supply of Secondary Suites in Townhouses and Apartments

*Summary of Draft Policy from November 2017(Policy Direction #7)*

- Two options were proposed: 1) incentives-based or voluntary; 2) mandatory;

- Other incentives were proposed for consideration to increase the supply of secondary suites in multi-family buildings:
  - eliminate required parking for the secondary suite under certain circumstances;
  - waive affordable housing requirements, public art and community planning contribution rates for the floor area of the secondary suite only; and
- Establish a minimum secondary suite size in townhouses and apartments and a maximum number of units in a development that may contain suites. This latter limit would be intended to minimize potential negative impacts on neighbourhoods.

*Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Strong preference for a voluntary approach from both LTR respondents and participants at the stakeholder workshops; and
- Some support and interest for suites in apartments as long as it is not mandatory.

*Discussion*

Current OCP policy encourages a variety of housing, including secondary suites in neighbourhoods in appropriate locations. Richmond Zoning Bylaw 8500 was amended in 2017 to allow secondary suites in all townhouse zones and approximately 13 secondary suites have been secured in approved projects or are pending final adoption.

An incentives-based or voluntary approach (e.g. eliminating parking requirements in certain instances and waiving some amenity requirements, as noted above), would allow for a market-based response to increasing the supply of secondary suites in multi-family developments. This approach could contribute to an increase in the supply of suites. It would also allow an opportunity to gauge the level of interest in the marketplace and provide time to assess if there are any unintended consequences of expanding this type of housing.

Based on research, a minimum secondary suite area of 25 m<sup>2</sup> in townhouses was identified as an appropriate size that would maintain comfort and livability for residents. Limiting the proportion of units in a townhouse development that could have suites to 50% was also recommended. This would help ensure that the townhouse project and the surrounding area are not unduly burdened by additional dwelling units.

*Recommended Policy*

- Amend Richmond Zoning Bylaw 8500 to implement the minimum size and maximum unit cap for secondary suites in townhouses; and
- Consider allowing suites in apartments through individual rezoning applications on a site-specific basis (e.g. do not implement in all apartment zones at this time).

No OCP amendment is required to support the provision of secondary suites in multi-family developments.



## 6. Require Family-Sized Market Rental Units

### *Summary of Draft Policy from November 2017 (Policy Direction #4)*

- The draft policy identified three options for consultation: 1) 20%; 2) 30%; or 3) 40% of new market rental units to have two or more bedrooms.

### *Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Support from LTR respondents for a 40% requirement; and
- Workshop comments that this should be left to the market but some support for 20%.

### *Discussion*

Approximately 40% of Richmond's renter households are families with children. This figure is slightly higher for owner-occupied dwelling units, where approximately 42% are families with children. The updated Affordable Housing Strategy (AHS) contains a new short term action to consider implementing a 60% target for two and three bedroom units in developments providing more than 30 low-end market rental (LEMR) units. Richmond has a strong track record of obtaining family-sized units in new strata developments.

### *Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective in the OCP ("**Encourage the development of new purpose-built market rental housing units**") with the following policy:
  - New market rental housing developments will have a minimum of 40% of units with two or more bedrooms that are suitable for families with children;

Given the interest in accommodating families in Richmond, staff have continued to evaluate the number of family-friendly units provided in market condominiums. In order to accommodate families with children, it is proposed that all new multi-family developments be subject to a similar family-friendly requirement. As an associated policy, it is therefore recommended that:

- Under Section 3.3 of the OCP, Objective 1 ("**Encourage a variety of housing types, mixes and densities to accommodate the diverse needs of residents**"), the following policy be added:
  - Encourage all multiple family housing to provide a minimum of 40% of units to have two or more bedrooms that are suitable for families with children.

## 7. Require Tenant Relocation Plans

### *Summary of Draft Policy from November 2017 (Policy Direction #5)*

- All existing tenants would have a right-of-first-refusal to return to replacement market rental units at affordable housing (low-end-market rental [LEMR]) rates);

- Returning tenants would not have to meet the City's income thresholds but new or future tenants would;
- Existing tenants who have resided in the building longer than one year would be eligible for:
  - three months' free rent or lump sum equivalent; and
  - assistance finding alternate accommodation that meets their specific needs, is located in Richmond (or in another location with similar amenities) and where the rent does not exceed Canada Mortgage and Housing Corporation's (CMHC) average area rents for Richmond.

*Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Strong support from LTR respondents on this policy direction;
- Workshop comments that assistance should go to those who need it most; and
- Workshop comment that it could be hard to meet all needs of existing tenants and that it would be more viable for developers to offer a reasonable amount of assistance (e.g. provide a list of viable alternate accommodation).

*Discussion*

The draft Tenant Relocation Plan requirements were identified based on a survey of other local municipalities and what was considered acceptable for Richmond. The requirements are intended to ensure tenants are provided with a reasonable amount of support and are not meant to be overly prescriptive. For example, it may be realistic in some circumstances that returning tenants are offered a different size unit if their housing needs have changed. Developers, however, would be asked to provide information regarding existing tenants and document the relocation assistance that was offered.

In June 2018, the Province made a number of amendments to the Residential Tenancy Act. Landlords are now required to give tenants four months' notice to end a tenancy for demolition, renovation or repair or conversion. A tenant is also now granted a right-of-first refusal to enter into a new tenancy agreement at a rent determined by the landlord if the landlord ends the tenancy to renovate or repair the rental unit (provided the residential property contains five or more units).

*Recommended Policy*

- Under Section 3.3 of the OCP, create a new objective (“**Support tenants at the time of redevelopment of existing market rental housing**”) with the following policies:
  - Protect tenants who may be displaced by the redevelopment of existing market rental units by requiring a tenant relocation plan. The tenant relocation plan will incorporate the following:

- A minimum four months’ notice to end the tenancy and otherwise as set out in the provincial *Residential Tenancy Act*;
- A right-of-first-refusal for existing, displaced tenants to rent replacement units as affordable housing, without having to meet the City’s typical (low-end market rental) income thresholds;
- For tenants who have resided in the applicable rental units longer than one year:
  - three months’ free rent or lump sum equivalent at the discretion of the tenant; and
  - assistance in finding alternative accommodation which meets the tenant’s needs, is located in Richmond, or in another location at the tenant’s discretion, and where the rent does not exceed Canada Mortgage and Housing Corporation’s (CMHC) average area rents for Richmond.

#### 8. Encourage Accessible Market Rental Units

##### *Summary of Draft Policy from November 2017 (Policy Direction #8)*

- To be eligible for the proposed market rental housing density bonus, a developer would be required to include basic universal housing (BUH) features in new market rental housing units; and
- Richmond Zoning Bylaw 8500 currently allows a floor area exemption of 1.86 m<sup>2</sup> (20 ft<sup>2</sup>) for townhouse or apartment units that incorporate all of the BUH features (such as wider doorways and easier to grasp handles) identified in the Zoning Bylaw.

##### *Feedback from LetsTalkRichmond (LTR) and Stakeholder Workshops*

- Some concern expressed in the LTR comments that requiring 100% of units to be accessible would increase costs; also comments that ramps and convenient parking locations are important for people with disabilities; and
- Workshop comments that this should apply to 100% of units and everyone builds BUH already.

##### *Recommended Policy*

- Under the new objective in Section 3.3 of the OCP (“**Encourage the development of new purpose-built market rental housing units**”), include the following policy:
  - “Additional density (density bonus) may be considered for new developments that provide secured market rental housing subject to the following:
    - 100% of the market rental units incorporate basic universal housing features.”

(The proposed density bonus is described earlier in this report.)

### **Proposed Bylaws**

The Market Rental Housing Policy is proposed to be implemented through OCP and associated Zoning Bylaw amendments.

It is recommended that Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889 and Richmond Zoning Bylaw 8500, Amendment Bylaw 9886, be introduced and given first reading.

### **Implementation**

In order to encourage the development of new market rental housing in Richmond, it is proposed that the Market Rental Housing Policy, as presented in this report, be approved and the required bylaw amendments be adopted. In addition to the proposed OCP and Zoning Bylaw amendments, the following items are proposed to support the implementation and monitoring of the Market Rental Housing Policy:

- Prepare an explanatory bulletin about the Market Rental Housing Policy and prepare other supporting documents to support the development process (e.g. tenant relocation forms and market rental agreement templates);
- Monitor the take-up of suites in townhouses and any potential impacts on housing and neighbourhood livability; and
- Monitor market interest in providing suites in apartments and consider if Zoning Bylaw amendments are warranted to further enable this type of housing.

### **Future Work**

A number of additional items were suggested through the Draft Market Rental Housing Policy consultation process and are recommended for future work, in conjunction with Affordable Housing Strategy implementation actions:

- Review the potential application of residential rental tenure zoning (recently enabled through amendments to the *Local Government Act*) and consider if revisions to relevant City plans, bylaws or strategies are required;
- Undertake a study on the implications of potentially waiving or reducing Development Cost Charges (DCCs) for market rental housing; and
- Undertake a study on the implications of potential property tax reductions or exemptions for market rental housing.

If so directed, staff will initiate the required studies discussed above, and report back to Council at a later date.

## OCP Consultation Summary

Staff have reviewed the proposed 2041 OCP Amendment Bylaws with respect to the *Local Government Act* and the City's OCP Bylaw Preparation Consultation Policy No. 5043 requirements. Table 4 provides a summary of the OCP Consultation.

Table 4: OCP Consultation Summary	
Stakeholder	Referral Comment
BC Agricultural Land Reserve Commission	No referral necessary, as they are not affected.
Richmond School Board	Richmond School District was invited to the stakeholder workshop on January 30, 2018.
The Board of the Greater Vancouver Regional District (GVRD)	Metro Vancouver and Greater Vancouver Housing Corporation staff attended the stakeholder workshop on January 30, 2018.
The Councils of Adjacent Municipalities	No referral necessary, as they are not affected.
First Nations (e.g., Sto:lo, Tsawwassen, Musqueam)	No referral necessary, as they are not affected.
TransLink	No referral necessary, as they are not affected.
Port Authorities (Vancouver Port Authority and Steveston Harbour Authority)	No referral necessary, as they are not affected.
Vancouver International Airport Authority (VIAA) (Federal Government Agency)	No referral necessary, as they are not affected.
Vancouver Coastal Health Authority	Vancouver Coastal Health was invited to the stakeholder workshop on January 30, 2018.
Community Groups and Neighbours	Representatives of Chimo Community Services, Richmond Centre for Disability, Richmond Poverty Response Committee, VanCity and the Kwantlen Student Association attended the January 30, 2018 stakeholder workshop. The Richmond Poverty Response Committee also provided a letter dated February 18, 2018. A public workshop was held on February 7, 2018.
Utilities	No referral necessary, as they are not affected.
All relevant Federal and Provincial Government Agencies	Canada Mortgage and Housing Corporation (CMHC) staff attended the stakeholder workshop on January 30, 2018.
Urban Development Institute (UDI)	The Urban Development Institute formed a sub-committee which provided feedback on the policy at two workshops (January 24 and February 13, 2018). UDI also provided a letter dated March 16, 2018.
Richmond Home Builders Group	A workshop was held with the Richmond Home Builders Group on January 18, 2018.
Landlord BC and Richmond Market Rental Building Owners and Managers.	A workshop was held with Landlord BC and building owners/managers on February 1, 2018.

Feedback was received from several of these groups during the stakeholder consultation and considered during refinement of the Market Rental Housing Policy.

Richmond Official Community Plan Bylaw 9000, Amendment Bylaw No.9879 and Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889, having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, do not require further consultation.

Public notification for the proposed OCP and Zoning Bylaw amendments will be provided as per the *Local Government Act*.

**Financial Impact**

None.

**Conclusion**

Richmond’s existing market rental housing is an important component of the city’s housing stock. New measures are required to protect this stock, increase the supply of new market rental housing and to help meet the needs of Richmond’s renter households.

Stakeholder consultation on a Draft Market Rental Housing Policy took place in early 2018. Results of the consultation have been incorporated into the proposed Market Rental Housing Policy for Council’s consideration. The Market Rental Housing Policy aims to protect the existing supply of market rental housing, provide assistance to tenants at the time of redevelopment and incentivize the creation of new market rental housing in Richmond. It will augment the Affordable Housing Strategy’s actions to provide housing options for Richmond’s renter households.

It is recommended that Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879, Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889 and Richmond Zoning Bylaw 8500, Amendment Bylaw 9886, be introduced and given first reading.

Tina Atva, MCIP  
Senior Planning Coordinator

TA:cas

- Att: 1 Report to Planning Committee titled, “Proposed Draft Market Rental Housing Policy”, dated November 2, 2017
- 2 Draft Market Rental Housing Policy Stakeholder Workshop Consultation Summaries
- 3 LetsTalkRichmond Draft Market Rental Housing Policy Project Report and Written Comments
- 4 Correspondence received on Draft Market Rental Housing Policy



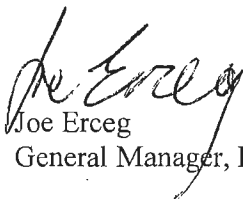
**City of  
Richmond**

**Report to Committee**

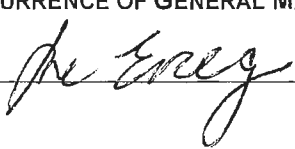

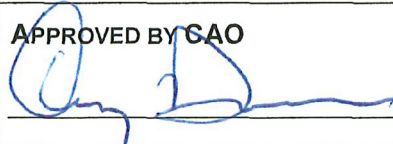
**To:** Planning Committee **Date:** November 2, 2017  
**From:** Joe Erceg **File:** 08-4057-08/2017-Vol 01  
 General Manager, Planning and Development  
**Re:** **Proposed Draft Market Rental Housing Policy**

**Staff Recommendation**

1. That the report entitled, "Proposed Draft Market Rental Housing Policy", dated November 2, 2017 be received for information; and
2. That staff be directed to seek comments and feedback from key stakeholders and the public regarding the proposed Draft Market Rental Housing Policy and report back to Planning Committee.

  
 Joe Erceg  
 General Manager, Planning and Development

Att. 8

REPORT CONCURRENCE		
<b>ROUTED TO:</b>  Arts, Culture & Heritage Affordable Housing Building Approvals Development Applications Transportation	<b>CONCURRENCE</b>  <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<b>CONCURRENCE OF GENERAL MANAGER</b>  
<b>REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE</b>	<b>INITIALS:</b>  	<b>APPROVED BY CAO</b>  

November 2, 2017

- 2 -

## Staff Report

### Origin

This report is in response to the Planning Committee and Council referrals described below:

(1) April 8, 2015 Planning Committee referral:

It was moved and seconded:

*That staff examine strategies and incentives to encourage development of below market rental housing in the city and report back.*

Below market rental housing is addressed primarily through the City's Affordable Housing Strategy (AHS). The Affordable Housing Strategy is in the process of being updated and Council recently approved new maximum rents for low-end market rental (LEMR) units. Rents are set at 10% below average market rents for Richmond, or \$811-1,480 per month depending on unit size.

Since 2007, when the Affordable Housing Strategy was adopted, Richmond Council has approved the following numbers and types of units<sup>1</sup>:

- 320 low-end market rental (LEMR) units;
- 477 non-market, social housing units;
- over 400 market rental housing units;
- approximately 229 secondary suites secured in single family dwellings at the time of rezoning through the Affordable Housing Strategy;
- approximately 1,018 secondary suites approved through the building permit process;
- 62 coach houses; and
- 7 secondary suites in townhouses (the Zoning Bylaw was amended in 2017 to allow secondary suites in townhouses).

While the Affordable Housing Strategy responds to below market rental housing, this report addresses market rental housing. Market rental housing is provided by the private sector and rented at prevailing market rates. Encouraging the protection of existing market rental housing and increasing the supply would support and build on the City's Official Community Plan. Current OCP policy calls for a no net loss of rental housing and a 1:1 replacement of existing rental units at affordable rents, when redevelopment is approved.

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<sup>1</sup> City of Richmond, CMHC



(2) January 19, 2016, Planning Committee referral:

It was moved and seconded:

*That staff review the City's requirements for density and outdoor amenity space in new multi-family townhouse developments in order to accommodate additional units dedicated for rental housing, and report back.*

(3) April 10, 2017 Council referral:

It was moved and seconded:

*That staff develop a policy on market rental suites and secondary suites in multi-family developments and report back.*

This report responds to the above three referrals and focusses on market rental housing. The report proposes a Draft Market Rental Housing Policy for stakeholder consultation. The draft Policy aims to:

- (1) Protect and enhance the existing market rental housing stock and protect existing tenants;  
and
- (2) Encourage the development of new market rental units.

This report supports the following Council's 2014-2018 Term Goals:

- Goal #3: A Well-Planned Community:

*Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.*

*3.4. Diversity of housing stock.*

- Goal 8: A Supportive Economic Development Environment:

*Review, develop and implement plans, policies, programs and practices to increase business and visitor appeal and promote local economic growth and resiliency.*

*8.1. Richmond's policies, programs, and processes are business-friendly.*

This report also supports Social Development Strategy Goal #1: Enhance Social Equity and Inclusion:

*Strategic Direction #1: Expand Housing Choices*

## Background

Through the 2041 Official Community Plan and other Council adopted policies, the City encourages a diverse range of housing types, tenure and affordability. The proposed Draft Market Rental Housing Policy aims to protect and increase the supply of market rental housing.

Market rental housing is an important part of Richmond's housing stock and meets the needs of many residents. Richmond has approximately 18,910 renter households (2016 Census). It is estimated that almost 18% of renter households (or approximately 3,400 households) find housing in the primary rental market. This market is comprised of units that were purposely built to be rented at prevailing market rates ("market rental housing"). (Attachment 1 provides a glossary of housing types referred to in this report.)

Approximately 82% of renter households (or approximately 15,500 households) find accommodation in the secondary rental market. The secondary rental market includes rented condominiums, single family houses, secondary suites, coach houses and subsidized rental housing. The secondary rental market is an important part of the rental market in Richmond. As such, staff are looking at ways to better understand this segment of the market and how redevelopment proposals (particularly of older housing stock) may impact it.

The 2041 OCP seeks to protect the existing rental supply by limiting the demolition or strata conversion of existing units and encouraging the replacement of rental units when redevelopment occurs. When rental units are proposed to be converted (e.g. to strata titled condominiums), Council considers a range of matters before deciding on the conversion. These matters include the impact of the proposed conversion on the housing stock and the views of tenants. These matters are set out in Council Policy 5012, "Strata Title Conversion Applications – Residential" (Attachment 2).

This report describes a range of proposed policy directions that would form part of a Draft Market Rental Housing Policy. The draft directions seek to:

- protect the supply of existing market rental housing;
- support tenants of market rental housing who may be displaced by redevelopment; and
- incentivize the construction of new market rental housing.

It is proposed that these directions would form a new "Market Rental Housing Policy" which would be incorporated into the Official Community Plan.

On July 24, 2017, Council adopted changes to the City's Affordable Housing Strategy which address low-end market rental (LEMR) and non-market, social housing units. These changes included amendments to the low-end market rental policy and cash-in-lieu contribution rates. An implementation framework for the Affordable Housing Strategy will be included in a final Council update expected in early 2018.

A significant part of the Affordable Housing Strategy is the LEMR program. This is a 'made in Richmond' approach that identifies maximum monthly rents for different sized housing units and

a maximum annual household income limit. The City also has policies outside of Richmond's LEMR program. This includes the West Cambie Alexandra Neighbourhood Mixed Use Employment – Residential area which has different maximum monthly rents than the LEMR program (these are referred to as the West Cambie Modest Rental Rates). Both of these programs, which are referenced in Attachment 3, would be defined as low-end market rental units as they involve the security of rental units through inclusionary zoning and target low to moderate income households with rents set at below market rates. This type of housing is not typically funded or managed through senior levels of government.

The Draft Market Rental Housing Policy seeks to encourage housing units that rent at market rates for tenants, with no restrictions on income levels. The draft Policy would protect existing market rental buildings and tenants. It would also seek to encourage developers and investors to build new market rental units as these are an important part of Richmond's housing continuum.

### **Changing Market Rental Housing Landscape**

In 1966, the Provincial Government passed the Strata Titles Act, ushering in the condominium era by allowing developers to subdivide apartment blocks and sell individual units. Throughout the 1970s and 1980s, federal funding and tax incentive programs aimed to increase the supply of purpose built rental housing. Since then, changes to the federal tax system have discouraged the development of market rental properties. These changes include, but are not limited to:

- reducing the amount of depreciation that investors in rental housing could claim against taxable income from the property (reduced in 1972 from 10% per year on wood frame buildings to 5% and later 4%);
- eliminating “rollover” provisions where an owner who sold a rental building paid no taxes on the profits if they were re-invested in rental housing within the calendar year (eliminated in 1972 when a capital gains tax was also imposed); and
- no longer treating small rental businesses as “small businesses” (as of 1972), which were subject to lower taxes.

Due to changes such as these, the business case for building market rental housing became uncompetitive compared to the more profitable strata title market. As a result, new market rental housing development declined significantly in BC and across Canada.

While municipalities have the ability to set policy to encourage and incentivize market rental housing, direct action by other levels of government to actually provide housing, is critical to making significant advances in increasing the supply. A summary of current rental housing related initiatives undertaken by different levels of government and other agencies is provided in Attachment 4. While many of these initiatives pertain primarily to non-market, social housing, some potential changes related to the provision of market rental housing are also highlighted. It is expected, for example, that the proposed new National Housing Strategy, which will be released in late 2017, will include tax measures to support the development of market rental housing. While funding for rental housing has also been announced by the BC government, the amount that may be provided for market rental housing in particular is unclear at this time.

### **Indicators of Need for Market Rental Housing**

Since 2007, Richmond has made significant strides in support of new rental housing in the city. Approximately 1,700 market rental housing units have been approved since 2007. As noted earlier, this includes:

- over 400 new market rental housing units;
- approximately 229 secondary suites secured in single family dwellings at the time of rezoning through the Affordable Housing Strategy;
- approximately 1,018 secondary suites approved through the building permit process;
- 62 coach houses; and
- 7 secondary suites in townhouses.

Despite these achievements, challenges remain for renter households. Metro Vancouver's Rental Housing Index labelled Richmond's rental housing situation "critical", as the third least affordable municipality for renters in BC.<sup>2</sup> Renter households may experience difficulty finding affordable accommodation in the city due to persistently low vacancy rates, high average rents and the increasing gap in income relative to housing costs.

Metro Vancouver has identified a demand for 3,200 rental units across all incomes in Richmond between 2016 and 2026 (see Attachment 4). Of this, 1,200 rental units are required for modest and higher incomes.

Feedback from consultation undertaken as part of Richmond's Affordable Housing Strategy Update highlighted the decreasing supply of rental housing in the community, the demand for purpose-built market rental units and the growing need for family-friendly rental units (2 BR+). A Draft Market Rental Housing Policy would complement the updated AHS in helping to achieve a broader mix of rental housing in the city.

Attachment 5 provides information on rental housing in Richmond, including an estimate of the total number of units in both the primary and secondary rental markets.

Attachment 6 profiles Richmond's persistently low vacancy rates, increasing average rents, and the incomes required to rent in Richmond. In 2016, the vacancy rate in Richmond was 0.9 % (source: CMHC 2016 Rental Market Report).

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<sup>2</sup> The Rental Housing Index, is developed by the BC Non Profit Housing Association (BCNPHA) and Vancity and provides a detailed analysis of suitability of rental housing in over 800 municipalities across Canada. In 2015, Richmond was ranked 70 out of 72 BC municipalities in terms of affordability and suitability of rental housing. The Index measures affordability (% of household income spent on housing), overspending (households spending more than 50% on housing), income gap (additional annual household income needed to make current rent affordable), overcrowding (living in units not suitable for household size) and bedroom shortfall (additional bedrooms needed to suitably house renters).

## **Market Rental Housing Tools and Policies**

Local governments may use a range of tools available to protect and expand the rental housing stock. Several tools, such as requiring the replacement of existing rental units and policies for strata conversion are already in place in Richmond and are proposed to be enhanced as part of the Draft Market Rental Housing Policy.

Richmond also has a Rental Premises Standards of Maintenance Bylaw 8159. This Bylaw, which was adopted in 2006, identifies minimum maintenance standards related to heat, water and light. It states that an owner of a rental premises must maintain the premises in accordance with the Bylaw and not permit its use unless the premises conforms at all times with the minimum maintenance standards set out in the Bylaw. Staff in the Buildings Approval Department note that reported violations of Bylaw 8159 are seldom received and that most landlords maintain their buildings in compliance with the Bylaw's requirements.

This report discusses additional tools, such as a tenant relocation policy and lower market rental parking rates, which could be implemented as part of Richmond's Draft Market Rental Housing Policy.

## **Richmond's Response to Market Rental Housing**

### **A. Federal Responsibility**

Over the past two to three decades, the Federal Government has decreased its role in the direct provision of affordable and rental housing.<sup>3</sup> It has not directly built any new market rental housing and by 1982, eliminated incentives and tax provisions that supported new rental housing construction<sup>4</sup>. The key mandate of the Canada Mortgage and Housing Corporation (CMHC) includes mortgage loan insurance, policy and research (e.g. the annual Rental Market Report) and administering affordable housing.

In April 2017, the Federal Government, through CMHC, committed to spending \$11.2 billion over the next 11 years towards the creation of affordable housing. The first step of the financial commitment is to provide \$2.5 billion over five years in loans and financing for new rental housing construction across Canada. While more details are expected when CMHC releases the National Housing Strategy in late 2017, the direct construction of market rental housing units is not anticipated.

Once the National Housing Strategy has been released, staff will consider if there are any specific funding or other opportunities related to rental housing in Richmond, as well as any that may be specifically targeted to market rental housing. Staff will review the National Housing Strategy and provide an update for Council as needed.

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<sup>3</sup> Federal investment in social housing, as a percentage of Gross Domestic Product (GDP), was 40% less in 2009 than in 1989. (<https://cpi.ca/affordable-housing-federal-investments-decline>)

<sup>4</sup> McClanaghan & Associates, City of Vancouver Rental Housing Strategy Research and Policy Development, Synthesis Report, Final, August 2010 <http://vancouver.ca/docs/policy/housing-rental-housing-strategy-synthesis.pdf>

## **B. Provincial Responsibility**

During the 2017 provincial election campaign, the New Democratic Party (NDP) promised to develop 114,000 affordable housing units (including co-operative, non-market rental, and low-end market rental housing) over the next 10 years. The recent budget announcement by the new Provincial Government included \$208 million over four years for 1,700 new units of affordable rental housing for low and moderate income renters, seniors and adults with developmental disabilities or mental health challenges. While this funding announcement does not appear to address market rental housing specifically, the recent budget did include \$7 million to reduce waiting times and to establish a new compliance unit for the Residential Tenancy Branch. Staff will monitor further announcements and actions by the Province and apprise Council accordingly of any relevant developments or opportunities.

Once consultation on the Draft Market Rental Policy has been completed, staff will further identify any specific actions where senior levels of government can best help Richmond meet its overall housing demand estimates. The Province is not building or assisting in building enough market rental housing in Richmond.

Some incentives that have been proposed for senior levels of government to facilitate market rental include:

- Allowing rental building owners and developers to :
  - claim a high depreciation against the taxable income generated from rents;
  - claim losses based on accelerated depreciation;
  - get a “break” from capital gains if they are reinvesting in rental housing development within the same calendar year (“rollover provision”);
- Restoring soft cost deductibility as a direct incentive for rental construction;
- Allowing small landlords to qualify for the small business tax deduction;
- Creating a rental housing protection tax credit for property owners selling affordable assets to non-profit housing providers; and
- Allowing GST exemption for capital costs related to new affordable rental units and extending exemption eligibility to mixed market projects.

## **C. Proposed Richmond Draft Market Rental Housing Policy Directions**

Staff recommend that Council consider strengthening existing policies that will protect and enhance the current market rental housing stock in Richmond and support tenants. Staff further recommend considering incentives such as density bonusing, waiving specific amenity contributions and reducing parking requirements, to encourage the development of new market rental units in certain locations. These policies would complement the updated Affordable Housing Strategy.

Staff recommend that the directions proposed in the Draft Market Rental Housing Policy, which are described below, form the basis of consultation with the development community, landlords and other key stakeholders. Staff would report back to Planning Committee in the second quarter of 2018.

For ease of use, staff recommend that the Final Market Rental Housing Policy be incorporated into the City's 2041 Official Community Plan (OCP). Proposed bylaw amendments would be prepared for Council's consideration following public consultation.

Objective #1: Protect the Existing Market Rental Housing Stock and Tenants

***Policy Direction #1: Strengthen Existing Strata Conversion Policy***

Council adopted Policy 5012, "Strata Title Conversion Applications – Residential" in 1987 (see Attachment 2). The policy sets out matters that Council shall consider before deciding on any strata title or cooperative conversion involving three or more units, including:

- Refusing the application if the vacancy rates are under 2% and the number of units affected are 12 or more; and
- Considering the written views of affected tenants.

Since Policy 5012 was adopted in 1987, no applications for the conversion of multi-family rental to strata have been received in Richmond. In the last ten years, the vacancy rate in Richmond has exceeded two percent only twice – in 2009 and 2013.

The Draft Market Rental Housing Policy proposes to maintain the intent of Policy 5012 but to incorporate it into the OCP and strengthen specific elements. The proposed changes are:

- Increase the rental vacancy rate threshold from 2% to 4% so that a strata conversion application would not be considered if the rates are below 4%. This rate increase is recommended by staff as it is close to the rental rate considered healthy by most housing professionals. As the current vacancy rate in Richmond is less than 1%, it is unlikely that vacancy rates will rise above 4% in the next few years. Strengthening this provision would effectively prohibit the conversion of rental units to ownership;
- Reduce the number of affected units from 12 to 4 to further strengthen efforts to retain existing rental units (Richmond has many smaller townhouse projects with fewer than 12 units). This would prevent the conversion of smaller rental projects, even if the vacancy rate is 4% or more;
- Require a Tenant Relocation Plan to ensure tenants are provided with various forms of assistance as described below:
  - A minimum of two months' notice to end the tenancy as required by the *BC Residential Tenancy Act*;

- Granting existing tenants a right-of-first-refusal to purchase one of the converted rental units at a 5% discount from market prices;
- For existing tenants residing in the building longer than one year:
  - three months' free rent or lump sum equivalent at the discretion of the tenant (the *BC Residential Tenancy Act* requires a landlord to provide the equivalent of one month's rent);
  - assistance in finding alternative accommodation, which should:
    - be located in Richmond, or in another location at the tenant's discretion and be located in a community with similar amenities;
    - meet the tenant's specific needs (e.g., pet friendly, accessible, close to transit); and
    - not exceed Canada Mortgage and Housing Corporation's (CMHC) average area rents for Richmond.
- Require the submission of a Building Condition Assessment Report, which would reference the life expectancy of the building, the state of repair, general workmanship and degree of compliance with all City bylaws, servicing standards and requirements; and
- Require submission of the views of affected tenants, along with landscaping, parking and other siting elements. These are currently required under the Policy 5012 and would continue to assist Council in making their decision on whether to allow the conversion of rental units to strata.

***Policy Direction #2: Encourage Owners to Maintain Buildings in Good Repair***

Richmond's Rental Premises Standards of Maintenance Bylaw 8159 requires owners to ensure that rental premises conform to minimum livability and comfort standards. The Draft Market Rental Housing Policy proposes an additional policy direction to emphasize the expectation that market rental buildings be kept in good repair and in a safe condition for the benefit of tenants. If repairs or renovations to rental units are required, the Policy would encourage owners to undertake such works while the tenant still lives in the unit or has temporary alternate accommodation. This is intended to help minimize the disruption and displacement of tenants.

When buildings are maintained properly, a long life span can be expected. Bylaw 8159 requires that owners maintain buildings so that livability and comfort are provided. The Draft Market Rental Housing Policy proposes to reinforce the importance of keeping buildings in good condition and provides no incentive for allowing buildings to deteriorate. If a market rental building becomes dilapidated due to a lack of adequate maintenance, this would not be considered a reasonable justification for demolition.

As noted earlier, most landlords in Richmond maintain their buildings in compliance with the requirements of the Rental Premises Standards of Maintenance Bylaw. It is further



acknowledged that most landlords act in good faith when they invest in their rental buildings and that renovations improve the quality of housing for tenants.

### Objective #2: Increase the Supply of Market Rental Housing

While protecting the existing market rental stock is a critical objective of the Draft Market Rental Housing Policy, increasing the supply of new market rental housing is also important. The draft Policy identifies directions and incentives to encourage development of new market rental buildings. Over time, this is anticipated to help meet housing demand in Richmond.

### ***Policy Direction #3: Enhance the Current 1:1 Replacement Policy***

Richmond's current OCP policy calls for a no net loss of rental units and encourages a 1:1 replacement. Under this OCP policy, market rental replacement units would be secured at low-end market rental (LEMR) rates through the registration of a Housing Agreement. The Draft Market Rental Housing Policy proposes to strengthen the existing 1:1 replacement policy to ensure that the base number and type of rental units does not decrease over time. The proposed new measures are as follows:

- Require that the replacement market rental units have the same number of bedrooms, or more, as originally provided;
- Require existing ground-oriented units to be replicated in the new development; and
- Continue to require replacement units to be available at affordable rents (e.g. LEMR rates), but do not require a minimum income level for returning tenants.

Requiring market rental replacement units to be available at LEMR rates would ensure that existing tenants who choose to move back into the redeveloped units have affordable housing in the same location. While existing tenants of market rental buildings would not have to meet the LEMR income levels, new and future tenants would.

It is important to note that this 1:1 replacement policy, with its accompanying requirements, would apply to all market rental buildings, even those that may have existing strata titled tenure but are included in the annual Rental Market Report prepared by CMHC.

### ***Policy Direction #4: Require Family-Sized Market Rental Units***

The City of Richmond seeks to achieve unit sizes that are suitable for families ("family-friendly units") when considering redevelopment proposals. According to the 2016 Census, approximately 63% of the Richmond's renter households are occupied by families (couples with or without children, or a lone parent with at least one child)<sup>5</sup>. When these census families are further

<sup>5</sup> 'Census family' is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. A couple may be of opposite or same sex. Children may be children by birth, marriage, common-law union or adoption regardless of their age or marital status as long as they live in the dwelling and do not have their own married spouse, common-law partner or child living in the dwelling. Grandchildren living with their grandparent(s) but with no parents present also constitute a census family.

investigated, the percentage of renter families with children is reduced to approximately 30 to 40%.

The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a percentage of new market rental units to have two bedrooms or more. (Other families, such as couples without children, would not likely have the same space needs.) The following three options for family-friendly units in new market rental townhouses and apartments are proposed for consultation:

- 4.1 minimum 20% family friendly units (e.g. 15%- 2 bedroom and 5% -3bedroom);  
  
(The above percentages are based on an environmental scan of local municipalities and are consistent with the relatively conservative family-friendly rates proposed as part of the Affordable Housing Strategy update.)
- 4.2 minimum 30% family-friendly units (e.g. 20% - 2 bedroom and 10%- 3bedroom); and
- 4.3 minimum 40% family-friendly units (e.g. 30% -2 bedroom and 10% 3bedroom)

Feedback during consultation will help identify an appropriate requirement for family-sized market rental units that will meet the needs of renter families with children.

***Policy Direction #5: Require Tenant Relocation Plans***

It is recommended that a Tenant Relocation Plan be required where existing market rental units are proposed to be replaced, either through rezoning and redevelopment or strata conversion. The proposed elements of a market rental Tenant Relocation Plan are similar to those required when strata conversion is proposed (at strata conversion, however, LEMR rents would not be required given that rental units would be converted to ownership). The following are proposed to comprise the Tenant Relocation Plan requirements for replacement market rental housing:

- For all existing tenants:
  - a minimum of two months' notice to end the tenancy as required by the BC Residential Tenancy Act;
  - a right-of-first-refusal to return to the new building;
  - Securing the replacement units at the City's established LEMR rates;
    - Returning tenants would not be required to meet income eligibility levels for the new development, but new and future tenants would;
    - Replacement unit tenure and LEMR rates will be secured through a Housing Agreement; and
    - The developer would be required to provide proof to City staff that all existing tenants were offered the right-of-first refusal and LEMR rates.

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- For existing tenants residing in the building longer than one year:
  - three months' free rent or lump sum equivalent at the discretion of the tenant (the *BC Residential Tenancy Act* requires a landlord to provide the equivalent of one month's rent);
  - assistance in finding alternative accommodation, which should:
    - be located in Richmond, or in another location at the tenant's discretion and be located in a community with similar amenities;
    - meet the tenant's specific needs (e.g., pet friendly, accessible, close to transit); and
    - not exceed CMHC's average area rents for Richmond.

This proposed tenant relocation package is similar to what is required in New Westminster, Vancouver, Burnaby and Victoria. In some instances, a third-party coordinator is retained by the property owner to manage the tenant relocation process.

As noted earlier, this tenant relocation policy, with its accompanying requirements, would apply to all market rental buildings, even those with strata title tenure that appear on the annual Rental Market Report prepared by CMHC.

***Policy Direction #6: Incentives to Increase the Supply of Market Rental Housing***

Four incentives areas are proposed to increase the supply of market rental housing in Richmond:

6.1 Increase supply through a:

- 6.1.a Density Bonus Incentive (where the market determines take-up);
- 6.1.b Mandatory Requirement (where the City sets targets which must be achieved within current OCP densities); or
- 6.1.c Hybrid Approach (where the City sets targets but an additional density bonus is provided beyond the current OCP densities).

6.2 Reduce parking requirements;

6.3 Provide amenity and fee waivers; and

6.4 Fast track development applications.

Each of the four incentive areas is described in more detail below.

### 6.1 Increase Supply through a Density Bonus Incentive, Mandatory Requirement or Hybrid Approach

To increase the overall supply of market rental housing units in Richmond, three distinct approaches are possible. One approach is to offer a density bonus as an incentive (the proposed density bonus framework is shown in Figure 1). The second approach is to require that market rental units are provided in all new multi-family buildings (subject to compliance with the OCP). The third approach is a hybrid one that combines targets with an additional density bonus incentive. Each of these approaches is described further, with pros and cons of each identified in Figure 2.

#### 6.1.a Density Bonus Incentive (where the market determines take-up)

Density bonus zoning can be an important incentive to encourage more market rental housing development in Richmond. The framework identified in Figure 1 proposes the highest density bonus for sites that provide 100% market rental housing and a smaller density bonus for sites that provide a mix market rental and strata units:

- Density bonus for 100% market rental buildings:
  - 0.20 FAR for ground oriented townhouses and wood frame apartments (inside or outside City Centre); and
  - 0.25 FAR for concrete buildings in City Centre only;
- Density bonus for mixed market rental and strata buildings:
  - 0.10 FAR to be used exclusively for market rental units (city-wide, subject to locational requirements identified in Figure 1).

To be eligible for a market rental density bonus, buildings must meet the locational, consultation and other requirements that are described in Figure 1. The modest scale of the proposed density bonuses is intended to maintain the form of development envisioned in the OCP. This will help ensure that new buildings with market rental units fit within established neighbourhoods.

Economic analysis has shown that these proposed density bonuses, together with the other incentive areas described below, are sufficient to encourage the development of new market rental buildings in Richmond.

Strata residential construction, however, with its higher revenue stream, will likely continue to be more profitable. To make the construction of a 100% market rental building as attractive as a pure residential strata building, the allowable density bonus would have to increase to a point where the form of development would be substantially altered. It could also mean that rather than townhouses, a three to four storey apartment would be required. This could also mean that, rather than a four storey building, a six storey apartment would be required in some parts of the city.

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In order for 100% rental projects to generate the same profit margin as condominiums, the density bonus would need to potentially be greater and the form of development may need to be significantly changed. If improvements to the current taxation regimes are implemented by senior government— as are recommended in this report - it is possible that Richmond's proposed modest density bonus would provide developers with the same, or potentially even better profit margins as strata developments.

For buildings that mix market rental and strata units, the proposed 0.10 FAR density bonus is similar to the density bonus provided for low-end market rental units established as part of the Arterial Road Land Use Policy in the Official Community Plan. That policy allows for additional density along arterial roads to be considered if:

- The additional density is used solely for LEMR units secured by a Housing Agreement;
- The units comply with the requirements of the Affordable Housing Strategy related to unit size, tenant eligibility criteria and maximum rental rates; and
- The project complies with Development Guidelines related to form and character.

Some arterial road townhouse projects have provided approximately 15% of the overall density as low-end market rental housing.

The density bonus framework proposed in the Draft Market Rental Housing Policy respects the character of Richmond's existing neighbourhoods and supports the scale of development envisioned in the OCP. The proposed framework will also continue to allow for the accommodation on site of required outdoor amenity space for the use and enjoyment of residents. The relatively modest scale of the proposed density bonus framework, however, may have limited success, particularly in areas such as City Centre where construction costs are higher.

While Richmond's proposed density bonuses and other incentives are intended to encourage more market rental development, action by other levels of government is required if the city's housing demand estimates are to be met.

**Figure 1: Maximum Proposed Density Bonus**

Figure 1: Maximum Proposed Density Bonus			
Tenure	Housing Type	Maximum Density Bonus (above base density)	Requirements and Incentives
100% market rental	Ground-oriented townhouse and wood frame apartment	0.20 FAR	<ul style="list-style-type: none"> <li>Sites are located within City Centre, within Neighbourhood Centres identified in the OCP, or within 400 m of the existing and future Frequent Transit Network (key transit corridors with higher levels of all day demand in both directions)</li> <li>Proposed development demonstrates a good fit for the neighbourhood and compliance with the existing OCP land-use designations and Development Permit Guidelines applicable to the site</li> <li>Family-friendly units (see Policy Direction #4)</li> <li>Provision of Basic Universal Housing features (see Policy Direction #8)</li> <li>Proposed development meets or exceeds the City's sustainability objectives related to building energy and emissions performance</li> <li>Substantial community consultation is undertaken</li> <li>A Housing Agreement is registered on title to secure the market rental tenure in perpetuity. (No restrictions on rents or tenants' incomes – except for replacement units.)</li> <li>Market rental parking rates (see Policy Direction #6.2)</li> <li>Amenity &amp; fee waivers (see Policy Direction #6.3)</li> </ul>
	Concrete high-rise	0.25 FAR	
Mixed market rental and strata	Ground-oriented townhouse, wood frame apartment and concrete high-rise	0.10 FAR to be used solely for market rental units	<ul style="list-style-type: none"> <li>Sites are located within City Centre, within Neighbourhood Centres identified in the OCP, or within 400 m of the existing and future Frequent Transit Network (key transit corridors with higher levels of all day demand in both directions)</li> <li>Proposed development demonstrates a good fit for the neighbourhood and compliance with the existing OCP land-use designations and Development Permit Guidelines applicable to the site</li> <li>Family-friendly units for market rental housing (see Policy Direction #4)</li> <li>Provision of Basic Universal Housing features for market rental units (see Policy Direction #8)</li> <li>Proposed development meets or exceeds the City's sustainability objectives related to building energy and emissions performance</li> <li>Substantial community consultation is undertaken</li> <li>A Housing Agreement is registered on title to secure the market rental tenure in perpetuity. (No restrictions on rents or tenants' incomes except for replacement units.)</li> <li>Market rental units would be required to be retained as a block (e.g. no separate sale allowed) to facilitate management by a non-profit or management company</li> <li>Market rental parking rates (see Policy Direction #6.2)</li> <li>Amenity &amp; fee waivers for market rental units only (see Policy Direction #6.3)</li> </ul>

6.1.b Mandatory Requirement (where the City sets targets which must be achieved within current OCP densities)

A second approach to increasing the amount of market rental housing units in Richmond is to require that all new multi-family residential developments include a proportion of market rental units. Under this approach, the City would set targets and the development would be required to fit within current OCP densities and designations. Economic analysis has demonstrated that a mandatory requirement for market rental units would be feasible without a density bonus. (Incentives related to parking reductions and fee waivers described below, however, would be available). The economic analysis also has shown that the following percentage requirements for market rental units would be viable, even with the recently approved updates to the City's Affordable Housing Strategy:

- 15% market rental units in wood frame townhouses or apartments outside City Centre;
- 10% market rental units in wood frame apartments in City Centre; and
- 5% market rental units in City Centre concrete high rises.

Although shown to be economically viable, requiring market rentals units in new townhouses or apartments may present a number of challenges, such as:

- The potential to generate significant push back from the development community. Note that the change in the Affordable Housing Strategy to increase the proportion of built affordable housing from 5 to 10% was only recently introduced and has already generated some concerns from the development community;
- The relatively low yield of market rental units in some buildings could be harder to manage. (The difficulty of managing small numbers of low-end market rental units was raised repeatedly during the update to the Affordable Housing Strategy). This issue may be lessened, however, by requiring market rental units only in buildings above a certain size (e.g. in apartment buildings that have more than 60 units); and
- New market rental units could be secured through rezoning only. Where properties are developed for multi-family use under existing zoning and with a Development Permit only, market rental units could not be required.

6.1.c Hybrid Approach (where the City sets targets but an additional density bonus is provided beyond the current OCP densities)

The City could adopt a hybrid approach to increasing the supply of market rental units in new multi-family developments. In addition to requiring a certain amount of market rental units (as laid out above), an additional density bonus beyond current OCP densities could be provided. A hybrid approach such as this would address some of the challenges anticipated with a mandatory requirement approach.

Figure 2, below, identifies some of the pros and cons of each of three suggested approaches to increasing the supply of market rental housing in Richmond. Feedback on the approaches will be requested during the stakeholder consultation process.

**Figure 2: Comparison of Three Different Approaches to Increase the Supply of Market Rental Housing in Richmond**

Figure 2: Comparison of Three Different Approaches to Increase the Supply of Market Rental Housing in Richmond		
Approach/Option	Pros	Cons
A. Density Bonus	<ul style="list-style-type: none"> <li>Likely to be well received by the development community as it does not affect development rights</li> <li>Consistent with existing approach to secure affordable housing units</li> <li>Sufficient bonus could result in buildings that offer 100% of units as market rental</li> <li>Proposed density bonus would maintain form of development envisioned in the City's Official Community Plan</li> </ul>	<ul style="list-style-type: none"> <li>Could get zero take up (especially in City Centre where construction costs are higher)</li> <li>Strata development may continue to be more attractive</li> </ul>
B. Mandatory Requirement	<ul style="list-style-type: none"> <li>Will ensure market rental units are provided in multi-family developments (amount of units to be generated would depend on the specified proportion required)</li> <li>Maintains form of development envisioned in the City's Official Community Plan</li> </ul>	<ul style="list-style-type: none"> <li>Could generate significant push back from the development community</li> <li>New market rental units could only be secured through rezoning (not through Development Permit)</li> <li>Amount of units generated may be small and difficult to manage</li> </ul>
C. Hybrid	<ul style="list-style-type: none"> <li>Likely to be better received by the development community (e.g. if an additional density bonus is provided)</li> <li>Will ensure market rental units are provided in multi-family developments (amount of units to be generated would depend on the specified proportion required)</li> <li>Depending on the scale of the density bonus provided, could maintain form of development envisioned in the City's Official Community Plan</li> </ul>	<ul style="list-style-type: none"> <li>New market rental units could only be secured through rezoning (not through Development Permit)</li> <li>Amount of units generated may be small and difficult to manage</li> </ul>

### 6.2 Reduce Parking Requirements for Market Rental Units

Lower parking requirements are considered one of the primary incentives municipalities may offer to encourage the development of more market rental housing. Structured parking spaces in particular, are expensive to construct and add significantly to development costs. Currently, Section 7 (Parking and Loading) of Richmond Zoning Bylaw 8500 identifies the requirements for off-street parking (motor vehicles and bicycles) and loading spaces for residential, commercial and other land uses. The Bylaw contains a lower parking requirement for affordable



housing compared to market housing (e.g. strata apartments or strata townhouses). There is an opportunity for Richmond to provide a separate parking rate for market rental housing.

The 2012 Apartment Parking Study by Metro Vancouver found that the supply of parking in apartment buildings generally exceeds the demand. The study also found that parking demand is lower for renters than owners. That study, however, did not take into consideration available on-street parking, which can affect on-site parking usage.

As Metro Vancouver is in the early stages of commencing an update of their Apartment Parking Study, a comprehensive parking assessment of rental sites was undertaken in Richmond. The purpose of the Richmond study was to determine if a specific market rental parking rate(s) was warranted, and if so, what the rate(s) would be. The parking study surveyed numerous market rental housing sites in different parts of the city to determine the parking demand. The Richmond study also included a review of the adjacent on-street parking conditions for each rental site as this can affect the utilization of on-site parking. (As part of the report back in 2018 on the Draft Market Rental Housing Policy stakeholder consultation, staff will also report on the findings of the Metro Vancouver updated Apartment Parking Study, should they be available.)

Overall, the Richmond market rental parking study found that the demand for parking was less than the amount of parking provided. Separate and lower parking rates therefore warrant consideration. Figure 3 shows proposed parking rates for market rental housing, as supported by the parking assessment.

**Figure 3: Proposed Market Rental Housing Parking Rates**

Figure 3: Proposed Market Rental Housing Parking Rates			
Market Rental Housing Type	Location of Market Rental Housing	Recommended Parking Rate (spaces per unit)	Current Multi-Family Parking Rate (as of June 2017)
Apartment	City Centre Zone 1	0.8	1.0
	City Centre Zone 2	1.0	1.2
	City Centre Zone 3	1.2	1.4
	Outside City Centre	1.2	1.5
Townhouse	City Centre Zone 1	0.9	1.0
	City Centre Zone 2	1.1	1.2
	City Centre Zone 3	1.3	1.4
	Outside City Centre	1.8	2.0

The City Centre is divided into three zones (see Attachment 7) for the purpose of determining parking requirements, with Zone 1 being the closest area to the Canada Line and Zone 3 the farthest.

As shown in Figure 3, the parking study proposes separate parking requirements for rental apartments and townhouses with rates dependent on location. The results of the study support lower parking rates for market rental housing in City Centre, close to the Canada Line. This

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recognizes the higher transit use in this area. A higher parking rate is proposed for market rental housing in other parts of the city.

It should be noted that no change in visitors' parking requirements are proposed. This should help avoid issues related to spillover of visitor parking onto nearby residential roads. If endorsed by Council, staff will seek feedback on the proposed parking rates through the stakeholder consultation process.

### 6.3 Provide Amenity and Fee Waivers to Incentivize New Market Rental Housing

In addition to the parking reductions recommended above, waiving specific amenity and fee contributions are proposed to incentivize the creation of new market rental housing in Richmond. These proposed waivers include:

- Waiving the affordable housing requirements for replacement and new market rental housing. Both the requirement to build affordable housing units and to provide cash-in-lieu (where applicable) would be waived for the market rental units only. This financial incentive acknowledges the significant community benefit provided by replacement and new market rental housing.
- Waiving the public art contribution rate (\$0.83 per square foot) and the community planning contribution rate (\$0.25 per square foot in City Centre and Broadmoor and \$0.07 per square foot in West Cambie) for replacement and new market rental housing. This is consistent with the City's current practice to waive these fees for affordable housing developments.

The above exemptions would not apply to areas of the city that have specific affordable and rental housing requirements.

Regarding the January 19, 2016 referral from Planning Committee, Richmond's OCP establishes a minimum amount of outdoor amenity space for multiple family developments of more than three units. No change to this requirement is proposed as part of the Draft Market Rental Housing Policy. Outdoor amenity space provides important benefits to residents, including a place for children to play, and should continue to be required in new developments, regardless of tenure.

### 6.4 Fast Track Development Applications for Market Rental Housing

Applications related to the redevelopment of sites with 100% market rental units are proposed to be expedited. Applications for rezoning, development permit (DP) and building permit will be fast tracked at no extra fast tracking cost and assigned to a staff member who will prioritize the project ahead of in-stream market housing applications.

Staff estimate that fast tracking will reduce processing times to get a rezoning application to Public Hearing by a minimum of two to four months. An expedited development permit process for 100% market rental projects is expected to reduce the processing time required to present a development permit to the Development Permit Panel for review also by approximately two to four months. Staff further estimate that an expedited building permit process will save

approximately one to one and a half months. Together, processing times may be reduced from approximately five to nine and half months for expedited 100% market rental projects if the applications are submitted sequentially. If the applications are run concurrently process times would be further reduced.

Treating 100% market rental projects as a priority will help reduce carrying costs for developers while also facilitating the construction of new housing units.

***Policy Direction #7: Increase the Supply of Secondary Suites in Townhouses and Apartments through an Incentives-Based Approach or a Mandatory Requirement Approach***

Council's referral of April 10, 2017 directed staff to develop a policy on secondary suites in multi-family developments. A first action was to amend the city's townhouse zones to permit secondary suites. Richmond's Zoning Bylaw does not currently permit secondary suites within apartment units. Several municipalities around Metro Vancouver, however, have allowed smaller suites, sometimes referred to as "lock-off" suites, in apartment buildings. These units are typically accessed through a separate entrance from the hallway, as well as through an internal entry from the main unit. While amending the townhouse zones has removed a barrier to increasing the stock of rental housing in Richmond, allowing suites in apartments could also help advance this objective.

Two different approaches may be pursued to increase the supply of suites in townhouses or apartments. One approach is to provide incentives and the other is to make the provision of suites mandatory.

***7.1 Incentives-Based Approach***

This approach to increasing the supply of market rental suites in townhouses and apartments would entail offering specific incentives. The proposed parking reductions and fee waivers are described below:

- Parking for secondary suites:
  - Townhouses:
    - Non-Arterial Road: Not required;
    - Arterial Road: An additional parking space would be required unless the dwelling unit has two dedicated side-by-side (non-tandem) arranged parking spaces
  - Apartments:
    - City Centre: Not required;
    - Outside City Centre, Non-Arterial Road: Not required;
    - Outside City Centre, Arterial Road: An additional parking space would be required unless the dwelling unit has two dedicated (non-tandem) arranged parking spaces

- Waive the affordable housing cash-in-lieu (based on square footage) and built requirements for the secondary suite area only. (The remainder of the unit would be required to make the applicable affordable housing contributions);
- Waive the public art and community planning contribution rates for the secondary suite area only. (The remainder of the unit would be required to make the applicable public art and community planning contributions).

### 7.2 Mandatory Approach

Under a mandatory approach, all new townhouse and apartment developments would be required to provide secondary suites. This would set a clear expectation and as such, may lead to a higher number of secondary suites in multi-family developments, when compared to a voluntary, incentives- based approach. It may be reasonable, however, to prescribe minimum and maximum percentages of townhouse or apartment units that are permitted to contain secondary suites. This would help to minimize any negative impacts on multi-family neighbourhoods. The following parameters are proposed:

- Require a minimum of 10% of townhouse or apartment units to contain secondary suites; and
- Allow a maximum of 50% of townhouse or apartment units to contain suites.

Regardless of which approach is pursued, a more robust set of provisions *regulating suites* in townhouses and apartments may be warranted. The following provisions are proposed to apply to both the incentives-based and mandatory approach:

- Establish a minimum secondary suite size of 25 m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments to ensure the livability of the suites;
- Prescribing a maximum cap of 50% of units that may contain suites;
- Require a separate parking space for the secondary suite only in townhouse and apartment developments on arterial roads where the parent unit does not have a minimum of two (non-tandem) parking spaces;
- Where secondary suites are provided in an apartment building, allow flexibility in meeting family friendly requirements (e.g. require fewer units with two or more bedrooms); and
- Require a legal agreement to prohibit stratification of the secondary suite. The owner of the parent strata unit would own the suite as well.

During the consultation process for the Draft Market Rental Housing Policy, other elements related to secondary suites in multi-family developments may also be considered. These may include establishing:

- a maximum secondary suite size;
- a requirement for a connecting door from the suite to the parent unit;
- the tenure of the parent unit (e.g. should secondary suites be required in market rental, strata and affordable housing units?); and
- the size of the parent unit (e.g. should secondary suites be required in all unit sizes, or only larger ones?)

Figure 4 identifies some of the pros and cons of each approach to increasing the supply of secondary suites in townhouses and apartments. Feedback on both approaches will be requested during the stakeholder consultation process. Subject to further consultation, and Council direction, amendments to the Zoning Bylaw and the OCP would be required to implement either an incentives-based or mandatory requirement approach to allowing secondary suites in townhouses and apartments.

**Figure 4: Comparison of Two Approaches to Increase the Supply of Secondary Suites in Townhouses or Apartments**

Figure 4: Comparison of Two Approaches to Increase the Supply of Secondary Suites in Townhouses or Apartments		
Approach	Pros	Cons
1. Incentives-Based	<ul style="list-style-type: none"> <li>• Allows marketplace to test and adapt to new housing type (e.g. given that the demand for, and the implications of suites in multi-family units, have not been fully tested)</li> <li>• May result in some secondary suites being provided in multi-family developments</li> </ul>	<ul style="list-style-type: none"> <li>• Amount of secondary suites provided may be small</li> <li>• May need additional incentives to differentiate voluntary provision of suites from mandatory provision</li> <li>• No guarantee that suites will be rented</li> </ul>
2. Mandatory Requirement	<ul style="list-style-type: none"> <li>• Will result in secondary suites being provided in all new multi-family developments</li> </ul>	<ul style="list-style-type: none"> <li>• Could generate push back from the development community</li> <li>• Uncertain demand &amp; limited experience in the region with suites in multi-family developments</li> <li>• No guarantee that suites will be rented</li> </ul>

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***Policy Direction #8: Encourage Accessible Market Rental Units***

Richmond Zoning Bylaw 8500 currently allows a floor area exemption of 1.86 m<sup>2</sup> (20 ft<sup>2</sup>) for townhouse or apartment units that incorporate all of the Basic Universal Housing (BUH) features described in the Zoning Bylaw. BUH features identified in the Zoning Bylaw include wider doorways, easy to grasp handles and sufficient space in bedrooms to accommodate wheelchairs. These features facilitate universal access and use of the dwelling, particularly for people with physical disabilities.

Through the Draft Market Rental Housing Policy, developers of new market rental units would be encouraged to incorporate BUH features in all units. To be eligible for a density bonus, the provision of BUH features would be mandatory. These features help accommodate the needs of Richmond's aging population and support broader accessibility to and within rental housing units.

Incentives Not Endorsed at this Time

A number of potential incentives for new market rental housing were considered but are not endorsed for consultation at this time.

*Development Cost Charges (DCC) Waivers or Reductions*

A guiding principle of DCCs is that infrastructure costs should be paid by those who will use and benefit from the installation of such systems. Waiving or reducing DCCs for market rental housing would mean the cost of such housing would not be equitably born by all users.

In May 2017, Richmond Council adopted new DCC rates. The new rates seek to ensure that the infrastructure required to support anticipated growth is available. Economic analysis conducted during development of the Draft Market Rental Housing Policy indicated that the new DCC rates would not impact the viability of market rental housing. Waiving or reducing DCCs for market rental housing are not recommended at this time.

*Property Tax Reductions or Exemptions*

Rental buildings generally have lower assessed values than buildings with other forms of tenure. This generally means that total taxes paid will be lower. Notwithstanding the above, if market rental buildings were taxed at a lower rate, or exempted from paying property taxes, the costs needed to provide services to a growing population would need to be transferred to other taxpayers.

*Development and Building Permit Fee Reductions*

Richmond's development and building permit fees are determined on a cost recovery basis and are competitive with other municipalities in the region. While reducing these fees for market rental housing projects is not recommended, expedited processing is proposed.

Attachment 8 identifies various market rental housing scenarios and applicable requirements and incentives that are proposed in the Draft Market Rental Housing Policy.

### **Proposed Consultation**

Feedback on the proposed market rental housing directions set out in this report is critical to ensuring that they are appropriate to Richmond and implementable. Staff have heard from several parties interested in building market rental units in the city. To date, discussions have been general in nature. It is recommended that staff be directed to consult with relevant stakeholders and interested residents in order to more fully explore the preliminary directions outlined in this report. Such consultation would be done prior to Council considering a revised Market Rental Housing Policy and any associated OCP and Bylaw amendments.

Building on the format used for Affordable Housing Strategy Update consultation, staff propose to convene facilitated workshops on the Draft Market Rental Housing Policy outlined in this report. The workshops would take place in early 2018. The stakeholders proposed to be consulted include:

- members of the development community (e.g., Urban Development Institute, Small Builders' Group);
- housing and not-for-profit sectors (e.g., Community Land Trust, Metro Vancouver, Greater Vancouver Housing Corporation, Richmond Centre for Disability, Richmond School District);
- market rental building owners and managers in Richmond;
- Landlord BC, an industry resource and advocacy group for the rental housing industry across the province; and
- interested members of the public.

Let's Talk Richmond.ca and other social media will also be used to encourage discussion from the public on the Draft Market Rental Housing Policy. At completion of the public engagement period, a report will be forwarded to Council which summarizes the consultation findings and any proposed revisions to the policy. This is expected to be done in the second quarter of 2018.

Staff propose that, after stakeholder consultation, a revised Market Rental Housing Policy be included in the OCP and that Council Policy 5012, "Strata Title Conversion Applications – Residential" (Attachment 2) be rescinded and also incorporated into the proposed OCP market rental housing policies.

If authorized by Council, staff will continue to refine the consultation approach and update Council of any changes.

### Financial Impact

Staff are forecasting that implementation of a new Draft Market Rental Housing Policy will require additional staffing resources. As the policy moves forward, further detail on the anticipated level of additional resources will be brought forward for Council's consideration.

### Conclusion

Richmond's existing market rental supply is an important component of the city's housing continuum. However, demand for market rental housing outpaces the supply. New measures are required to incentivize the creation of additional market rental housing. This will help meet the needs of Richmond residents and families and contribute to a healthy and livable community. The Draft Market Rental Housing Policy identifies recommendations that will both protect the city's existing stock of market rental housing and encourage new market rental housing.



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- Att. 1: Glossary of Housing Types
- Att. 2: Existing Council Policy 5012, "Strata Title Conversion Applications – Residential" (1987)
- Att. 3: Low-End Market Rental (LEMR) Rates
- Att. 4: Summary of Rental Housing Initiatives by Government and Related Agencies
- Att. 5: Rental Housing in Richmond
- Att. 6: Indicators of Need for Market Rental Housing
- Att. 7: City Centre Parking Zones
- Att. 8: Market Rental Scenarios and Proposed Policy Requirements and Incentives




**ATTACHMENT 1:**  
**Glossary of Housing Types**

Housing Type	Description/Policy Mechanism
Market rental housing <i>– focus of Draft Market Rental Housing Policy</i>	<ul style="list-style-type: none"> <li>• Market-based rental housing provided by the private sector and rented at prevailing market rates.</li> <li>• May also be referred to as "purpose-built market rental" which indicates that the units were built with the intention of being rented at prevailing market rents.</li> <li>• May also be referred to as "secured market rental housing", which indicates that the rental tenure has been secured through a legal agreement for a specified period of time or in perpetuity.</li> <li>• Richmond's market rental housing consists of 3,372 units (this does not include co-ops that are currently rented at market rates).</li> </ul>
Primary rental market	<ul style="list-style-type: none"> <li>• Approximately 18% of renter households in Richmond find rental accommodation in the "primary rental market".</li> <li>• "Primary rental market" includes units that were purposely built to be rented at prevailing market rates. These may include townhouses and apartments.</li> <li>• Units in this market do not include subsidized rental housing or rented condominiums.</li> <li>• Units or buildings in this market may have one or more owners and managed by a management company.</li> </ul>
Secondary rental market	<ul style="list-style-type: none"> <li>• Approximately 80% of renter households in Richmond find rental accommodation in the "secondary rental market".</li> <li>• "Secondary rental market" includes rented condominiums, single family houses, secondary suites, coach houses and subsidized rental housing.</li> <li>• Units in this market are not secured by legal agreement and are available for rent at the discretion of the owner.</li> <li>• Such units may also be provided by a non-profit organization or housing agency. In these cases, the rental tenure and rates may be secured by a legal agreement.</li> </ul>
Low-end market rental (LEMR)	<ul style="list-style-type: none"> <li>• Rental units secured through inclusionary housing approaches. Targets low to moderate income households with rents set at below market rates.</li> <li>• This may include units secured through Richmond's LEMR program in the City's Affordable Housing Strategy, or through separate programs such as the West Cambie Alexandra Neighbourhood's policy for modest rent controlled rental units.</li> </ul>
Low-end market rental housing (LEMR) program in Richmond's Affordable Housing Strategy	<ul style="list-style-type: none"> <li>• Affordable housing units targeted at low to moderate income households earning \$34,650-58,050 and secured through the City's inclusionary housing policy.</li> <li>• Maximum rents based on 10% below Canada Mortgage and Housing Corporation's (CMHC) average annual market rents.</li> <li>• Richmond has secured 423 LEMR units through rezoning as of April 2017.</li> </ul>
Non-market, social housing	<ul style="list-style-type: none"> <li>• Housing funded by senior government and managed by non-profit groups.</li> <li>• Provides affordable rental units for households requiring deep subsidies. (Maximum rents typically 25% below CMHC's average annual market rents.)</li> <li>• May also be referred to as "subsidized rental housing" or "below-market rental housing".</li> </ul>

Housing Type	Description/Policy Mechanism
Co-operative housing	<ul style="list-style-type: none"> <li>• Non-profit housing with a form of shared ownership which provides homes to its members who purchase a share and pay a monthly housing charge.</li> <li>• Established under the <u>Co-op Act</u>. Most non-profit housing co-ops receive money from the government (federal or provincial) to help house some low-income members. The housing charge for these units is adjusted to the household's income. This is often referred to as "rent-geared-to-income" or "RGI" or a subsidized housing charge. The subsidy makes up the difference between what the member pays and the co-op's normal housing charge.</li> </ul>
Entry level homeownership	<ul style="list-style-type: none"> <li>• Modest housing units that are affordable for first-time homebuyers.</li> <li>• One of three priority areas in the 2007 Richmond Affordable Housing Strategy.</li> <li>• Also referred to as "affordable homeownership".</li> </ul>
Congregate Housing	<ul style="list-style-type: none"> <li>• Housing where each individuals or family has a private bedroom but shares facilities, including a kitchen/dining room and living quarters with other residents. Congregate care is usually used when referring to seniors housing with a component of care. This type of housing is typically not included in a municipal housing continuum and is licenced through a health authority</li> </ul>
<b>Seniors' Housing</b>	
Supportive Housing	<ul style="list-style-type: none"> <li>• Generally includes at least one meal a day, emergency response system, housekeeping and social and recreational opportunities. This housing option is usually private (not subsidized), though there are a few subsidized supportive housing units available through BC Housing's Seniors Supported Housing (SSH) program</li> </ul>
Assisted Living	<ul style="list-style-type: none"> <li>• Housing for older adults; includes meal services, emergency response system, housekeeping, social and recreational opportunities with additional assistance with personal activities such as bathing or taking medications. Assisted Living is available with or without subsidies. Public assisted living facilities are operated by the local health authority (for example Vancouver Coastal Health), require a health assessment for admittance, and generally cost 70% of income.</li> </ul>
Residential Care	<ul style="list-style-type: none"> <li>• Residential Care provides care and supervision for individuals who can no longer manage in their own homes. Residential Care is available with or without subsidies.</li> </ul>

**ATTACHMENT 2:**  
**Existing Council Policy 5012, "Strata Title Conversion Applications – Residential" (1987)**

	<b>City of Richmond</b>	<b>Policy Manual</b>
Page 1 of 1	Adopted by Council: May 25/87	<b>POLICY 5012</b>
File Ref: 4105-00	<b>STRATA TITLE CONVERSION APPLICATIONS - RESIDENTIAL</b>	
<p><b>POLICY 5012:</b></p> <p>It is Council policy that:</p> <p>The following matters shall be considered before deciding on any residential strata title or cooperative conversion applications involving three or more dwelling units:</p> <ol style="list-style-type: none"> <li>1. The impact a proposed conversion will have on the stock of rental housing in Richmond. If rental vacancy rates are low (under 2%) and the number of affected units is significant (a dozen or more), then Council should consider refusing the application until vacancy rates have risen again.</li> <li>2. The written proposals by the owner/developer for the accommodation or relocation of tenants. The application should be refused if undue hardship would result.</li> <li>3. The written views of the affected tenants, both in favour and not in favour. This should be taken into account in evaluating the previous two criteria.</li> </ol> <p>A standard form prepared by Urban Development Division staff can be used to solicit tenant views.</p> <ol style="list-style-type: none"> <li>4. A written report in an acceptable form from a registered architect, engineer, or any other qualified person, that the building is of a reasonable quality for its age, including reference to the state of repair, general workmanship and measure of compliance with relevant City Bylaws.</li> <li>5. Any proposals for open space, landscaping, common facilities, off-street parking and loading spaces.</li> <li>6. Any other conditions that might be appropriate to the specific circumstances. Where additional conditions are imposed by Council, approval shall not be granted until they are met.</li> </ol> <p>All applications for strata title and cooperative conversion will be expected to comply with all City Bylaws and servicing standards/requirements.</p> <p style="text-align: center;">(Urban Development Division)</p> <p style="text-align: center;">113685</p>		

**ATTACHMENT 3:  
Low-End Market Rental (LEMR) Rates**

Low-end market rental (LEMR) units are rental units secured through inclusionary zoning and targets low to moderate income households with rents set at below market rates. Council recently increased the LEMR rates and income thresholds, as well as the two bedroom unit size, as part of the City’s Affordable Housing Strategy (AHS) Update. Figure 1 below indicates the new LEMR rates per unit type, unit size and eligible tenant annual income.

**Figure 1: Richmond Low End Market Rental (LEMR) Rates per Unit Type, Unit Size & Eligible Tenant Annual Income**

Richmond Low End Market Rental (LEMR) Rates per Unit Type, Unit Size & Eligible Tenant Annual Income			
Unit Type	Minimum Unit Sizes	Maximum Monthly Rent*	Total Household Annual Income <sup>1</sup>
Bachelor	37 m <sup>2</sup> (400 ft <sup>2</sup> )	\$811	\$34,650 or less
One bedroom	50 m <sup>2</sup> (535 ft <sup>2</sup> )	\$975	\$38,250 or less
Two bedroom	69 m <sup>2</sup> (741 ft <sup>2</sup> )	\$1,218	\$46,800 or less
Three bedroom	91 m <sup>2</sup> (980 ft <sup>2</sup> )	\$1,480	\$58,050 or less

Notes:  
 \*Denotes 2017 amounts adopted by Council on July 24, 2017.  
<sup>1</sup> Subject to Council approval, household income may be increased annually by the Consumer Price Index.

Council has also adopted LEMR rates for the West Cambie Alexandra Neighbourhood Mixed Use Employment- Residential area which are outside of the City’s Affordable Housing Strategy. These are referred to as Modest Rental Rates. The rates, shown in Figure 2 below, indicate the maximum monthly rental rates which are less than the AHS rental rates.

**Figure 2: Modest Rental Rates for West Cambie Alexandra Neighbourhood Mixed Use Employment – Residential Area**

Modest Rental Rates for West Cambie Alexandra Neighbourhood Mixed Use Employment – Residential Area		
Unit Type	Maximum Monthly Rent (May be increased periodically)	Total Household Annual Income (May be increased periodically)
Bachelor	\$700	\$34,000 or less
One bedroom	\$750	\$38,000 or less
Two bedroom	\$1,100	\$46,500 or less
Three bedroom	\$1,400	\$57,500 or less

**ATTACHMENT 4:**  
**Summary of Rental Housing Initiatives by Government and Related Agencies**

Federal Government

- **Canada Mortgage and Housing Corporation (CMHC):**  
When CMHC was created in 1946, it focussed on housing returning war veterans and administering the (then) National Housing Act. Later, CMHC facilitated federal-provincial public housing projects and commenced providing mortgage loan insurance. CMHC's key mandates continue to include mortgage loan insurance (e.g. for buyers who have less than 20% down payment), policy and research (e.g. annual Rental Market Report) and affordable housing (e.g. administers approximately 20% of existing social housing in Canada).
- **National Housing Strategy (NHS):**  
In 2012, the Federal Government adopted a priority resolution calling for the development of a comprehensive National Housing Strategy (NHS). The purpose of the strategy was to create a national housing action plan that would produce affordable, safe housing for Canadians at all income levels. The plan would also include tax measures to support the development of market rental housing.

Managed by CMHC, the consultation process for the new National Housing Strategy took place in 2016. Richmond staff participated in the NHS' "Let's Talk Housing" survey and commented on the need for more market rental housing, more family friendly housing and more operating funding for non-market and subsidized housing.

In November 2016, CMHC released its summary report on the NHS consultation. The key themes heard from across the country were: 1) helping those in greatest need; 2) better housing outcomes for indigenous peoples; 3) eliminating homelessness; and 4) making housing more affordable.

The National Housing Strategy is expected to be released later in 2017.

Provincial Government

- **BC Housing:**
  - BC Housing is a provincial Crown Corporation that provides assistance to renters and emergency and subsidized housing for low income families and the disabled. It develops, manages and administers a wide range of subsidized housing options across BC. It provides favourable financing options for non-profit and affordable housing groups to develop or re-develop properties for affordable, rental housing (e.g. Kiwanis). Through the Provincial Investment in Affordable Housing (PIAH) program, BC Housing has committed \$255 million to create 2,000 affordable rental housing units over 5 years. BC Housing also licenses residential builders and conducts research.

- Residential Tenancy Act:  
Landlord tenant relations are a provincial responsibility. The *Residential Tenancy Act* (RTA) sets out the rights and responsibilities for landlords and tenants in a tenancy situation. These include minimum notification periods to end tenancies and maximum allowable rent increases for tenants. Landlords, for example, may only increase rent once in a 12 month period. In 2017, the maximum allowable rent increase in BC was set at 3.7%.
- The new BC Provincial Government committed to several rental housing related initiatives during the 2017 election campaign. These included:
  - building 114,000 rental, social, co-op and owner-purchase homes over 10 years;
  - a \$400 annual rebate to renters; and
  - amendments to the Residential Tenancy Act to prohibit fixed-term leases and to provide fair treatment for tenants during renovations and demolitions.

Recent budget announcements in September 2017 focussed on the following specific areas:

- \$208 million over four years for 1,700 new units of affordable rental housing for low and moderate income renters, seniors and adults with developmental disabilities or mental health challenges; and
- \$7 million to reduce waiting times and to establish a new compliance unit for the Residential Tenancy Branch.

### Metro Vancouver

- The Metro Vancouver Housing Corporation (MVHC) owns and operates close to 50 sites that provide market rental and subsidized rental housing for more than 10,000 people in the Lower Mainland. For subsidized units, rent is directly based on the tenant's income and is usually set at 30% of the gross monthly household income. The MVHC operates nine projects in Richmond. These projects include townhouses and apartments and were all were built between 1984 and 2005. The Metro Vancouver Housing Corporation is currently proposing to redevelop one site in Vancouver. The 83-unit Heather Place project, built in 1983, will be redeveloped with 230 units. Construction is expected to commence in early 2018 with occupancy in late 2019.
- The Metro Vancouver Regional District formulates housing policy that affects its member municipalities. This includes:
  - Metro Vancouver 2040 Shaping Our Future (2011). The Regional Growth Strategy contains a specific strategy to provide diverse and affordable housing choices. Metro Vancouver also assists municipalities in developing Housing Action Plans.
  - Regional Affordable Housing Strategy (RAHS, 2016). The RAHS includes 10 year housing demand estimates by municipality (2016-2026) for both ownership and rental units. The ten year demand estimate for all rental units in Richmond is 3,200 units (Figure 1). The demand for market rental units is 1,200 units

(moderate, above moderate and high income categories). On an annual basis, 120 market rental units per year would be required in Richmond to meet these demand estimates.

**Figure 1: Ten Year Rental Housing Demand, Richmond, 2016-2026**

Ten Year Rental Housing Demand, Richmond (2016-2026)	
Income Level	Number of Units
Very Low	1,300
Low Income	700
Moderate Income	600
Above Moderate	300
High Income	300
<b>Total</b>	<b>3,200</b>

Source: Metro Vancouver, 2016. Regional Affordable Housing Strategy

Metro Vancouver also advocates to senior government for incentives to stimulate private rental supply, conducts research and collects and analyzes data to support rental and municipal housing policy. Relevant recent research includes:

- *What Works: Municipal Measures for Sustaining and Expanding the Supply of Purpose-Built Rental Housing* (2016);
- *Metro Vancouver's Rental Inventory and Risk Analysis* (2012), and
- *Apartment Parking Study* (2012 with update in progress).

#### Other Actors

- A Community Land Trust is a community-based organization that acquires land, removes it from the private market and leases it to non-profit housing providers for affordable housing purposes. The Richmond Affordable Housing Strategy Update (Policy #8) recommends a feasibility study on establishing a locally based community land trust in Richmond.
- Vancity Credit Union provides favourable financing for affordable and rental housing projects. It also coaches socially minded organizations to develop or redevelop land through the "Impact Real Estate" program.

**ATTACHMENT 5:  
Rental Housing in Richmond**

In 2016, there were 18,910 renter households in Richmond (2016 Census).

Primary Rental Market

Only about 20% of renter households in Richmond found rental accommodation in the primary rental market (Metro Vancouver Housing Data Booklet, 2010). The primary rental market is comprised of townhouses and apartments that were built with the intention to be rented out at prevailing market rents.

Secondary Rental Market

Approximately 80% of Richmond's renter households find rental accommodation in the secondary rental market, which is comprised of rented condominiums or suites, as well as non-market social housing. Units in the secondary rental market may be privately-owned and rented out or provided by a housing agency or non-profit organization.

- Currently, Richmond's total stock of market rental housing is approximately 3,372 apartment and townhouse units in 76 buildings.<sup>6</sup> The majority of the city's market rental housing was constructed before 1990. Newer rental buildings have been constructed in City Centre (110 replacement market rental units) and Broadmoor (68 units).
- The most recent market rental units developed in Richmond (e.g. 144 units at The Gardens) were secured through development on a voluntary basis or negotiated during the rezoning process. Housing Agreements were registered on title to secure these rental units in perpetuity.
- Figure 2 provides an estimate of the number of rental housing units in both the primary and secondary rental markets in Richmond. Protecting and augmenting the rental stock in both markets are important to meeting the needs of renter households in Richmond.

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<sup>6</sup> Each year, CMHC conducts a survey of market rental units in urban areas. According to the CMHC's 2016 Rental Market Report, there were 3,477 units of purpose built market rental townhouses and apartments in Richmond. This survey, however, includes co-ops that are rented at market rates. If co-op units are removed (271 units), and other newly constructed market rental units added (e.g. 166 units), Richmond's total purpose built market rental stock is 3,372 units in 76 buildings.



**Figure 2: Estimate of All Rental Housing Units in Richmond**

<b>Estimate of All Rental Housing Units in Richmond</b>		
<b>Market</b>	<b>Housing Type</b>	<b>Number of Units<sup>1</sup></b>
Primary Rental Market	Market Rental Housing Units	3,372
	<b>Subtotal Primary Rental Market</b>	<b>3,372</b>
Secondary Rental Market	Rented Private Condominiums (Apartments and Townhouses)	4,223 <sup>2</sup>
	Secondary Suites and Coach Houses	2,600 <sup>3</sup>
	Non-Market, Social Housing	2,165 <sup>4</sup>
	Co-operative Housing Units	979
	<b>Subtotal Secondary Rental Market</b>	<b>9,967</b>
	<b>Total Estimate of All Rental Housing Units</b>	<b>13,339<sup>5</sup></b>
Notes/Sources:		
1. All numbers are estimates based on best data available.		
2. Metro Vancouver Housing Data Book, updated to 2017.		
3. Metro Vancouver Housing Data Book, updated to 2017 (note there is the potential for additional unrecorded units such as unauthorized suites).		
4. Includes housing units owned/managed by BC Housing, Metro Vancouver Housing Corporation and other non-profit housing providers).		
5. Due to different data sources and dates and the potential for unrecorded units, the total number of units does not fully correlate to the estimated number of renter households (18,910 in Richmond according to the 2016 Census).		

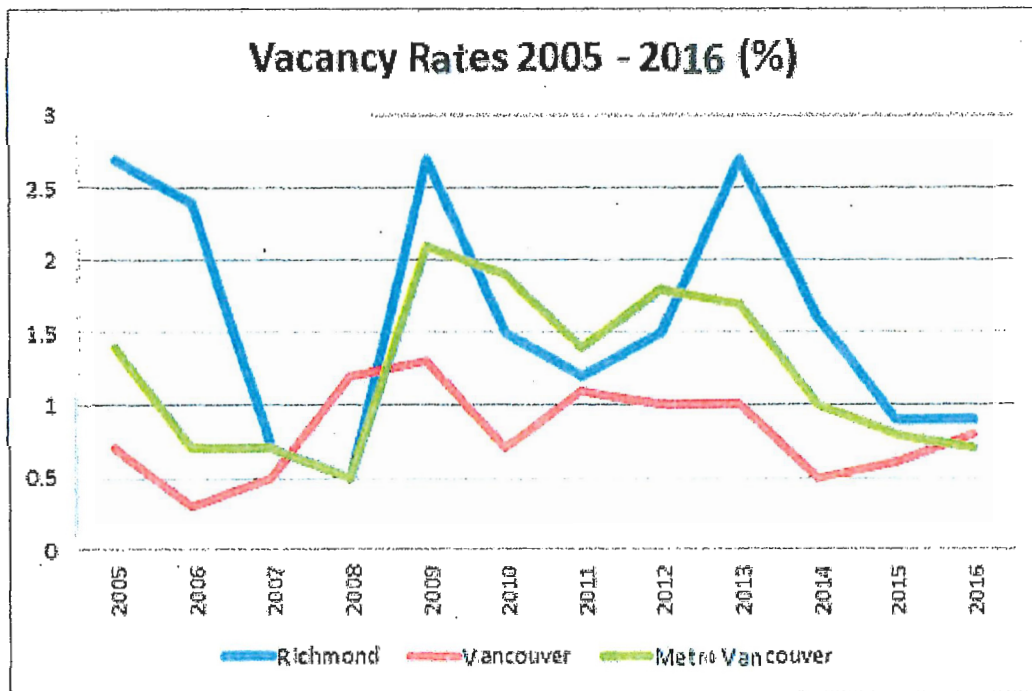
**ATTACHMENT 6:  
Indicators of Need for Market Rental Housing**

Persistently Low Vacancy Rates

In 2016, the overall rental vacancy rate in Richmond was 0.9%. This is an average decrease of 25% in vacancy since 2011. (The vacancy rates for one bedroom apartments in 2016 was slightly higher at 1.4%.) According to the most recent CMHC Rental Market Report (Fall 2016), the average vacancy rate for purpose-built apartments in Canada was 3.7%, a rate that many housing professionals believe to be a healthy rental market.

Figure 1 provides a summary of how vacancy rates have changed in Richmond from 2007 to 2016 with comparisons to Vancouver and Metro Vancouver.

**Figure 1: Vacancy Rates in Richmond, Vancouver and Metro Vancouver, 2007-2016**



Increasing Average Rents

Between 2011 and 2016, the average rents for all sizes of purpose built rental units in Richmond have increased by 12.4%; the largest increase (24%) was for three bedroom units. Figure 2 displays the increase in rent for all unit types in Richmond from 2011 – 2016. The average rents, for all rented units in Richmond, are slightly lower than the Metro Vancouver average. However, rents throughout the region have been increasing at approximately the same rate since 2013. As rents may change any time, it is important to retain the existing rental housing stock and to increase the supply.

**Figure 2: Richmond Monthly Average Market Rents, by Unit Type, 2011-2016**

Richmond Monthly Average Market Rents, by Unit Type, 2011-2016				
Year	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +
2011	736	905	1,278	1,325
2012	749	947	1,365	1,417
2013	796	953	1,177	1,508
2014	808	994	1,198	1,327
2015	843	1,025	1,296	1,596
2016	901	1,083	1,353	1,644
<b>% Change</b>	<b>22.4</b>	<b>19.7</b>	<b>5.9</b>	<b>24</b>

Source: CMHC, 2011 – 2016 Rental Market Surveys

### The Growing Income Gap

In 2011<sup>7</sup>, the median annual income in Richmond was as follows:

- \$42,483 for renter households;
- \$66,661 for owner households (57% higher than the median annual renter household income); and
- \$60,479 for all Richmond households.<sup>8</sup>

While all household incomes increased between 2006 and 2011, renter household median incomes increased at a lower rate than other Richmond households:

- 9% increase in the median annual income of renter households between 2006 and 2011;
- 12% increase in the median annual income of owner households between 2006 and 2011; and
- 13% increase in the median annual income of all households between 2006 and 2011.

Despite having similar living costs, renters' incomes, on average in Richmond, are much lower than owners'.

Figure 3 identifies the minimum annual income needed by a Richmond household in order for the household to spend 30% or less of its annual income on an average priced rental unit.

<sup>7</sup> Metro Vancouver, based on 2011 Census.

<sup>8</sup> Median annual income for all Richmond households from the 2016 Census was \$65,241. Income by tenure at the municipal level will not be available until approximately late 2017.

**Figure 3: Annual Income Necessary to Rent in Richmond, by Unit Type**

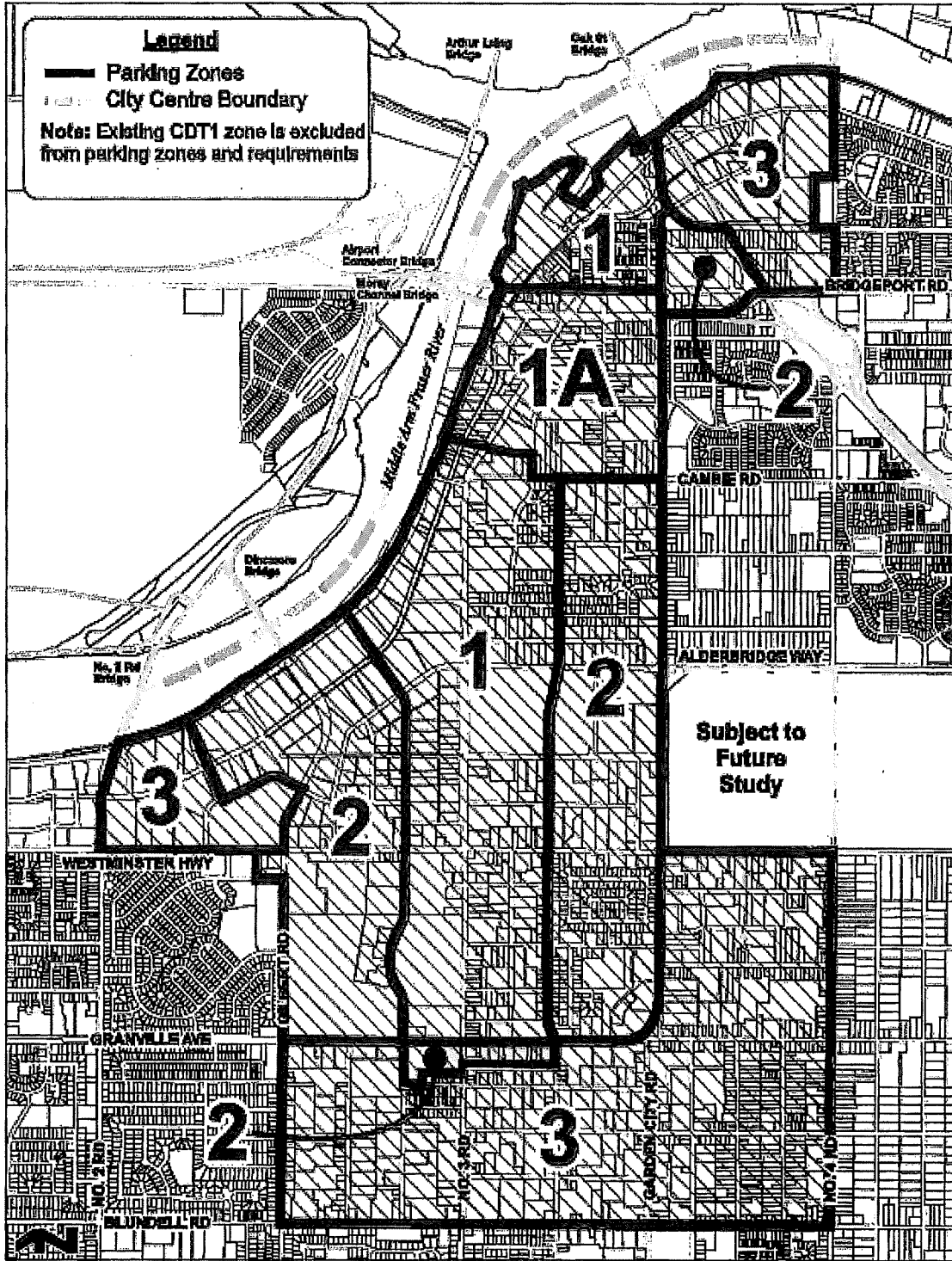
Annual Income Necessary to Rent in Richmond, by Unit Type				
Housing Type	3+ Bedroom	2 Bedroom	1 Bedroom	Bachelor
Average Monthly Rent	\$1,644	\$1,353	\$1,083	\$901
Annual Income Necessary to Rent with 30% Gross Debt Service Ratio (GDS) (GDS = annual housing costs/gross household income)	\$65,760	\$54,120	\$43,320	\$36,040
Source: Metro Vancouver, 2016. Housing Data Booklet & Community Social Development 2017				

To affordably rent an average one-bedroom in Richmond, households would need to earn \$43,320 annually. Figure 4 highlights the top five occupations in Richmond (by number of employees) for individuals who live and rent in the city. Of these, only employees in professional, scientific & technical services appear to earn enough compensation to affordably rent a one bedroom apartment in Richmond (assuming 30% of annual income spent on shelter).

**Figure 4: Top Occupations for Richmond Renter Households and Average Salaries**

Top Occupations for Richmond Renter Households and Average Salaries		
Occupation	Number of Renter Households Employed	Average Individual Income
Restaurant and Hospitality	2,980	\$21,655
Retail	1,985	\$28,332
Professional, Scientific & Technical Services	1,575	\$45,601
Healthcare & Social Services	1,515	\$37,140
Transportation & Warehousing	1,445	\$37,354
Source: BC Non-Profit Housing Authority (BCNPHA) Rental Housing Index, 2014		

ATTACHMENT 7:  
City Centre Parking Zones



**ATTACHMENT 8:  
Market Rental Scenarios and Proposed Policy Requirements and Incentives**

Scenario	Proposed Policy Requirements and Incentives
<p>1. Demolition and Replacement of Existing Market Rental Units and Rezoning to Allow Additional Market Rental Units</p>	<ul style="list-style-type: none"> <li>• Require site to be maintained for rental only</li> <li>• Require a Building Condition Assessment Report (to demonstrate need for demolition)</li> <li>• Require a Tenant Relocation Plan which would include:               <ul style="list-style-type: none"> <li>○ Consultation with tenants</li> <li>○ Right of First Refusal for existing tenants to move back in to new units</li> <li>○ Financial and relocation assistance for tenants residing longer than one year which would include 3 months' free rent or lump sum equivalent at the discretion of the tenant</li> </ul> </li> <li>• Require 1:1 Replacement of existing units with:               <ul style="list-style-type: none"> <li>○ Same number of bedrooms and ground orientation (units may be different sizes)</li> <li>○ Low-End Market Rental (LEMR) rates (existing tenants do not have to meet income thresholds)</li> <li>○ Housing Agreement to secure Low-End Market Rental (LEMR) rates for replacement units</li> </ul> </li> <li>• New (non-replacement) units:               <ul style="list-style-type: none"> <li>○ Require market rental tenure</li> <li>○ Require a minimum % of units to be family friendly (e.g., 2+BR)</li> </ul> </li> <li>• Allow a maximum density bonus:               <ul style="list-style-type: none"> <li>○ 0.20 FAR for ground oriented townhouses and wood-frame apartments</li> <li>○ 0.25 FAR for concrete high-rise apartments</li> <li>○ Subject to locational requirements, DP compliance, consultation, etc. (see Figure 1 in report)</li> </ul> </li> <li>• Utilize proposed new market rental parking rates (see Figure 3 in report)</li> <li>• Waive built affordable housing or cash-in-lieu requirements for new market rental units only</li> <li>• Waive public art and community planning contribution costs for market rental units only</li> </ul>
<p>2. Rezone to Build 100% New Market Rental (no existing market rental on site)</p>	<ul style="list-style-type: none"> <li>• <b>A: Density Bonus Incentive Approach</b> <ul style="list-style-type: none"> <li>○ Allow a maximum density bonus:                   <ul style="list-style-type: none"> <li>▪ 0.20 FAR for ground oriented townhouses and wood-frame apartments</li> <li>▪ 0.25 FAR for concrete high-rise apartments</li> <li>▪ Subject to locational requirements, demonstrated fit with neighbourhood, compliance with OCP land-use designations and DP guidelines applicable to the site, consultation, etc. (see Figure 1 in report)</li> </ul> </li> <li>○ Require a Housing Agreement to secure rental tenure in perpetuity</li> <li>○ Require family friendly units (e.g. a minimum % of units to be 2+BR)</li> <li>○ Waive built affordable housing or cash-in-lieu requirements – No Low-End Market Rental (LEMR) requirement</li> <li>○ Waive public art and community planning contribution costs</li> <li>○ Utilize proposed new market rental parking rates (see Figure 3 in report)</li> </ul> </li> </ul>

Scenario	Proposed Policy Requirements and Incentives
<p>3. Rezone to Build a Mix of Market Rental and Strata Units</p>	<ul style="list-style-type: none"> <li>• <b>A: Density Bonus Incentive Approach</b> <ul style="list-style-type: none"> <li>○ Allow a maximum 0.10 FAR density bonus - to be used solely for market rental units - for ground oriented townhouses, wood-frame apartments, concrete high-rise apartments</li> <li>○ Subject to locational requirements, demonstrated fit with neighbourhood, compliance with OCP land-use designations and DP guidelines applicable to the site, consultation, etc. (see Figure 1 in report)</li> <li>○ Maintain market rental units as a block (no separate sale)</li> <li>○ Require a Housing Agreement to secure rental tenure in perpetuity</li> <li>○ Require family friendly units (e.g. a minimum % of units to be 2+BR) for market rental units</li> <li>○ Waive public art and community planning contribution costs for market rental units only</li> <li>○ Waive built affordable housing or cash-in-lieu requirements for market rental units only – No Low-End Market Rental (LEM/R) requirement for new market rental units</li> <li>○ Utilize proposed new market rental parking rates for market rental only (See Figure 3 in report)</li> </ul> </li>   <li>• <b>B: Mandatory Requirement Approach</b> <ul style="list-style-type: none"> <li>○ Require a percentage of market rental units in all new residential developments (no additional density beyond current OCP provided):                             <ul style="list-style-type: none"> <li>▪ 15% market rental units in wood frame townhouses or apartments outside City Centre</li> <li>▪ 10% market rental units in wood frame apartments in City Centre</li> <li>▪ 5% market rental units in City Centre concrete high rises</li> </ul> </li> <li>○ Maintain market rental units as a block (no separate sale)</li> <li>○ Require a Housing Agreement to secure rental tenure in perpetuity</li> <li>○ Require family friendly units (e.g. a minimum % of units to be 2+BR) for market rental units</li> <li>○ Waive public art and community planning contribution costs for market rental units only</li> <li>○ Waive built affordable housing or cash-in-lieu requirements for market rental units only – No Low-End Market Rental (LEM/R) requirement for new market rental units</li> <li>○ Utilize proposed new market rental parking rates for market rental only (See Figure 3 in report)</li> </ul> </li>   <li>• <b>C: Hybrid Approach</b> <ul style="list-style-type: none"> <li>○ Require a percentage of market rental units in all new residential developments with an additional density bonus beyond current OCP (amount of bonus to be determined):                             <ul style="list-style-type: none"> <li>▪ 15% market rental units in wood frame townhouses or apartments outside City Centre</li> <li>▪ 10% market rental units in wood frame apartments in City Centre</li> <li>▪ 5% market rental units in City Centre concrete high rises</li> </ul> </li> <li>○ Maintain market rental units as a block (no separate sale)</li> <li>○ Require a Housing Agreement to secure rental tenure in perpetuity</li> <li>○ Require family friendly units (e.g. a minimum % of units to be 2+BR) for market rental units</li> <li>○ Waive public art and community planning contribution costs for market rental units only</li> </ul> </li> </ul>

Scenario	Proposed Policy Requirements and Incentives
<p>4. Secondary Suites in Townhouses or Apartments</p>	<ul style="list-style-type: none"> <li>○ Waive built affordable housing or cash-in-lieu requirements for market rental units only – No Low-End Market Rental (LEMR) requirement for new market rental units</li> <li>○ Utilize proposed new market rental parking rates for market rental only (See Figure 3 in report)</li> </ul> <p><u>Secondary Suites</u></p> <ul style="list-style-type: none"> <li>• <b>A: Incentives Based Approach</b> <ul style="list-style-type: none"> <li>○ Establish a minimum secondary suite size of 25 m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> <li>○ Allow a maximum of 50% of townhouse or apartment units to contain secondary suites</li> <li>○ Where secondary suites are provided in an apartment building, consider lowering the family friendly requirements (e.g. allow a lower % of 2 BR and 3 BR units)- to be determined in consultation with the developer</li> <li>○ Parking:                             <ul style="list-style-type: none"> <li>▪ Townhouses: an additional parking space only required on Arterial Roads, <u>unless</u> the dwelling unit has two dedicated side-by-side (non-tandem) arranged parking spaces</li> </ul> </li> <li>○ Parking:                             <ul style="list-style-type: none"> <li>▪ Apartments: an additional parking space only required outside City Centre on Arterial Roads, <u>unless</u> the dwelling unit has two dedicated (non-tandem) arranged parking spaces</li> </ul> </li> <li>○ Waive affordable housing cash-in-lieu and built requirements for the secondary suite area only (Strata units would continue to be required to make affordable housing contributions)</li> <li>○ Waive public art and community planning contribution rates for the market rental suite area only</li> <li>○ Secondary suite may not be strata-titled</li> </ul> </li> <li>• <b>B: Mandatory Approach</b> <ul style="list-style-type: none"> <li>○ Prescribe a minimum percentage of secondary suites required in all townhouses and apartments</li> <li>○ Require a minimum of 10% and a maximum of 50% of townhouse and apartment units to contain secondary suites</li> <li>○ Establish a minimum secondary suite size of 25 m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> <li>○ Where secondary suites are required in an apartment building, consider lowering the family friendly requirements (e.g. allow a lower % of 2 BR and 3 BR units)- to be determined in consultation with the developer</li> <li>○ Parking:                             <ul style="list-style-type: none"> <li>▪ Townhouses: an additional parking space only required on Arterial Roads, <u>unless</u> the dwelling unit has two dedicated side-by-side (non-tandem) arranged parking spaces</li> </ul> </li> <li>○ Parking:                             <ul style="list-style-type: none"> <li>▪ Apartments: an additional parking space only required outside City Centre on Arterial Roads, <u>unless</u> the dwelling unit has two dedicated (non-tandem) arranged parking spaces</li> </ul> </li> <li>○ Waive affordable housing cash-in-lieu and built requirements for the secondary suite area only (Strata units would continue to be required to make affordable housing contributions)</li> </ul> </li> </ul>



Proposed Policy Requirements and Incentives	
Scenario	
5. Strata Conversion of Market Rental Units	<ul style="list-style-type: none"> <li>o Waive public art and community planning contribution rates for the market rental suite area only</li> <li>o Secondary suite may not be strata-titled</li> <li>• Vacancy rates must be more than 4% and the number of affected units 4 or more</li> <li>• Written views of tenants required</li> <li>• Building Condition Assessment Report (building life expectancy, compliance with City bylaws, etc.)</li> <li>• Right of First Refusal for existing tenants to purchase strata units at a 5% discount to market prices</li> <li>• Financial and relocation assistance for tenants residing longer than one year</li> <li>• Provision of open space, landscaping, common facilities, off-street parking and loading spaces</li> </ul>



**Workshop with Richmond Home Builders Group  
Draft Market Rental Housing Policy  
Thursday, January 18, 2018  
9:00 am to 12:00 noon  
Richmond City Hall, 6911 No. 3 Road, Room 8.120**

**Attendees:**

- 20 Richmond Home Builders Group members and staff present: Ajit Thaliwal, Raman Kooner, Hollie Whitehead, Brad Dore, Jim Biniatz, Nicholas Poon, Jas Sandhu, Lynn Tan, Robert Ethier, Sam Sandhu, Gursher Randhawa, Rick Sian, Mukhtair Sian, Samuel Yau, Jeff Jiang, Matthew Cheng, Rav Bains, Satwant Atwal, two individuals who did not sign in
- City of Richmond Staff: Tina Atva, Cathy Swan, Jeanette Elmore, Cynthia Lussier, Terry Sidhu, Sonali Hingorani, Kim Sommerville

**KEY FINDINGS:**

- Rules for building rental housing should be clear and concise.
- Parking rates are currently too restrictive, both for costs and site planning.
- There should be some kind of protection for tenants.
- Developers know the market best and should be allowed flexibility in responding.
- Implementation of this policy must be economically viable for development.
- Builders are supportive of an incentive-based policy.
- The City should do something about housing now to prevent a worse housing crisis in future.
- Builders are not supportive of mixing market rental units with strata units in a single building; if rental housing suites become mandatory, consider a 'banking' approach to allow these to be built as part of a 100% market rental project.
- There are concerns regarding tracking tenants' incomes year to year to ensure compliance with LEMR rates, and respecting tenants' privacy.
- It is difficult to ensure people who most need rental assistance are those who receive it.
- There is concern for how density can be added without changing the form and character.
- Building market rental without any parking, or without outdoor amenity space, should be explored as these are generally wasted space.
- The City should review requirements for secondary suites and coach houses to make these more appealing to build.
- Consider different tenure models, such as a rent-to-own approach.
- Consider much more reduced parking requirements, such as zero parking requirements for studio suites near transit.
- Builders question whether comments from the workshop really going to influence revisions this policy.
- Parking rates should reflect current and future needs, which are anticipated to decrease in response to changing technology, and/or number of bedrooms.

**DETAILED SUMMARY OF COMMENTS: Richmond Home Builders Group Workshop Jan, 18, 2018**

#	Question	Detailed Feedback
1	Describe your experience with market rental buildings in Richmond and elsewhere in the region.	
2	One objective of the draft Market Rental Housing Policy is to protect the existing stock of market rental housing. What comments or insight does the Richmond Home Builders Group have about this objective?	
3	What is your view on the following directions proposed:	
	<p>a. Strengthen the existing Strata Conversion Policy (Policy Direction #1) (The current policy states that Council could refuse applications to convert rental units to more strata if vacancy rates are under 2% and the number of affected units is 12 or more. The proposed policy would require a 4% vacancy rate and change the number of affected units to 4.)</p> <p>b. Enhance the current 1:1 Replacement Policy (Policy Direction #3) (Current OCP policy requires the 1:1 replacement of rental units at affordable rates. The draft policy proposes requiring the same number of bedrooms &amp; ground orientation at the time of redevelopment.)</p>	<ul style="list-style-type: none"> <li>• It will be difficult to replace rental at lower than market rates due to the high cost of land and loans for construction.</li> <li>• The economics are difficult to work with in order to build market rental without restrictions, and is more difficult if rental restrictions are put in.</li> <li>• The City should consider requiring a declaration of income / assets so that people who really qualify for affordable housing / affordable rental can access it.</li> <li>• If people are found to be cheating the system, they should pay a penalty to the City.</li> <li>• Participants question whether landlords can legally ask for income information.</li> </ul>
4	The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a certain percentage of new market rental units to have two or more bedrooms. Please comment on this direction. Does the Richmond Home Builders Group anticipate any obstacles to securing "family-friendly" units?	<ul style="list-style-type: none"> <li>• Family-friendly requirements are feasible for market-rate developments; however:                         <ul style="list-style-type: none"> <li>○ an excess of 2-3 bedrooms is hard to build for affordable / LEMR rate units, developers will lose money in this case;</li> <li>○ the City should consider more flexible use of space such as designing easily dividable rooms so renters can decide whether they want another bedroom or unit.</li> </ul> </li> </ul>

#	Question	Detailed Feedback
5	<p>Which of the following ratios do you believe would be most appropriate to ensuring that new market rental buildings in Richmond contain two and three bedroom (or “family-friendly”) units:</p> <ul style="list-style-type: none"> <li>a. minimum 20% of new market rental units to be family friendly;</li> <li>b. minimum 30% of new market rental units to be family friendly;</li> <li>c. minimum 40% of new market rental units to be family friendly; or</li> <li>d. other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Demand exists for 2-3 bedroom units in condos and rental buildings</li> <li>• Although it is reasonable to dictate a minimum number of family friendly units, developers know the market and should be able to determine case by case.</li> <li>• Location matters: higher number of family friendly units should be concentrated near schools (35-40%) and much fewer in City Centre, unless near schools, day-cares or parks. There is not likely to be renter families along No.3 Road / Downtown because of lack of amenities that families want.</li> <li>• Don’t differentiate between 2 and 3 bedrooms.</li> <li>• More analysis is required to determine locations and numbers.</li> <li>• There should be a threshold size of project where market rental is required; anything else should not be subject to requirements.</li> <li>• To ensure affordability, government should provide land for housing.</li> </ul>
6	<p>Comment on the proposed Tenant Relocation Plan requirements. (The draft policy proposes that all tenants be given the right-of-first refusal to move back to the new building and that tenants living in the existing building longer than one year be provided with relocation assistance and financial compensation.)</p>	<ul style="list-style-type: none"> <li>• Tenant relocation requirements would be very difficult to achieve, and would prevent consideration of a rental redevelopment.</li> <li>• The City should hire or assign an “aid” or assistant to help with tenant relocations for existing renters.</li> <li>• Tenant relocation requirements create uncertainty for development; developers need to prove the amount of income they will produce once the building is occupied, and promising units back to existing renters who may not be able to pay higher rents creates too much uncertainty.</li> </ul>
7	<p>What do you think would be the most effective way for the City to increase the supply of market rental housing in Richmond:</p> <ul style="list-style-type: none"> <li>a. Offer incentives so it is more attractive for developers to build new market rental housing units;</li> <li>b. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units;</li> <li>c. Make it mandatory that all new multi-family residential</li> </ul>	<ul style="list-style-type: none"> <li>• Prezoning certain areas of the city for townhouses or apartments to be used for rental subject to a housing agreement, along with density bonusing, is preferred (e.g. not only within City Centre, but near schools and neighbourhood centres outside of City Centre).</li> <li>• 2<sup>nd</sup> preferred approach is an incentives-based approach (e.g. density bonusing, and additional incentives).</li> <li>• Mandatory approach not supported, however, if City Council were to decide to go that route, there must be a minimum project size (e.g. only the larger projects with many units) and reduced/waived DCCs should be considered</li> </ul>

#	Question	Detailed Feedback
	<p>developments include some amount of market rental housing units but also offer incentives to developers; or                      d. Other.</p>	<p>along with fast-tracking.</p>
8	<p>What do you anticipate the outcomes of the proposed density bonus framework will be? Will it incentivize the development of new market rental housing in the city? The draft policy proposes:</p> <ul style="list-style-type: none"> <li>• 0.20 FAR for ground oriented townhouses and wood frame apartments;</li> <li>• 0.25 Far for concrete buildings in City Centre; and</li> <li>• for mixed market rental and strata buildings, 0.10 FAR to be used exclusively for market rental units.</li> </ul>	<ul style="list-style-type: none"> <li>• Zoning for the subject site has to allow for the added density to be physically accommodated on-site without compromising other factors.</li> <li>• The 0.1 FAR bonus proposed for projects that contain a mix of strata and rental units is not appealing due to complexity.</li> </ul>
9	<p>Please comment on the following potential incentives to increase the supply of new market rental housing in Richmond:</p>	
	<p>a. Adopting lower parking requirements for market rental housing units;</p>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
	<p>b. Waiving the affordable housing requirements for market rental units;</p>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
	<p>c. Waving the public art contribution fee for market rental units;</p>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
	<p>d. Waiving the community planning contribution costs (where it applies) for market rental units (these fees are used to help pay for planning new services and infrastructure);and</p>	<ul style="list-style-type: none"> <li>• Yes</li> </ul>
	<p>e. Fast tracking development applications where 100% of the new units are market rental units.</p>	<ul style="list-style-type: none"> <li>• Yes, but not only where 100% of the units are market rental; the percentage should be lowered.</li> </ul>
10	<p>Does the Richmond Home Builders Group believe that providing suites in townhouses and apartments should be mandatory or voluntary? Why or why not? What is the level of interest in the local marketplace for suites?</p>	<ul style="list-style-type: none"> <li>• The footprint of townhomes is generally too small to allow suites, especially for three storey townhomes</li> <li>• Where tandem parking is a requirement due to lot configuration, suite is impractical not only because of the small footprint but also because an additional parking stall would be required</li> <li>• Small suites could be accommodated where</li> </ul>

#	Question	Detailed Feedback
		<p>parking is side by side and facing the frontage street, but these are generally the higher end units that don't need mortgage helpers</p> <ul style="list-style-type: none"> <li>• Parking requirements combined with height restrictions are barriers to building suites</li> <li>• Consider allowing reduction of parking spaces where bike parking is provided</li> <li>• A market exists for suites in apartments:                             <ul style="list-style-type: none"> <li>○ secondary suites are easy to accommodate in apartments, additional costs are insignificant;</li> <li>○ geometry of site and building dictates whether suites are included (must allow wide units for two entrances).</li> </ul> </li> <li>• Need to address housing, but bylaws should allow flexibility to address individual site constraints</li> </ul>
11.	<p>What is your view on the following preliminary regulations for secondary suites in townhouses and apartments (these would apply if providing suites was mandatory or voluntary):</p> <p>a. Minimum secondary suite size of 25m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</p> <p>b. Maximum of 50% of multi-family units may contain suites.</p>	<ul style="list-style-type: none"> <li>• For townhomes, 21 m<sup>2</sup> is the ideal size, 25 m<sup>2</sup> is too big.</li> </ul>
12	<p>What would the Richmond Home Builders Group recommend to the City in terms of the following questions:</p> <p>a. Should there be a maximum secondary suite size (in townhouses and apartments)?</p> <p>b. Should secondary suites be required in market rental, strata and affordable housing units?</p> <p>c. Should secondary suites in townhouses or apartments be required in all unit sizes, or only larger units?</p>	<ul style="list-style-type: none"> <li>• Generally the larger, higher end units don't need mortgage helpers.</li> </ul>
13	<p>Do you have suggestions about how to enhance the accessibility of market rental housing units? (The draft policy recommends that all new market rental units incorporate Building Universal Housing Features (BUH), such as wider doorways and easy to grasp handles. [A floor area exemption of 1.86 m<sup>2</sup> is</p>	

#	Question	Detailed Feedback
	permitted in the Richmond Zoning Bylaw]. To be eligible for a density bonus, BUH would be mandatory.)	
14	Is there anything else the City should be doing to encourage more market rental housing?	<ul style="list-style-type: none"> <li>• Townhouses outside of City Centre should be subject to further parking reduction to make rental more viable (closer to 1.5/u)</li> <li>• Look at coach house / secondary suite parking requirements.</li> <li>• Consider potential reduction in associated visitor parking.</li> <li>• Consider waiving DCCs (like Vancouver) to make this viable (Rental 100 Program to be looked at).</li> </ul>
15.	Does the Richmond Home Builders Group have any other comments, questions or concerns about development of market rental housing in Richmond?	

**LIST OF PARTICIPANTS**

	<b>Name</b>	<b>Organization</b>
1	Ajit Thaliwal	Sutton Group
2	Raman Kooner	Sutton Group
3	Hollie Whitehead	Balandra Development
4	Brad Dore	Reine Design
5	Jim Biniiaz	White Rhino
6	Nicholas Poon	Alabaster Homes
7	Jas Sandhu	Free World Construction
8	Lynn Tan	Dual Construction
9	Robert Ethier	Reliable Value Homes
10	Sam Sandhu	P.G. Properties
11	Gursher Randhawa	Suk Binder – Stockholm Group
12	Rick Sian	Sian Group
13	Mukhtair Sian	Sian Group
14	Samuel Yau	Licon Construction
15	Jeff Jiang	JPC Services Inc.
16	Matthew Cheng	Matthew Cheng Architect
17	Rav Bains	Remax WestCoast
18	Satwant Atwal	Pavan Developments Ltd.
19	(an individual who did not sign in)	
20	(an individual who did not sign in)	





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**Workshops with UDI Subcommittee  
Draft Market Rental Housing Policy  
Wednesday, January 24, 2018  
Tuesday, February 13, 2018**

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**Workshop #1**

**Date: January 24, 2018, 2:30 -4:30 pm, Richmond City Hall, 6911 No. 3 Road, Room M.1.002**

**Attendees:**

- 10 UDI Subcommittee members and staff present: Dana Westermarck, Chris Ho, Alexander Ray, Nicholas Standeven, McGregor Wark, Tim Yeung, Jeff Fisher, Marissa Chan-Kent, Byron Lee
- City Staff: Tina Atva, Cathy Swan, Diana Nikolic, Jeanette Elmore, Sonali Hingorani, Joyce Rautenberg

**Workshop # 2**

**Date: February 13, 2018, 3:00 – 4:30 pm, Richmond City Hall, 6911 No. 3 Road, Room M.2.002**

**Attendees:**

- 5 UDI Subcommittee members and staff present: Dana Westermarck, Alexander Ray, McGregor Wark, Jeff Fisher, Byron Lee
- City Staff: Tina Atva, Cathy Swan, Suzanne Carter-Huffman, Wayne Craig, Jeanette Elmore, Sonali Hingorani, Terry Sidhu

**KEY FINDINGS:**

- The restrictions that Richmond places on constructing rental buildings are prohibitive and unless sweeping changes are made no one will be building these any time soon.
- The objectives of protecting existing rental and building more market rental can be at odds with each other.
- Many of the proposed policies, especially strata conversion and tenant relocation are issues for Landlord BC to address, not UDI or the municipality.
- If the City wants to create more market rental housing it will need to be bolder with its plan.
- Consider tax breaks, reducing or eliminating DCCs, waiving amenities.
- The City needs to be much more aggressive in what is offered to developers (e.g. FAR).
- The City should really take advantage of existing rental sites that are low density and encourage them to densify.
- Developers prefer to have fewer restrictions and requirements, with more flexibility to respond to the market.
- Even where land is free, it is challenging to make the economics of rental housing feasible.

**DETAILED SUMMARY OF COMMENTS:  
Subcommittee Workshops (January 24, 2018 and February 13, 2018)**

#	Question	Detailed Feedback
1	Describe your experience with market rental buildings in Richmond and elsewhere in the region.	
2	One objective of the draft Market Rental Housing Policy is to protect the existing stock of market rental housing. What comments or insight do you have about this objective?	<ul style="list-style-type: none"> <li>• A dilapidated old building is not equal to a new building with new technology and new appliances.</li> </ul>
3	<p>What is the view of UDI’s subcommittee on Policy Direction #1: Strengthen the existing Strata Conversion Policy. (The current policy states that Council could refuse applications to convert rental units to more strata if vacancy rates are under 2% and the number of affected units is 12 or more. The proposed policy would require a 4% vacancy rate and change the number of affected units to 4.)</p>	<ul style="list-style-type: none"> <li>• The existing policy is working (if it’s not broken, don’t fix it).</li> <li>• This applies also to Policy Direction #2 (encourage owners to keep buildings in good repair).</li> <li>• The policy should fall away after 2-4% vacancy is achieved.</li> <li>• It is difficult to know what actual vacancy is.</li> <li>• Strata conversion is key to creating affordable housing ownership.</li> <li>• Increasing the vacancy rate is a political statement as there have been no applications even at the 2% vacancy rate.</li> <li>• The City shouldn’t force landlords to keep buildings past their lifespans; it puts landlords in difficult position of being forced to maintain dilapidated building.</li> </ul>
4	<p>Please comment on Policy Direction #3: Enhance the current 1:1 Replacement Policy. (Current OCP policy requires the 1:1 replacement of rental units at affordable rates. The draft policy proposes requiring the same number of bedrooms &amp; ground orientation at the time of redevelopment.)</p>	<ul style="list-style-type: none"> <li>• Requiring exact 1:1 replacement ignores the fact that people can live better in smaller, better designed buildings.</li> <li>• A 1:1 replacement policy is difficult to achieve and it may be more realistic to tailor units to actual tenants needs (e.g., elderly tenant living in 3 bedroom, using only one, should not be moved back into a 3 bedroom).               <ul style="list-style-type: none"> <li>○ See Kiwanis development as an example: ground-oriented units were replaced with a tower, and seniors moved into smaller units</li> </ul> </li> <li>• Too many restrictions affect costs for developers, and rental is already difficult to build.</li> <li>• LEMR rates are too low and will be the biggest limited factor for developers and will take away from revenue that makes a project feasible.</li> <li>• Replacing at LEMR rates would be difficult.</li> </ul>
5	<p>It is suggested in the staff report to Council that existing market rental sites may be considered for additional density only if the site continues to be used for 100% market rental purposes. What does the UDI subcommittee anticipate the outcomes</p>	<ul style="list-style-type: none"> <li>• 100% rental replacement seems onerous. It is restrictive.</li> <li>• It would be nice if they could replace the market rentals on a site but build other types of housing (e.g.</li> </ul>

#	Question	Detailed Feedback
	would be with this proposed approach?	<p>market condos).</p> <ul style="list-style-type: none"> <li>• CoR needs to be aggressive in what it is offering builders and developers if they really want more purpose built market rental.</li> </ul>
6	The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a certain percentage of new market rental units to have two or more bedrooms. Please comment on this direction. Do you anticipate any obstacles to securing “family-friendly” units?	<ul style="list-style-type: none"> <li>• The economic viability of market rental is already hard (even without a possible # of bedroom requirement).</li> <li>• More restrictions make it even harder.</li> <li>• 3 bedroom units are not viable; consider making the third bedroom FAR exempt.</li> <li>• Consider in-board bedrooms (note this is a BCBC issue).</li> </ul>
7	<p>Which of the following ratios do you believe would be most appropriate to ensuring that new market rental buildings in Richmond contain two and three bedroom (or “family-friendly”) units:</p> <ol style="list-style-type: none"> <li>minimum 20% of new market rental units to be family friendly;</li> <li>minimum 30% of new market rental units to be family friendly;</li> <li>minimum 40% of new market rental units to be family friendly; or</li> <li>other, please specify</li> </ol>	<ul style="list-style-type: none"> <li>• Do not want to be made to build a certain number of 3 bedroom units.</li> <li>• In market rental, a tenant cannot be made to move if they are “overhoused”, which does happen to people who live in subsidized Co-ops.</li> <li>• Three bedroom units are hard to rent; they tend to sit empty for a long time because of the cost.</li> <li>• If a % is required, leave it at 2BR plus (don’t specify a % of 2 and 3 bedrooms separately.</li> <li>• In Hamilton, 2 bedroom + den was very popular.</li> </ul>
8	Do you have any experience with tenant relocation policies in other jurisdictions? If so, please describe how this worked for tenants and any challenges you may have encountered.	<ul style="list-style-type: none"> <li>• During the relocation of Kiwanis tenants, the developer paid the difference between previous rents and interim rents for a period of two years.</li> </ul>
9	<p>Please comment on the proposed Tenant Relocation Plan requirements that would apply when an existing market rental building is redeveloped (e.g. rezoning). (The draft policy proposes that all tenants be given the right-of-first refusal to move back to the new building and that tenants living in the existing building longer than one year be provided with relocation assistance and financial compensation.)</p>	<ul style="list-style-type: none"> <li>• Tenant relocation is very difficult when vacancy rates are so low, especially with considerations for pets and unit sizes.</li> <li>• Criteria can become too onerous for developers.</li> <li>• A Needs Assessment could help to determine various types of assistance required.</li> <li>• Some people could afford to move to a new place on their own.</li> <li>• Help those who really need it.</li> <li>• The Tenant Relocation Plan for Kiwanis worked because it was tailor-made for the project; tenants were subsidized for two years until the new building was constructed.</li> </ul>
10	<p>What do you think would be the most effective way for the City to increase the supply of market rental housing in Richmond:</p> <ol style="list-style-type: none"> <li>Offer incentives so it is more attractive for developers to build new market rental housing units;</li> <li>Make it mandatory that all new multi-family</li> </ol>	<ul style="list-style-type: none"> <li>• Do not like mandatory approach (e.g. requirements).</li> <li>• Because of limitations on height, water table, form and character, density bonusing for rental housing is not a great incentive in many areas.</li> </ul>

#	Question	Detailed Feedback
	<p>residential developments include some amount of market rental housing units;</p> <p>c. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units but also offer incentives to developers; or</p> <p>d. Other.</p>	
<p><b>11</b></p>	<p>What do you anticipate the outcomes of the proposed density bonus framework will be? Will it incentivize the development of new market rental housing in the city? The draft policy proposes:</p> <ul style="list-style-type: none"> <li>• 0.20 FAR for ground oriented townhouses and wood frame apartments;</li> <li>• 0.25 Far for concrete buildings in City Centre; and</li> <li>• for mixed market rental and strata buildings, 0.10 FAR to be used exclusively for market rental units.</li> </ul>	<ul style="list-style-type: none"> <li>• The density bonuses proposed are too low to encourage rental instead of strata-titled.</li> <li>• Density should be reviewed on a site by site basis to make it profitable.</li> <li>• Other municipalities are doing better at being flexible with densities: City of Kelowna has bonuses for units with more bedrooms, the entire downtown core has gone to 9 FAR, and there are 10-year tax breaks for rental housing.</li> <li>• Density bonusing is difficult in the City Centre because of height and depth restrictions; many developments are not even able to meet the density already allowed.</li> <li>• Setbacks could be reviewed.</li> <li>• Density bonusing might be more appropriate outside of the City Centre, where density bonus could potentially be increased.</li> <li>• Some older, poorly designed and low density sites (e.g. near the shopping centre at 2 &amp; Blundell) may have innovative opportunities. These sites may be the answer to being able to increase density enough to make the numbers work for a developer/builder.</li> <li>• Are there sites where the density is low and the City could provide more density bonus than what is currently offered?</li> <li>• If areas were designated for purpose-built market rental housing and put in the OCP that could encourage developers to build.</li> <li>• Spires Road is another area that could be looked into.</li> <li>• Garden City &amp; Granville (Citation Drive) would be a good place to explore this kind of initiative. There is not currently market rental on the site, but there are many units that are being rented out.</li> <li>• It was asked if the shopping centre redevelopments included only the shopping centre site or on neighbouring properties? Staff responded that it can be both depending on the site.</li> <li>• There are many sites that are outside of the City Centre that are ripe for redevelopment. Fifty year old buildings that are upside down on their depreciation report, wondering what they're going to do.</li> <li>• Richmond is too fixated on FAR.</li> </ul>

#	Question	Detailed Feedback
		<ul style="list-style-type: none"> <li>• 0.10 to 0.15 could be enough. Or 0.20?</li> </ul>
12	<p>Please comment on the following potential incentives to increase the supply of new market rental housing in Richmond:</p> <p>a. Adopting lower parking requirements for market rental housing units;</p>	<ul style="list-style-type: none"> <li>• Yes. Many parking stalls are not used, particularly visitor spots.</li> <li>• Visitors' parking rates are too high in Richmond.</li> <li>• Parking rates are too high in Richmond.</li> <li>• Cost savings are going to be undermined when EV charging requirements are implemented.</li> <li>• Prohibiting cars in the City Centre could be explored with one benefit being lower levels of car ownership and residential parking rate reductions as a result.</li> <li>• Shared-use parking should be better explored as well as maximum parking rates.</li> <li>• Costs for below-grade parking are prohibitive.</li> <li>• Could market rental have a EV parking requirement?</li> <li>• Perhaps every 2<sup>nd</sup> parking stall could be EV. People that rent would not be able to afford the \$40,000 that it costs now to purchase an EV.</li> <li>• Market rental parking stalls are not assigned like they are in strata. This should make it easier to provide spaces to people based on the type of vehicle that they own.</li> <li>• Secondary suites in townhouses or apartments: Do people who live in small units own cars? Younger people are not getting their drivers' licenses at all or are waiting until they are in their 20's. Providing a parking spot for a secondary suite can be a deal breaker. Tandem parking is especially difficult to work in extra parking for suites.</li> <li>• Has the City explored "Resident Only" parking on streets near the Canada Line as a way to reduce the amount of parking that is required to be provided?</li> <li>• (There is no resident only parking in City Centre. Complaints are directed to the RCMP.)</li> <li>• Is commercial parking an issue? (e.g. units not being able to provide enough parking if the parking was changed to resident only.)</li> <li>• If parking reduction is the only benefit that the City could provide, would that be a consideration to be "on the table" to entice more market rental units.</li> </ul>
	<p>b. Waiving the affordable housing requirements for market rental units;</p>	
	<p>c. Waving the public art contribution fee for market rental units;</p>	
	<p>d. Waiving the community planning contribution costs (where it applies) for market rental units (these fees are used to help pay for planning</p>	

#	Question	Detailed Feedback
	<p>new services and infrastructure);and</p> <p>e. Fast tracking development applications where 100% of the new units are market rental units.</p>	<ul style="list-style-type: none"> <li>• Fast track process would need to really move projects in a meaningful way,</li> <li>• Every City has a fast track process, but many of these are not much faster than the usual approval process.</li> <li>• Could take out a step in the review process (e.g. Advisory Design Panel?)</li> <li>• Interest rates are high and the longer it takes a project to be complete, the more it costs.</li> </ul>
13	<p>Do you believe that providing suites in townhouses and apartments should be mandatory or voluntary? Why or why not? What is the level of interest in the local marketplace for suites?</p>	<ul style="list-style-type: none"> <li>• Ability to build lock-off suites is a good compromise and allows flexibility.</li> <li>• Prefer voluntary approach.</li> </ul>
14	<p>What is your view on the following preliminary regulations for secondary suites in townhouses and apartments (these would apply if providing suites was mandatory or voluntary):</p> <ul style="list-style-type: none"> <li>• Minimum secondary suite size of 25m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> <li>• Maximum of 50% of multi-family units may contain suites.</li> </ul>	
15	<p>What would you recommend to the City in terms of the following questions:</p> <p>a. Should there be a maximum secondary suite size (in townhouses and apartments)?</p> <p>b. Should secondary suites be required in market rental, strata and affordable housing units?</p> <p>c. Should secondary suites in townhouses or apartments be required in all unit sizes, or only larger units?</p>	
16	<p>Do you have suggestions about how to enhance the accessibility of market rental housing units? (The draft policy recommends that all new market rental units incorporate Building Universal Housing Features (BUH), such as wider doorways and easy to grasp handles. [A floor area exemption of 1.86 m<sup>2</sup> is permitted in the Richmond Zoning Bylaw]. To be eligible for a density bonus, BUH would be mandatory.)</p>	<ul style="list-style-type: none"> <li>• Everyone builds BUH already.</li> </ul>
17	<p>Is there anything else the City should be doing to encourage more market rental housing?</p>	<ul style="list-style-type: none"> <li>• Property tax and provincial tax reductions are needed to encourage more rentals.</li> <li>• The City should lobby other levels of government for assistance.</li> </ul>

#	Question	Detailed Feedback
		<ul style="list-style-type: none"> <li>• Consider tax breaks, reducing or eliminating DCCs, waiving amenities.</li> <li>• The City needs to be much more aggressive in what we are offering (FAR) to developers.</li> <li>• The City should really take advantage of the sites that are low density (around shopping centres) and really encourage densifying them.</li> <li>• Aggressively upzoning these properties could help.</li> <li>• The “one size fits all” approach doesn’t really work in Richmond.</li> <li>• Aggregating market rental units that the developer has to provide as a condition of rezoning to one site would be very helpful.</li> <li>• Other municipalities in BC have offered DCC rebates based on unit type or size (e.g. 3 bedrooms).</li> <li>• Ten year tax holidays.</li> <li>• CAC waivers.</li> <li>• Not much room for more density in City Centre.</li> </ul>
18	Do you have any other comments, questions or concerns about development of market rental housing in Richmond?	<ul style="list-style-type: none"> <li>• Subcommittee would like to meet again to continue the discussion.</li> <li>• Members wonder if the policy will fix a problem or only create more bureaucracy.</li> <li>• A UDI member was interested in who came to the other stakeholder workshops.</li> <li>• The owners of older, poorly designed and low density sites (e.g. near the shopping centre at 2 &amp; Blundell) may have innovative opportunities. These sites may be the answer to being able to increase density enough to make the numbers work for a developer/builder.</li> <li>• A member felt that the City’s timeline should be a little longer in order to hear what senior levels of government are getting ready to release.</li> <li>• Would be happier if the final report went forward to Council in the summer, rather than the spring.</li> <li>• A member has been looking to build a market rental project in the lower mainland for the past 4 to 5 years and there is very little out there.</li> <li>• In today’s market it is much more lucrative to build condos.</li> <li>• It was felt that the current economy would have to crash before anything changes.</li> <li>• Would 120 market rental units per year be enough to fill the demand? 400 have been built in the last 10 years in Richmond.</li> <li>• YVR and others have employment needs to be met (and staff who need housing).</li> </ul>

***Comments made on Draft Market Rental Housing Policy at UDI/Richmond Liaison Committee – January 31, 2018:***

- Family-friendly units:
  - Hasn't been an issue with Affordable Housing unit requirements;
  - Fewer units could mean less revenue;
  - If push envelope on density, could open more doors.
- 1:1 Replacement – clarified that like for like means same orientation (not necessarily that a townhouse must be replaced with a townhouse – but must maintain door to ground level);
- Density Bonus :
  - Where could more density go? Outside City Centre?
  - Could be on a case-by-case basis; not in broad policy but allow wiggle room
  - Could Area Plans identify higher market rental density?
- Tenant Relocation:
  - Where would the “existing” status apply? Rezoning or DP? Currently varies across the region.
- Parking:
  - Drive reductions down further, especially with transit or with car share;
  - Will be fewer cars in future.
- Property Tax Waivers: does City have ability to waive for 5-10 years?



**LIST OF UDI SUBCOMMITTEE MEMBERS**

	<b>Name</b>	<b>Organization</b>
<b>1</b>	Dana Westermarck	Oris Consulting
<b>2</b>	Chris Ho	Polygon
<b>3</b>	Alexander Ray	Mosaic
<b>4</b>	Nicholas Standeven	Mosaic
<b>5</b>	McGregor Wark	Headwater Projects
<b>6</b>	Tim Yeung	Peterson
<b>7</b>	Jeff Fisher	UDI Staff
<b>8</b>	Marissa Chan-Kent	UDI Staff
<b>9</b>	Byron Lee	UDI Staff
<b>10</b>	Blaire Chisholm	Brook Pooni
<b>11</b>	Charan Sethi	Tien Sher



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**Stakeholder Workshop  
Draft Market Rental Housing Policy  
Tuesday, January 30, 2018  
8:30 to 10:30 am  
Richmond City Hall, 6911 No. 3 Road, Room M.2.004**

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**Attendees:**

- 11 stakeholders present: Jag Gill (Greater Vancouver Housing Corporation), Neil Spicer (Metro Vancouver), Diane Sugars and Ian Johnson (Chimo Community Services), Jeremy McElroy, Caitlin McCutcheon, and Nicki Simpson (Kwantlen Student Association), Kira Gerwing (VanCity), Mandy Luong (CMHC), Ella Huang (Richmond Centre for Disability), and De Whalen (Richmond Poverty Response Committee)
- City Staff: Tina Atva, Cathy Swan, Jeanette Elmore, Sonali Hingorani, Monica Bennington, Jordan Rockerbie

**KEY FINDINGS:**

- Attendees felt that it was important to consider any market rental policy within the context of other City housing policies (e.g. Affordable Housing Strategy, Arterial Road Land Use Policy)
- Concern that the development market is not delivering the number of rental units required based on the actual population growth in Richmond, in terms of both the number of units built and the types of units built.
- Although a significant proportion of rental units are provided by the “secondary” market (e.g. secondary suites, rented condos, rented single-detached or semi-detached homes), single-detached homes are the most volatile stock of rental housing due to development pressures, so the proposed policy should consider the impact that losing “family friendly” ground-oriented housing stock will have on the primary rental market.
- Significant concern that the “market rate” for rentals does not match local incomes, which places additional pressure on the affordable rental units and may displace vulnerable populations.
- Affordable housing providers should be supported and incentivized to operate market rental units as a way to complement their existing assets and provide additional cash flow
- Although family friendly units are important, there is an increasing need for single bedroom units to facilitate ageing in place, for both seniors downsizing and for young people moving out of the family home.
- Support for Building Universal Housing features in 100% of units, as minor renovations are less expensive for tenants and landlords than complete retrofits.
- Incentives should not be to the detriment of the community that is being created (e.g. waived public art or affordable housing contributions).

**DETAILED SUMMARY OF COMMENTS: Stakeholder Workshop: January 30, 2018**

#	Question	Detailed Feedback
1	Describe your experience with market rental buildings in Richmond and elsewhere in the region.	
2	One objective of the draft Market Rental Housing Policy is to protect the existing stock of market rental housing. What comments or insight do you have about this objective?	
3	What is your view subcommittee on Policy Direction #1: Strengthen the existing Strata Conversion Policy. (The current policy states that Council could refuse applications to convert rental units to more strata if vacancy rates are under 2% and the number of affected units is 12 or more. The proposed policy would require a 4% vacancy rate and change the number of affected units to 4.)	<ul style="list-style-type: none"> <li>• Align with other municipalities that have similar pressures.</li> <li>• Changing the parameters of this Policy may affect other City policies.</li> <li>• Strata conversion may provide affordable home ownership (e.g. If tenant is offered right of first refusal of a unit in an older building).</li> </ul>
4	Please comment on Policy Direction #3: Enhance the current 1:1 Replacement Policy. (Current OCP policy requires the 1:1 replacement of rental units at affordable rates. The draft policy proposes requiring the same number of bedrooms & ground orientation at the time of redevelopment.)	<ul style="list-style-type: none"> <li>• Disagree with requirement to replace 1:1 with same number of bedrooms in unit, as affordability may enable a change to living arrangements (e.g. co-habitation).</li> <li>• Consider 1:1 replacement based on identified needs, not necessarily what is being demolished.</li> <li>• Consider income testing for returning tenants if using LEMR rates.</li> <li>• Refer to Vancouver Rental 100, which sets rates for 1<sup>st</sup> year of rent.</li> <li>• Secondary rental units are the most at risk... is there a way to capture these lost units?</li> <li>• Ratio higher than 1:1 should be considered.</li> <li>• Replacement LEMR units and market rental units should continue to be in the same building.</li> </ul>
5	It is suggested in the staff report to Council that existing market rental sites may be considered for additional density only if the site continues to be used for 100% market rental purposes. What do you anticipate the outcomes would be with this proposed approach?	<ul style="list-style-type: none"> <li>• Outcome could be stabilized land value and potential increase in the number of rental units on the property.</li> </ul>
6	The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a certain percentage of new market rental units to have two or more bedrooms. Please comment on this direction. Do you anticipate any obstacles to securing "family-friendly" units?	<ul style="list-style-type: none"> <li>• No obstacle to securing "family friendly" units, but intended occupants may be out-competed by other populations.</li> <li>• "Family friendly" unit requirements may have a financial disincentive, so need to compensate for the reduced ROI on larger units.</li> </ul>

#	Question	Detailed Feedback
7	<p>Which of the following ratios do you believe would be most appropriate to ensuring that new market rental buildings in Richmond contain two and three bedroom (or “family-friendly”) units:</p> <ul style="list-style-type: none"> <li>e. minimum 20% of new market rental units to be family friendly;</li> <li>f. minimum 30% of new market rental units to be family friendly;</li> <li>g. minimum 40% of new market rental units to be family friendly; or</li> <li>h. other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Research is needed on the number of people co-habiting who would otherwise occupy a single bedroom unit.</li> <li>• Supply should match the demand in Richmond, i.e. if 40% of renters are families, then 40% of units should be family friendly.</li> <li>• Bedrooms are important, but unit size is also important.</li> <li>• Family friendly is more than just number of bedrooms, also need to consider on-site and neighbourhood amenities.</li> <li>• Metro Vancouver Housing Corporation has waitlist for one bedroom units due to ageing population, so consideration should be given to all unit sizes.</li> </ul>
8	<p>Please comment on the proposed Tenant Relocation Plan requirements that would apply at the time of redevelopment (e.g. rezoning). (The draft policy proposes that all tenants be given the right-of-first refusal to move back to the building and that tenants living in the existing building longer than one year be provided with relocation assistance and financial compensation.)</p>	<ul style="list-style-type: none"> <li>• Would be good to align Richmond’s policy with other municipalities (typ. 3 months’ rent plus relocation assistance).</li> <li>• Temporary housing as a temporary solution.</li> </ul>
9	<p>What do you think would be the most effective way for the City to increase the supply of market rental housing in Richmond:</p> <ul style="list-style-type: none"> <li>e. Offer incentives so it is more attractive for developers to build new market rental housing units;</li> <li>f. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units;</li> <li>g. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units but also offer incentives to developers; or</li> <li>h. Other.</li> </ul>	<ul style="list-style-type: none"> <li>• “No” to mandatory inclusion of rental units; City should incentivize development of rental units, or explore option for developers to invest in other rental sites.</li> </ul>
10	<p>What do you anticipate the outcomes of the proposed density bonus framework will be? Will it incentivize the development of new market rental housing in the city? The draft policy proposes:</p> <ul style="list-style-type: none"> <li>• 0.20 FAR for ground oriented townhouses and wood frame apartments;</li> <li>• 0.25 Far for concrete buildings in City Centre; and</li> </ul>	<ul style="list-style-type: none"> <li>• Look at Transit Oriented Affordable Housing study economic analysis</li> <li>• Agree that concrete and wood frame buildings should have different bonus amounts, due to difference in construction costs.</li> <li>• Bonus FAR in mixed rental and strata buildings needs to bump the economic value level past critical \$.</li> </ul>

#	Question	Detailed Feedback
	<ul style="list-style-type: none"> <li>for mixed market rental and strata buildings, 0.10 FAR to be used exclusively for market rental units.</li> </ul>	
11	Please comment on the following potential incentives to increase the supply of new market rental housing in Richmond: f. Adopting lower parking requirements for market rental housing units;	<ul style="list-style-type: none"> <li>Car-share and ride-hail pick-up areas should be considered when relaxing parking requirements.</li> </ul>
	g. Waiving the affordable housing requirements for market rental units;	<ul style="list-style-type: none"> <li>No, because this has negative impacts on City objectives identified in other policies.</li> </ul>
	h. Waving the public art contribution fee for market rental units;	<ul style="list-style-type: none"> <li>Should only be considered for below-market rental units.</li> <li>Disagree, as the public realm is just as important in rental buildings as condo buildings... mental health and happiness should not be casualties of the market.</li> </ul>
	i. Waiving the community planning contribution costs (where it applies) for market rental units (these fees are used to help pay for planning new services and infrastructure);and	
	j. Fast tracking development applications where 100% of the new units are market rental units.	<ul style="list-style-type: none"> <li>Support for fast tracking, but other unit mixes should be considered; why not 50% market rental?</li> </ul>
	General comments	<ul style="list-style-type: none"> <li>Is the incentive brush too broad?</li> <li>Who delivers rental housing, and who is their target market?</li> <li>Who ultimately benefits from incentives and subsidies? Eg. Is the lower cost of development being passed on to tenants through lower rental rates?</li> </ul>
12	Do you believe that providing suites in townhouses and apartments should be mandatory or voluntary? Why or why not? What is the level of interest in the local marketplace for suites?	<ul style="list-style-type: none"> <li>No, suites should be voluntary</li> </ul>
13	What is your view on the following preliminary regulations for secondary suites in townhouses and apartments (these would apply if providing suites was mandatory or voluntary): <ul style="list-style-type: none"> <li>Minimum secondary suite size of 25m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> </ul>	<ul style="list-style-type: none"> <li>Need to review the intent of secondary suites in townhouses and apartments; are these for family members? Students? May address a different population/need than secondary suites in single-family homes.</li> </ul>
	<ul style="list-style-type: none"> <li>Maximum of 50% of multi-family units may contain suites.</li> </ul>	
14	What would you recommend to the City in terms	<ul style="list-style-type: none"> <li>Yes, 40% of unit size. Maintain that suites are</li> </ul>

#	Question	Detailed Feedback
	<p>of the following questions:</p> <p>d. Should there be a maximum secondary suite size (in townhouses and apartments)?</p>	<p>secondary to the primary unit, not an informal duplex.</p>
	<p>e. Should secondary suites be required in market rental, strata and affordable housing units?</p>	<ul style="list-style-type: none"> <li>• No, never require a suite.</li> </ul>
	<p>f. Should secondary suites in townhouses or apartments be required in all unit sizes, or only larger units?</p>	<ul style="list-style-type: none"> <li>• If in townhouses, only in 3+ bedroom units.</li> </ul>
<p><b>15</b></p>	<p>Do you have suggestions about how to enhance the accessibility of market rental housing units? (The draft policy recommends that all new market rental units incorporate Building Universal Housing Features (BUH), such as wider doorways and easy to grasp handles. [A floor area exemption of 1.86 m<sup>2</sup> is permitted in the Richmond Zoning Bylaw]. To be eligible for a density bonus, BUH would be mandatory.)</p>	<ul style="list-style-type: none"> <li>• Check City of North Vancouver examples of adaptable design.</li> <li>• Should be 100% at build, as it is cheaper than a complete retrofit later.</li> <li>• Adaptable units and features important as tenants' needs change with age/ability.</li> <li>• How can the City provide support to access the available grants and resources?</li> </ul>
<p><b>16</b></p>	<p>Is there anything else the City should be doing to encourage more market rental housing?</p>	<ul style="list-style-type: none"> <li>• Redefine who and what the "market" is; non-profits and affordable housing operators should be encouraged and empowered to have a role in the delivery of more forms of housing, including market-rate units.</li> <li>•</li> </ul>
<p><b>17</b></p>	<p>Do you have any other comments, questions or concerns about development of market rental housing in Richmond?</p>	<ul style="list-style-type: none"> <li>• Pet-friendly units are difficult to come by in purpose-built rental buildings.</li> <li>• Can more forms of housing be allowed in residential neighbourhoods (e.g. coach house and secondary suites in combination).</li> <li>• Suites should be required to be rented.</li> <li>• Market rentals are not currently meeting the needs of seniors or students in Richmond.</li> <li>• Can this policy be applied to secondary rental market, i.e. condos and units in houses?</li> <li>• Do new market rental buildings actually serve the average Richmond resident, or are there affordability issues just as with home ownership? (e.g. Half of renters make more than \$70,000, but other half also needs to be considered).</li> <li>• Concern that an emphasis on market rental buildings will displace affordable rental development.</li> <li>• City should get data on vacant units.</li> <li>• As a committed, life longer renter, disappointed. Policy should be more aggressive.</li> </ul>

## Discussion points recorded from workshop groups:

### Group 1

Family-friendly (2 – 3 bedroom) buildings.

- Compensate for financial disincentive?
- Match supply with demand (i.e. 40% 2 – 3 Bedrooms)
- Non purpose built rentals often most at risk
- Minimum unit size: not just number of bedrooms
- Amenities need to be in place

Universal Design & Accessibility

- Require 100% at build (cheaper than a renovation by renter)
- Needs change through life (tenants)
- Support to access grants and resources
  
- PETS!!
- REDEFINE "MARKET"
  - Private only?
  - Non-profits have role?

Incentives

- Brush too broad?
  - Who delivers rental housing?
  - Who benefits from the subsidy, ultimately?
- Grow market supply through support of Non-profits
- Waiving contributions may damage community

### Group 2

Secondary Suites

- Consider combining secondary suites and coach house development
- Consider making suites be mandatory rental units

1:1 Replacement (Q #4)

- Consider 1:1 replacement with needs based for bedroom/size requirements
- Also consider minimum percentage of multi-bedroom units
- For 1:1 replacement, consider rent linked to income for existing tenants moving back in.
- Vancouver Rental 100 – set rates for 1<sup>st</sup> year of rent.
- Identify context between income and rents
- Temporary housing as temporary solution.

**LIST OF STAKEHOLDERS IN ATTENDANCE**

	<b>Name</b>	<b>Organization</b>
<b>1</b>	Jag Gill	Greater Vancouver Housing Corporation
<b>2</b>	Neil Spicer	Metro Vancouver
<b>3</b>	Diane Sugars	Chimo Community Services
<b>4</b>	Ian Johnson	Chimo Community Services
<b>5</b>	Jeremy McElroy	Kwantlen Student Association
<b>6</b>	Caitlin McCutcheon	Kwantlen Student Association
<b>7</b>	Nicki Simpson	Kwantlen Student Association
<b>8</b>	Kira Gerwing	VanCity
<b>9</b>	Mandy Luong	Canada Mortgage and Housing Corporation (CMHC)
<b>10</b>	Ella Huang	Richmond Centre for Disability
<b>11</b>	De Whalen	Richmond Poverty Response Committee





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**Workshop with Landlord BC and Richmond Market Rental Building Owners & Managers  
Draft Market Rental Housing Policy  
Thursday, February 1, 2018  
8:30-10:30 am  
City Hall, 8<sup>th</sup> Floor**

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**Attendees:**

- *9 stakeholders present: David Chung (Dava Developments), Madeline Clement, Amanda Payne and Fabian Leinter (Wesgroup), David Hutniak (Landlord BC), Aly Jiwan (Redbrick Properties), Rory Moss (South Street), Kim Schuss (Dorset Realty Group), Gordon Walker (RCG Group)*
- *City Staff: Tina Atva, Cathy Swan, Jeanette Elmore, Steven De Sousa, Joyce Rautenberg, Jordan Rockerbie, Sonali Hingorani*

**KEY FINDINGS:**

- Based on the proposed policies, the objectives of protecting existing market rental and increasing the supply of market rental can be conflicting.
- Requiring market rental replacement units to be secured at a lower rent is a major obstacle for redevelopment.
- In order to support the objective of increasing the supply of market rental, much more needs to be done in order to level the playing field with market ownership development (e.g. significantly higher density than proposed).
- Proposed Tenant Relocation Plan requirements will be very difficult to achieve, a lump sum payment option is preferred.
- The number of family-friendly units should be determined by the market. If a certain percentage is required, the same requirement should apply to all types of development.

**DETAILED SUMMARY OF COMMENTS: Workshop February 1, 2018**

#	Question	Detailed Feedback
1	Describe your experience with market rental buildings in Richmond and elsewhere in the region.	<ul style="list-style-type: none"> <li>•</li> </ul>
2	One objective of the draft Market Rental Housing Policy is to protect the existing stock of market rental housing. What comments or insight do you have about this objective?	<ul style="list-style-type: none"> <li>•</li> </ul>
3a	<p>What is your view on Policy Direction #1: Strengthen the existing Strata Conversion Policy.</p> <p>(The current policy states that Council could refuse applications to convert rental units to more strata if vacancy rates are under 2% and the number of affected units is 12 or more. The proposed policy would require a 4% vacancy rate and change the number of affected units to 4.)</p>	<ul style="list-style-type: none"> <li>• Landlord BC feels that it's a useless policy and it isn't really needed.</li> <li>• The vacancy rate is too low to even think about doing this (converting rental to strata)</li> <li>• Many people feel that it is a redundant policy.</li> </ul>
3b	<p>Please comment on Policy Direction #3: Enhance the current 1:1 Replacement Policy.</p> <p>(Current OCP policy requires the 1:1 replacement of rental units at affordable rates. The draft policy proposes requiring the same number of bedrooms &amp; ground orientation at the time of redevelopment.)</p>	<ul style="list-style-type: none"> <li>• Agree with the 1:1 replacement policy but could build 3:1.</li> <li>• But if replacement units are required to be LEMR units, then it can be a disincentive to redevelop your building.</li> <li>• The City should be more progressive about it. A lot of rental buildings are coming to the end of their life, so this is very important to get right.</li> <li>• The Landlords do not seem to like this Policy Direction.</li> <li>• In the broader picture when there are rent controls, high income earners are the winners in the scenario.</li> <li>• The West end in Vancouver is a prime example of this. People at the lower end of the spectrum will be supported in a much more meaningful way if people are income tested, so we are not subsidizing everyone regardless of income.</li> <li>• The money has to come from somewhere.</li> </ul>
4	Should properties with existing market rental buildings be maintained for rental in the future?	<ul style="list-style-type: none"> <li>•</li> </ul>
5	The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a certain percentage of new market rental units to have two or more bedrooms. Please comment on this direction. Do you anticipate any obstacles to securing "family-friendly" units?	<ul style="list-style-type: none"> <li>• If there is no restriction in stratas, this shouldn't be forced on market rental.</li> <li>• Two and one bedrooms are more attractive. A number of landlords have 3 bedrooms that are sitting empty. If 3 bedrooms are required then they are going to be stuck with too many units that they can't rent. The price per square foot is too much for them as much as it is for the development</li> </ul>

#	Question	Detailed Feedback
		community. They are just not financially viable.
6	<p>Which of the following ratios do you believe would be most appropriate to ensuring that new market rental buildings in Richmond contain two and three bedroom (or "family-friendly") units:</p> <ul style="list-style-type: none"> <li>i. minimum 20% of new market rental units to be family friendly;</li> <li>j. minimum 30% of new market rental units to be family friendly;</li> <li>k. minimum 40% of new market rental units to be family friendly; or</li> <li>l. other, please specify</li> </ul>	<ul style="list-style-type: none"> <li>• Leave it to the market place.</li> <li>• A person felt that politically this will happen so 20% or lower is a 'reasonable' number.</li> <li>• From an economic standpoint it is unworkable.</li> <li>• Question asked if staff knew what percentage of the new market rental units had 2 or more bedrooms.</li> <li>• (Subsequent review of data showed approximately 6-23% of new market rental units built since 2007 had 2 or more bedrooms; average of approximately 12%.)</li> </ul>
7	<p>Please comment on the proposed Tenant Relocation Plan requirements that would apply when an existing market rental building is redeveloped (e.g. rezoning).</p> <p>(The draft policy proposes that all tenants be given the right-of-first refusal to move back to the new building and that tenants living in the existing building longer than one year be provided with relocation assistance and financial compensation.)</p>	<ul style="list-style-type: none"> <li>• A cash only incentive may work better.</li> <li>• This is extremely onerous and unreasonable.</li> <li>• Meeting the tenants needs: Not every person is reasonable to deal with; there are people who could ask for too much or find everything not worthy. It is like asking to guarantee the tenant's happiness.</li> <li>• A lump sum and some help with finding a new place should be enough. Do not want to get personal with everyone.</li> <li>• Income testing could be used with this as well.</li> <li>• A pet friendly three bedroom apartment in Richmond is impossible to find.</li> <li>• It just ends up being a disincentive to redevelop rental housing.</li> <li>• In a building of 30 to 40 units, that is a lot of responsibility to put onto people who aren't experts in this area. The pet side of it makes it very difficult and a location near transit is also tough.</li> <li>• An entire class of people are being ignored with the replacement policy. The working class that make a reasonable living are being completely left out of the picture. Where do these people go when all the market rental is converted into LEMR units?</li> </ul>
8	<p>What do you think would be the most effective way for the City to increase the supply of market rental housing in Richmond:</p> <ul style="list-style-type: none"> <li>i. Offer incentives so it is more attractive for developers to build new market rental housing units;</li> <li>j. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units;</li> <li>k. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units but also offer</li> </ul>	<ul style="list-style-type: none"> <li>• It's contradictory to call something an incentive and then say that it's mandatory.</li> </ul>

#	Question	Detailed Feedback
	<p>incentives to developers; or                      l. Other.</p>	
9	<p>What do you anticipate the outcomes of the proposed density bonus framework will be? Will it incentivize the development of new market rental housing in the city? The draft policy proposes:</p> <ul style="list-style-type: none"> <li>• 0.20 FAR for ground oriented townhouses and wood frame apartments;</li> <li>• 0.25 Far for concrete buildings in City Centre; and</li> <li>• for mixed market rental and strata buildings, 0.10 FAR to be used exclusively for market rental units.</li> </ul>	<ul style="list-style-type: none"> <li>• The main issue is that the proforma on the building just doesn't work out.</li> <li>• A huge increase in density would have to be given to make it profitable.</li> <li>• The density bonus needs to be much higher than what Richmond currently offers and even what is proposing.</li> <li>• An idea about land transfer, getting density on a different site than where they are building market rental. The bonusing has to be much more attractive.</li> <li>• Many municipalities offer more density bonusing than Richmond does. Richmond's numbers are too low. There are a lot of sites in Richmond that you can't achieve the density.</li> <li>• Richmond is trying to get people to build more rentals, but they are throwing forks in the road.</li> <li>• The real estate market is down and the costs to build have gone way up. Even with a federal grant and density bonusing, it's not enough. They are competing with condo builders for land and contractors. Rental buildings are already not as financially attractive.</li> <li>• Planning departments need to update their plans to be able to react to the rapidly changing housing market. They feel that the character of neighbourhoods will need to change to make it work.</li> <li>• Single family neighbourhoods will have to change to keep up with the demand. A large shift in how people think needs to happen.</li> </ul>
10	<p>Please comment on the following potential incentives to increase the supply of new market rental housing in Richmond:</p> <p>k. Allowing a modest density bonus (e.g. additional floor area;</p> <p>l. Adopting lower parking requirements for market rental housing units;</p>	<ul style="list-style-type: none"> <li>• The more incentives that are offered, the more that Richmond will have built. Have a couple of Pilot Projects. Look to other Cities for good examples of how they are encouraging market rental being built.</li> <li>• The politicians have to give a little to get market housing.</li> <li>• The visitor parking rates are too high for large complexes. The visitor spots are wasted on high density buildings. It should be on a scale depending on the size of the building.</li> <li>• Renters don't tend to own cars. The blanket rules don't work for every building. They end up with a lot of unused parking.</li> </ul>

#	Question	Detailed Feedback
		<ul style="list-style-type: none"> <li>• This is very important for the delivery of market rental, the world is changing and the City needs to adapt quickly to the changes.</li> <li>• Lots of buildings in the West End of Vancouver are leasing their parking spots.</li> <li>• A property manager in Richmond found that the use of their customer parking was drastically reduced when the Canada Line was completed. He has ended up leasing a large portion of their parking to people that live in the City Centre and don't want to 'purchase' another spot in their own building, but they have somewhere to leave their car.</li> </ul>
	m. Waiving the affordable housing requirements for market rental units;	
	n. Waving the public art contribution fee for market rental units;	
	o. Waiving the community planning contribution costs (where it applies) for market rental units (these fees are used to help pay for planning new services and infrastructure);and	
	p. Fast tracking development applications where 100% of the new units are market rental units.	
11	Do you believe that providing suites in townhouses and apartments should be mandatory or voluntary? Why or why not? What is the level of interest in the local marketplace for suites?	<ul style="list-style-type: none"> <li>• Making this mandatory is a mistake. Let the market drive it.</li> <li>• Leave it voluntary</li> </ul>
12	What is your view on the following preliminary regulations for secondary suites in townhouses and apartments (these would apply if providing suites was mandatory or voluntary):	
	<ul style="list-style-type: none"> <li>• Minimum secondary suite size of 25m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> <li>• Maximum of 50% of multi-family units may contain suites.</li> </ul>	
13	What would you recommend to the City in terms of the following questions:	
	g. Should there be a maximum secondary suite size (in townhouses and apartments)?	
	h. Should secondary suites be required in market rental, strata and affordable housing units?	
	i. Should secondary suites in townhouses or apartments be required in all unit sizes, or only larger units?	

#	Question	Detailed Feedback
14	Do you have suggestions about how to enhance the accessibility of market rental housing units? (The draft policy recommends that all new market rental units incorporate Building Universal Housing Features (BUH), such as wider doorways and easy to grasp handles. [A floor area exemption of 1.86 m2 is permitted in the Richmond Zoning Bylaw]. To be eligible for a density bonus, BUH would be mandatory.)	
15	Is there anything else the City should be doing to encourage more market rental housing?	<ul style="list-style-type: none"> <li>• There has been very little market rental built in the last three decades.</li> <li>• There should be a transitional strategy to help get market rental caught up so that it can get back on the continuum.</li> <li>• As an affluent municipality Richmond should invest more in market rental themselves.</li> <li>• Partnerships are needed with all levels of government to help encourage the building of more market rental housing.</li> <li>• The City has focussed too much on building condos downtown, despite many attempts to get them to build purpose built market rental.</li> <li>• Need to know how many people per year are moving to Richmond. Start with that number and work back to be building enough housing.</li> <li>• Four percent growth was mentioned &amp; demand estimate for 1,200 market rental units over 10 years.</li> <li>• It was asked if the City had explored market rental housing on any of the land that they own. The City does not own a lot of sites anymore.</li> </ul>
16	Do you have any other comments, questions or concerns about development of market rental housing in Richmond?	<ul style="list-style-type: none"> <li>• (Policy Direction #1): Residential Tenancy Act (RTA) has stipulations that are similar and landlords tend to keep their buildings in good repair. Yes, occasionally there are a few horror stories, but that's what the RTA is for.</li> </ul>

**LIST OF ATTENDEES**

	<b>Name</b>	<b>Organization</b>
<b>1</b>	David Chung	Dava Developments
<b>2</b>	Madeline Clement	Wesgroup
<b>3</b>	David Hutniak	Landlord BC
<b>4</b>	Aly Jiwan	Redbrick Properties
<b>5</b>	Fabian Leitner	Wesgroup
<b>6</b>	Rory Moss	South Street
<b>7</b>	Amanda Payne	Wesgroup
<b>8</b>	Kim Schuss	Dorset Realty Group
<b>9</b>	Gordon Walker	RCG Group



**Public Workshop  
Draft Market Rental Housing Policy  
Wednesday, February 7, 2018  
7:00-9:00 pm  
City Centre Community Centre  
5900 Minoru Boulevard, Multi-Purpose Room 4**

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**Attendees:**

- 3 community members

**KEY FINDINGS:**

- Increased amount of family-friendly units may only be appropriate in certain types of buildings.
- Meeting specific relocation needs of tenants may be difficult (e.g. relocating a tenant near frequent transit can be difficult because prices are quite high). Lump sum payment may be a more effective option.
- City should consider providing wood frame rental buildings with the same density bonus as concrete.
- The City should be more aggressive in encouraging alternative parking arrangements that could further reduce the amount of parking required for market rental buildings.



**DETAILED SUMMARY OF COMMENTS: Public Workshop: February 7<sup>th</sup>, 2018**

#	Question	Detailed Feedback
1	Describe your experience with market rental buildings in Richmond and elsewhere in the region.	
2	One objective of the draft Market Rental Housing Policy is to protect the existing stock of market rental housing. What comments or insight do you have about this objective?	<ul style="list-style-type: none"> <li>•</li> </ul>
3	What is your view on Policy Direction #1: Strengthen the existing Strata Conversion Policy. (The current policy states that Council could refuse applications to convert rental units to more strata if vacancy rates are under 2% and the number of affected units is 12 or more. The proposed policy would require a 4% vacancy rate and change the number of affected units to 4.)	<ul style="list-style-type: none"> <li>•</li> </ul>
4	Please comment on Policy Direction #3: Enhance the current 1:1 Replacement Policy. (Current OCP policy requires the 1:1 replacement of rental units at affordable rates. The draft policy proposes requiring the same number of bedrooms & ground orientation at the time of redevelopment.)	<ul style="list-style-type: none"> <li>•</li> </ul>
5	It is suggested in the staff report to Council that existing market rental sites may be considered for additional density only if the site continues to be used for 100% market rental purposes. What do you anticipate the outcomes would be with this proposed approach?	<ul style="list-style-type: none"> <li>•</li> </ul>
6	The Draft Market Rental Housing Policy seeks to meet the needs of families with children by requiring a certain percentage of new market rental units to have two or more bedrooms. Please comment on this direction. Do you anticipate any obstacles to securing "family-friendly" units?	<ul style="list-style-type: none"> <li>• City should consider greater usage of Co-Housing Model where people share common uses such as a kitchen. More families can live in a space this way</li> <li>• Other comments included Co-housing to be a good model for Seniors.</li> </ul>
7	Which of the following ratios do you believe would be most appropriate to ensuring that new market rental buildings in Richmond contain two and three bedroom (or "family-friendly") units: m. minimum 20% of new market rental units to be family friendly; n. minimum 30% of new market rental units to be family friendly; o. minimum 40% of new market rental units to be family friendly; or p. other, please specify	<ul style="list-style-type: none"> <li>• Increased amount of family-friendly units may only be appropriate in certain types of buildings.</li> </ul>
8	Please comment on the proposed Tenant Relocation	<ul style="list-style-type: none"> <li>• Will be very hard to find a specific relocation for a</li> </ul>

#	Question	Detailed Feedback
	<p>Plan requirements that would apply when an existing market rental building is redeveloped (e.g. rezoning). (The draft policy proposes that all tenants be given the right-of-first refusal to move back to the new building and that tenants living in the existing building longer than one year be provided with relocation assistance and financial compensation.)</p>	<p>tenant (e.g. relocating a tenant near frequent transit can be difficult because prices are quite high).</p> <ul style="list-style-type: none"> <li>• Lump sum payment may be a more effective option.</li> </ul>
9	<p>What do you think would be the most effective way for the City to increase the supply of market rental housing in Richmond:</p> <ul style="list-style-type: none"> <li>m. Offer incentives so it is more attractive for developers to build new market rental housing units;</li> <li>n. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units;</li> <li>o. Make it mandatory that all new multi-family residential developments include some amount of market rental housing units but also offer incentives to developers; or</li> <li>p. Other.</li> </ul>	
10	<p>What do you anticipate the outcomes of the proposed density bonus framework will be? Will it incentivize the development of new market rental housing in the city? The draft policy proposes:</p> <ul style="list-style-type: none"> <li>• 0.20 FAR for ground oriented townhouses and wood frame apartments;</li> <li>• 0.25 Far for concrete buildings in City Centre; and</li> <li>• for mixed market rental and strata buildings, 0.10 FAR to be used exclusively for market rental units.</li> </ul>	<ul style="list-style-type: none"> <li>• City should consider not penalizing wood frame rental buildings, by giving lower density (than for concrete).</li> <li>• Wood frame buildings have increased in technology (Cross Laminated Timber) and can support taller buildings now.</li> <li>• Possible Policy change could be to give 0.25 FAR bonus for any building 6 stories and above</li> </ul>
11	<p>Please comment on the following potential incentives to increase the supply of new market rental housing in Richmond:</p> <p>q. Allowing a modest density bonus (e.g. additional floor area;</p>	
	<p>r. Adopting lower parking requirements for market rental housing units;</p>	<ul style="list-style-type: none"> <li>• The City should be more aggressive in finding alternative parking arrangements (e.g. Transportation Demand Management (TDM) measures in order to reduce parking requirements, which can be very expensive).</li> </ul>
	<p>s. Waiving the affordable housing requirements for market rental units;</p>	
	<p>t. Waving the public art contribution fee for market rental units;</p>	

#	Question	Detailed Feedback
	u. Waiving the community planning contribution costs (where it applies) for market rental units (these fees are used to help pay for planning new services and infrastructure);and	
	v. Fast tracking development applications where 100% of the new units are market rental units.	
12	Do you believe that providing suites in townhouses and apartments should be mandatory or voluntary? Why or why not? What is the level of interest in the local marketplace for suites?	
13	What is your view on the following preliminary regulations for secondary suites in townhouses and apartments (these would apply if providing suites was mandatory or voluntary): <ul style="list-style-type: none"> <li>• Minimum secondary suite size of 25m<sup>2</sup> in townhouses and 20m<sup>2</sup> in apartments</li> </ul>	
	<ul style="list-style-type: none"> <li>• Maximum of 50% of multi-family units may contain suites.</li> </ul>	
15	What would you recommend to the City in terms of the following questions: j. Should there be a maximum secondary suite size (in townhouses and apartments)?	
	k. Should secondary suites be required in market rental, strata and affordable housing units?	
	l. Should secondary suites in townhouses or apartments be required in all unit sizes, or only larger units?	
16	Do you have suggestions about how to enhance the accessibility of market rental housing units? (The draft policy recommends that all new market rental units incorporate Building Universal Housing Features (BUH), such as wider doorways and easy to grasp handles. [A floor area exemption of 1.86 m2 is permitted in the Richmond Zoning Bylaw]. To be eligible for a density bonus, BUH would be mandatory.)	
17	Is there anything else the City should be doing to encourage more market rental housing?	
18	Do you have any other comments, questions or concerns about development of market rental housing in Richmond?	

**LIST OF ATTENDEES**

	<b>Name</b>	<b>Organization</b>
<b>1</b>	Vincent Chiu	
<b>2</b>	Ingrid Tan	
<b>3</b>	(an individual who did not sign in)	

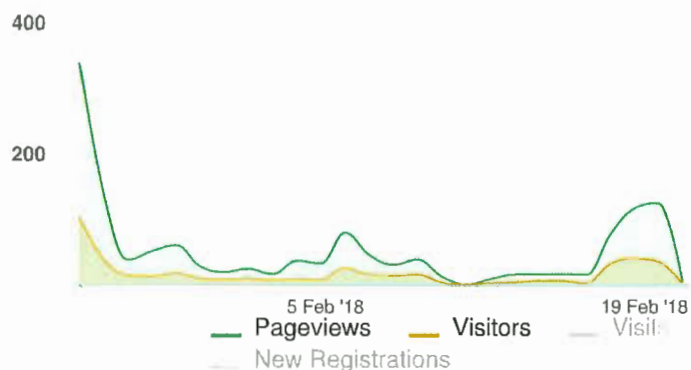
# Project Report

25 January 2018 - 19 February 2018

## Lets Talk Richmond Draft Market Rental Housing Policy



### Visitors Summary

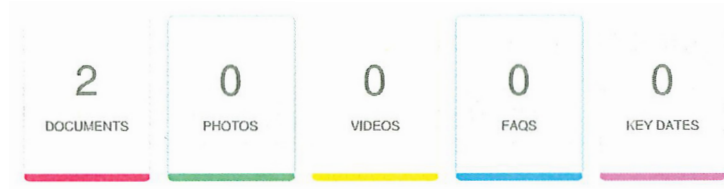


### Highlights

TOTAL VISITS	MAX VISITORS PER DAY	
474	101	
NEW REGISTRATIONS		
13		
ENGAGED VISITORS	INFORMED VISITORS	AWARE VISITORS
97	301	389

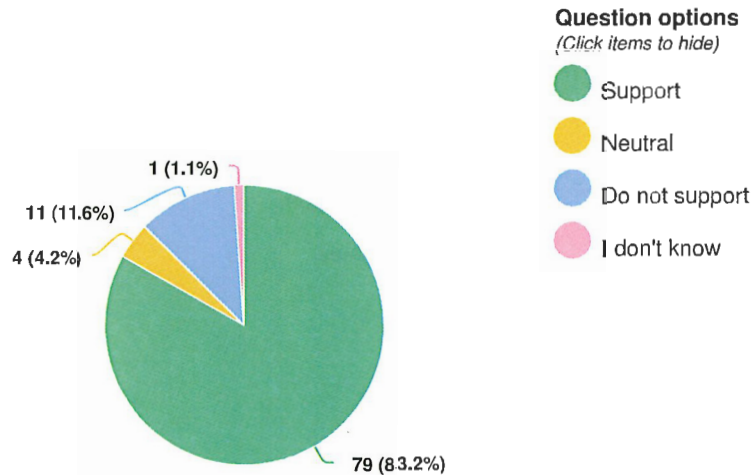
Aware Participants	389	Engaged	97		
Aware Actions Performed	Participants	Engaged Actions Performed	Registered	Unverified	Anonymous
Visited a Project or Tool Page	389	Contributed on Forums	0	0	0
Informed Participants	301	Participated in Surveys	97	0	0
Informed Actions Performed	Participants	Contributed to Newsfeeds	0	0	0
Viewed a video	0	Participated in Quick Polls	0	0	0
Viewed a photo	0	Posted on Guestbooks	0	0	0
Downloaded a document	141	Contributed to Stories	0	0	0
Visited the Key Dates page	26	Asked Questions	0	0	0
Visited an FAQ list Page	0	Placed Pins on Maps	0	0	0
Visited Instagram Page	0	Contributed to Ideas	0	0	0
Visited Multiple Project Pages	222				
Contributed to a tool (engaged)	97				
		<b>CNCL - 281</b>			

## INFORMATION WIDGET SUMMARY



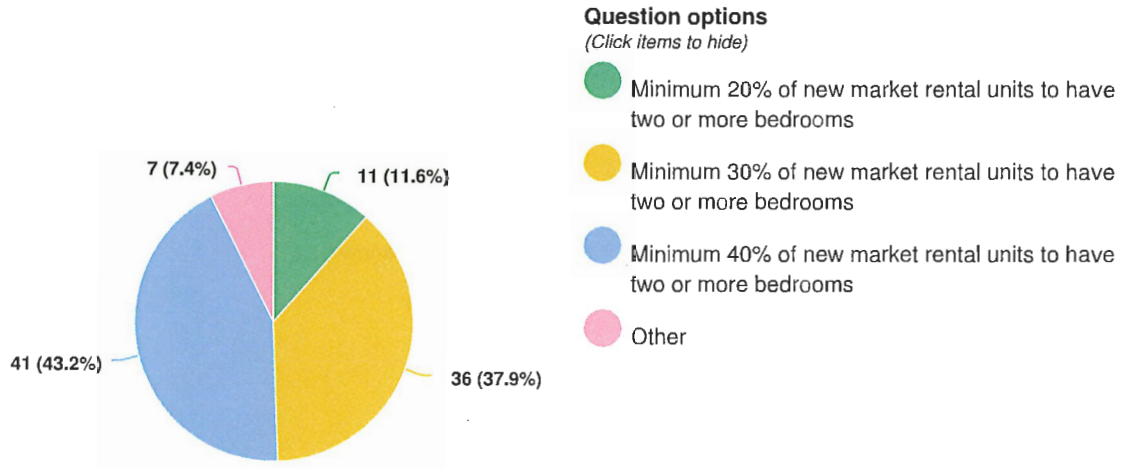
Widget Type	Engagement Tool Name	Visitors	Views/Downloads
Document	Staff Report: Proposed Draft Market Rental Housing Policy	132	139
Document	Draft_Market_Rental_Housing_Policy_Power Point Presentation	35	37
Key Dates	Key Date	26	27

**2. Here is how I feel about strengthening the existing strata conversion policy, as described above, when existing market rental housing is proposed to be converted to strata titled:**



Optional question (95 responses, 2 skipped)

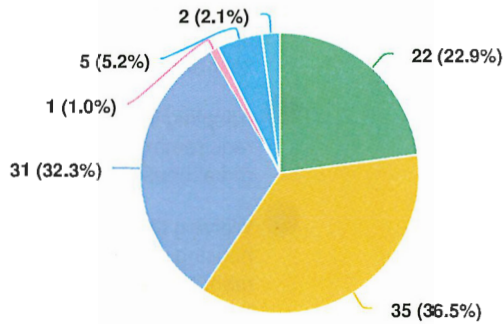
**4. I believe the following requirement is most appropriate to ensure that new market rental buildings in Richmond are suitable for families with children:**



Optional question (95 responses, 2 skipped)









**6. I think the following would be the most effective way for the City to increase the supply of market rental housing in Richmond: (pick one)**



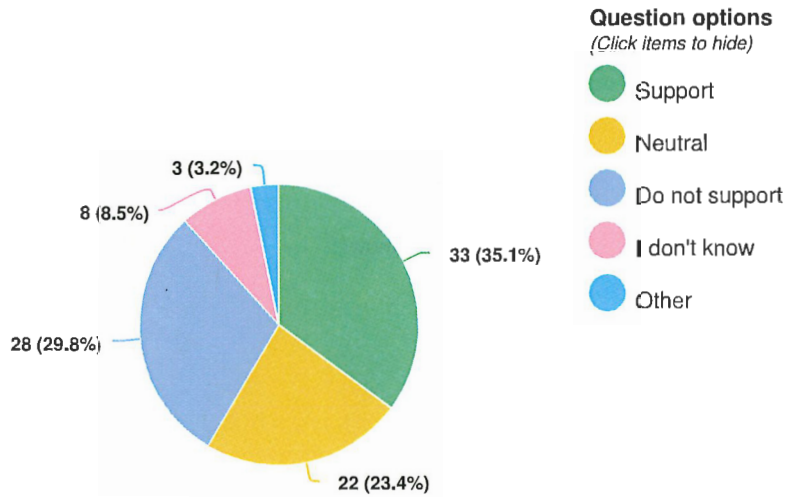
**Question options**

*(Click items to hide)*

-  Offer incentives so it is more attractive for developers to build new market rental housing units
-  Make it mandatory that all new multi-family residential developments include some amount of market rental housing units
-  Make it mandatory that all new multi-family residential developments include some amount of market rental housing units but also offer incentives to developers
-  Neutral
-  I don't know
-  Other

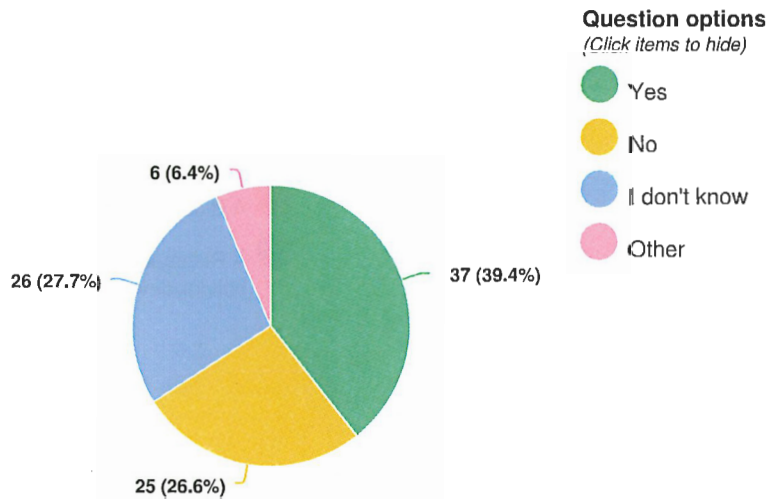
Optional question (96 responses, 1 skipped)

### 8. My level of support for allowing secondary suites in apartments is:



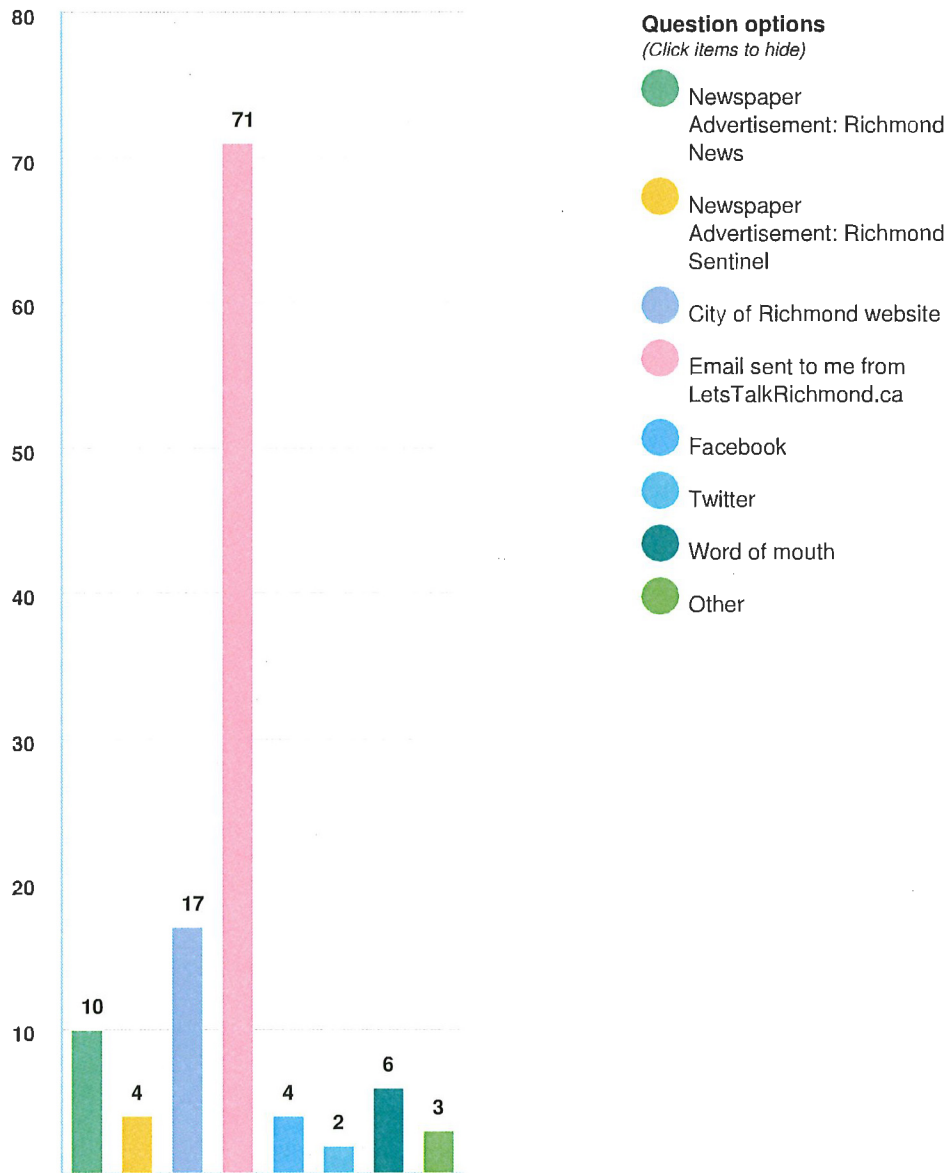
Optional question (94 responses, 3 skipped)

**10. In general, I believe that the proposed secondary suite regulations for townhouses and apartments, as shown above, seem appropriate:**



Optional question (94 responses, 3 skipped)

I heard about this public consultation opportunity via (check all that apply):



Optional question (97 responses, 0 skipped)

**Draft Market Rental Housing Policy**  
**LetsTalkRichmond Feedback Form**  
**Written Comments**  
**January 25-February 18, 2018**

4. I believe the following requirement is most appropriate to ensure that new market rental buildings in Richmond are suitable for families with children:

Min. 20%	11.6%
Min. 30%	37.9%
Min. 40%	43.2%
Other (comments below)	7.4%

- Possible 41-50% suitable for families with children (or pets)? With "empty" condo and Airbnb scenarios within Lower mainland in previous years creating schools/neighbourhood small business store closures, ensuring more family renting should equate turnaround with "Alzheimer" or zombie graveyard movie set empty neighbourhood syndrome.
- I would agree with 40% should have at least 2 bedrooms but there should be a certain percentage have at least 3 bedrooms (half of those units). 2 bedrooms are not appropriately sized or big enough for most families.
- 50%: There is existing and new demand for family friendly units. To increase family friendly units (upwards of 2 bedrooms per unit). A proportion of this should also include 3 bedroom units.
- 0% subsidy
- Maximum 10%
- Minimum of 70% to have two or more bedrooms. And ... Minimum of 25% to have tthree or more bedrooms
- Don't need change

5. Here is how I feel about the City requiring a Tenant Relocation Plan, as described above, when existing market rental housing sites are proposed to be redeveloped:

Support	77.9%
Neutral	9.5%
Do not support	10.5%
I don't know	1.1%
Other (comments below)	1.1%

- The perspective tenant should be allowed to do viewings if the property is suitable for their needs. I have recently face a racism issue where a Chinese landlady on property manager ask me too many questions before viewing. The advert was placed last night I called the lady 8am next morning she asked me too many questions about my family members etc. It was two bedroom flat perfect for my small family 2 adults 2 small kids.

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With in five minutes of talking to her she texted me saying this is not available for viewing. She is still posting the same property ad on Craigslist. I have asked round my friends and they told me they have faced similar issues of racial discrimination for securing a property. This is a developing problem in Richmond and Council really needs to tackle this by law in some way or another and final solution. I will also make sure that this gets heard by the right people on right platforms.

6. I think the following would be the most effective way for the City to increase the supply of market rental housing in Richmond: (pick one)

Offer incentives	22.9%
Mandatory provision of rental units	36.5%
Hybrid approach	32.3%
Neutral	1.0%
I don't know	5.2%
Other (comments below)	2.1%

- Establish a clear and supportive process for older strata buildings (40+years) to redevelop and therefore add density to housing supply while gaining new inventory of rental housing (ie. percentage of redevelopment in exchange for increased density).
- small pockets of zoned rental only apartments interspersed in currently multifamily(condo) zoned areas to achieve 30% minimum rental units going forward. Do not permit additional floor area i.e. increased density for rental housing.

7. I believe the following potential incentives would help increase the supply of new market rental housing in Richmond: (you may choose more than one)

Modest density bonus	47/97 (48.4%)
Lower parking requirements	31/97 (31.9%)
Waive affordable housing requirements	15/97 (15.5%)
Waive public art contribution	53/97 (54.6%)
Waive community	17/97 (17.5%)

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planning contribution	
Fast track	62/97 (63.9%)
Neutral	4/97 (4.1%)
I don't know	7/97 (7.2%)
Other (comments below)	7/97 (7.2%)
<ul style="list-style-type: none"> <li>• Hoped for example of definition "public amenity" , also find the "waiving" checkbox examples (example of public art definition - museum piece or garden fountain, playground etc?) bit misleading, making uncertain to mark them or not</li> <li>• Provide increased density for redevelopment of old strata complexes that are nearing end of life.</li> <li>• I don't support density bonuses</li> <li>• Since these are market rental units I am not in favor of added density bonus or waiving community contributions. I feel the city should be looking at policies that encourage long term renting and home ownership for those who live and work locally and first time homeowners. I feel that these policies can be used as loopholes to park overseas capital in a housing market where it is hard for local residents/ families to buy or rent a home long term.</li> <li>• Truthfully, I don't think anything is going to help with getting developers to build affordable rental units while the real estate industry is so overinflated. There are thousands of empty apartments in Richmond. But they are purchased, not rented. And no one here can afford to buy them. I'm a teacher and could never afford to buy anything here.</li> <li>• small pockets of rental only zoning. Do not increase density allowance</li> <li>• I feel that developers already make large profits and that we should not have to offer incentives which in effect is giving them our tax dollars. If a density bonus were to be offered I think that it should be less than the draft policy suggests.</li> </ul>	

8. My level of support for allowing secondary suites in apartments is:	
Support	35.1%
Neutral	23.4%
Do not support	29.8%
I don't know	8.5%
Other (comments below)	3.2%
<ul style="list-style-type: none"> <li>• I agree with them in townhouses but not apartments.</li> <li>• I do not support this because secondary suites in townhomes and apartments can be used</li> </ul>	

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for short term rentals and unless the city is able to stop this, this will make the town homes and apartments more prone to being used for short term rentals and speculation and that does not provide sufficient community value and takes away the housing stock from long term rentals

- I do not support this suggestion

9. In general, I believe providing suites in townhouses and apartments should be: (pick one)

Mandatory	11.7%
Voluntary	67.0%
I don't know	8.5%
Other (comments below)	12.8%

- I'm against providing secondary suites in townhouse and apartments period
- I don't support secondary suites in townhouses or apartments
- I think townhouses should have a certain percentage with secondary suites (50%), I don't think apartments should have the same requirement.
- I do not think it is practical to include secondary suites in apartments. They are not designed for such separation. The reality is that secondary suites in single family homes occurred in large part because of the size of the homes (e.g. the ability to separate an entire floor, or portion of a floor in a two-storey home). Such space and separate really does not exist in a typical apartment.
- Not allowed unless there can be some municipal policy to make the secondary suite mandatory to be a long term rental unit. I would say the same for secondary suites in single family homes.
- No do not support
- I don't think stuffing renters in closets in apartments is a viable solution to the housing crisis.
- Not allowed. Am concerned that additional density will add to already high traffic congestion in central Richmond
- I do not agree with this idea
- Parking of vehicles becomes a real issue when additional "units" are allowed into areas already limited to the number of parking spaces available.
- This will be a bag of problems. You make no mention of existing strata buildings. Are they included in this change?
- Secondary suites in townhouses/apartments should not be allowed

10. In general, I believe that the proposed secondary suite regulations for townhouses and



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apartments, as shown above, seem appropriate:	
Yes	39.4%
No	26.6%
I don't know	27.7%
Other (comments below)	6.4%
<ul style="list-style-type: none"><li>• I'm against secondary suites in townhouses and apartments</li><li>• 20m2 is 215 square feet- isn't that quite small for a self-contained suite?</li><li>• I don't think apartments should have secondary suites.</li><li>• I do not encourage the city to incentivize short term rentals and this policy can make the town homes and apartments more expensive to begin with and more lucrative for speculation and incoming earning rather than being used by people as a home. I would be more supportive of this policy if there was a way to guarantee that the secondary suites can only be directed to the long term rental market . Also since none of these suites are likely to be family sized units (2 bedrooms and up), i feel they are not a good policy for the city to adopt in order to make sure there is a stable and adequate rental housing stock.</li><li>• Should not be permitted</li><li>• I do not believe secondary units should be allowed in townhouses and apartments.</li></ul>	

11. Here are my additional suggestions about secondary suites in townhouses or apartments:
<ul style="list-style-type: none"><li>• none, I'm neutral on this</li><li>• Not allowed period.</li><li>• It seems to me that secondary suites should be limited to strata buildings. Otherwise, you create a situation where a renter is subletting to another renter. This takes away a building owner's right to decide whether or not the second person would be a suitable tenant. On the other hand, a secondary suite in a rental building would let a person take in a roomer to help with the rent but not have to actually share his/her personal space with the roomer. This decision requires some thought, plus research on how this works in other cities.</li><li>• Do not force this on people. There's enough regulation in our lives already</li><li>• I would need more detailed information on how this would actually work, before providing input i.e. the logistics and possible problems of a 'secondary' suite in an apartment such as parking/ how small the units would be/ strata issues/ density issues/ access issues/ who regulating/ capacity of building structure to handle this etc</li><li>• Re-consider size of secondary suites.</li><li>• Developing secondary suites seems counterintuitive in a multi-family building, where you could simply create smaller suites / units. For townhouses, stacked units (like Manoah Village) might be a better solution than a secondary suite.</li></ul>

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- I do not support the idea of allowing or requiring "lock-off" units within apartments. The proposed size of the units is too small and would be very difficult for the city to monitor and enforce. It also sounds like a formula for creating tenement (slum) housing in apartments. I support the concept of allowing secondary suites in townhouses.
- let's get creative, let's let the market guide us (good developers, not bad ones) and let's make some progress!
- I don't like the idea of secondary suites, which will undoubtedly be small spaces, being rented out for high rent in desirable neighbourhoods. I think that everyone has the right to adequate housing, and secondary suites in apartment buildings in particular could lead to very undesirable spaces being rented for a lot of money.
- I think that there should be secondary suites for almost all townhouse developments, regardless of number of units. I think the size of suites should be larger.
- In my opinion it is foolish to try and squeeze in appropriate and safe access/separation/life safety considerations into apartments/townhouses which by current design are already - on average - very small and tight to begin with. How do you even begin to address the reality that in the majority of such units, there is only one door out to a common access way?
- I might agree to secondary suites in townhouses but not apartments.
- For the reasons listed above in my answers to the previous questions, I do not support building secondary suites in town homes and apartments as they would make these kinds of homes more expensive and more prone to being used for parking one's capital in the market rather than fulfilling the need for a safe long term home(rental or otherwise).
- I do not agree with secondary suites as it is not dealing with the issues of no stand alone proper rental units for everyone who needs it.
- These supply small living spaces and help somewhat. The big need is for larger two and three bedroom accommodations in both the rental and strata markets. We aren't building accommodation to house families.
- no coach or laneway houses
- The issue is not about renting, or even secondary suites. It's that people have no choice to rent because they can't afford to live otherwise. There wouldn't be this many people looking to rent if they could actually buy a place of their own.
- Plan for more affordable housing in all areas of Richmond and not just central richmond as there is barely any affordable housing in west or north richmond!!
- size must be reasonable for livability to be achieved. measurements suggested are too small.
- Do not allow. Impose heavy fines if done
- I do not support secondary suites in townhouses or apartments.
- Limited
- If lower parking requirements are adopted, then the townhouse or apartment needs to have provision for secure bicycle storage for alternate transportation.
- How can you ensure these new secondary suites aren't just used for AirBnB or other illegal hotels

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- there should be a limited number of secondary suites if it will impact parking in the area. ie not many when the street already is full of parked cars.
- Mandatory suite requirements would be outrageous.

12. Here are my suggestions about how to enhance the accessibility of market rental housing units:

- Ensure accessible "joint" visitor parking space (optional disabled/family friendly/motorbike parking - example cul-de-sac parking nearby rental building), wheelchair accessible entrance/exit ramp (handy for moving in furniture/courier delivery services to access entrance), specific "no parking zone" unless it's for taxi/food delivery/courier truck/mail services (ie. 3-5 min max parking). Electric car charging stations for mobi users. Bicycle/motorbike parking. Specific private entrance "lobby" zone for secure delivery for courier/mail deliver services.
- All new apartment buildings should have elevators. Townhouse units designated for those with disabilities should have ramps. Bldgs with disability accessible units should have wide enough handicapped parking spaces and loading areas nearest the entrance. Such bldgs should also be given preference to be nearer bus routes.
- follow city of vancouver's lead re accessibility. It doesn't cost and extraordinary amount more to create a unit that will remain accessible to those many more in the long run (which could include the current tenant!)
- Build accessible secondary suites on the ground floor.
- Support the concept of Building Universal Housing Features in all new market rental units.
- Perhaps a percentage of new market rental units could incorporate the universal housing features.
- Explore other potential challenges including colour schemes and patterns used, lighting, heights of counters, etc. Other challenges might include lips on floor joins, arrangement of laundry hookups, and so on.
- I agree with this.
- you will not get more accessibility by trying to shoe-horn people into secondary suites in small apartments in townhouses, you will only exacerbate the problem. Much of the current apartment stock in Richmond likely does not even meet current accessibility guidelines for single owners/renters.
- Currently in Richmond and in all cities, 80% of Mega Homes have some sort of suite or suites in them for rental. These suites are not legal nor does the homeowner claim them and pays taxes on single family. Tax these home owners accordingly as multiple and use those monies to build affordable housing unitsl.
- Would agree to a portion of the suites be built to this requirement but not all.
- Provide rental only zoning;
- I hesitate to put the additional costs of accessibility into every unit when only a limited number of people need them. This increases costs across the board. Perhaps we could

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require developers to put these features into say 20% of the units. People with three kids cannot buy one bedroom units and have to look for appropriate accommodation. perhaps those needing accessible units should have to search for units with those features instead of building them into every unit.

- Allow single family homes to have up too two legal rental unit if they have enough parking and space
- Include building universal housing features for all rental units.
- small pockets zoned as rental only
- Make affordable housing close to translink such as bus routes or skytrain!!
- overall size of an adapted suite matters most to individuals who use large power wheelchairs. consultation with that group must take place to ensure that the floor area exemption above does not restrict their use of these suites. "one size fits all" does not work for all groups.
- Allow a lower tax rate for 100% rental complex's.
- no experience
- Bathrooms that have rails and other features for the disabled.
- I support this
- I agree with this
- Do not interfere with market, socialist elements not required in Canada.
- I do not feel that all new market rental units should incorporate these features if it makes building the units a lot more expensive. Maybe a percentage of units could have them.
- All new market rental housing on the ground floor should be accessible.
- Allow more co-op housing to be put in place. It works well for everyone no matter what the income.
- Minimum sqft space for family-friendly place shouldn't be less that 900 to 950 sqft by Law. Developers look for profit and try to cut corners to squeeze in more flats and hallways are made shorter which is big hazard for fire if hallway is small and too many people try to run out it can be stampede. I am from London and we all need to learn a lesson from the London Grenfell tower incident. We really need to define a line now to until which extent a developer can make some profit and to which extent human safety is important.
- Reduce the number of townhouses, increase well constructed apartments with appropriate soundproofing.
- -- Are ramps / elevators already included?

13. My comments on if the City should be doing anything else to encourage the development of more market rental housing:

- ALL short term rentals (hotels, airbnb, etc.) should all be required to get a licence and be subject to taxes. Failure to get a licence should result in substantial fines.
- Reduce zoning restrictions outside of city centre. Market rental housing should be pre-zoned along all arterial roads. Exclusionary zoning (single family homes only) should be

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relaxed around existing amenities like community centres and schools.

- Think City should actually do more random checks if current rental housing are legitimately occupied (no "ghost" dual citizenships, airbnb/illegal rentals) - promote more crackdown excuses by doing random "neighbourhood checks" (ie. neighbourhood tsunami-earthquake evacuation drills twice a year, random hydro/electricity/police watch check notices) with 15-30 day reply notice deadlines. If provided enough evidence rental housing used illegally, penalty option of waiving 6-12 month free rent for low-income person/ families (or refugee status people since empty anyways).
- Suggestions to increase stock sound good. What can we do to help keep rental prices in the affordable range. Rentals are generally held by lower income people who are not able to afford higher rental rates. We should also ensure that renters who say they are low income really are, not just because their income tax form says they have no or low income, as there is too much exploitation of low income rules by those who use their income tax forms to their advantage and so occupy both owned and rental units that should be going to more deserving residents.
- Bring in bylaws to limit the number of units in any development that are sold to absentee owners. What good is having 200 hundred units if only 25 are occupied and we have hundreds of homeless people?
- Encourage a secondary suite in every new house, especially those that are built for the foreign investor market. We see lots of big empty houses that could have a renter in a suite: at least that would give us more people in our neighbourhoods.
- Do nothing, let the market adapt
- Having developers provide more of this in a development, and not get out of it with cash in lieu. This doesn't create a diverse neighbourhood
- -are there measures to limit or even prohibit "luxury" market rental housing (we're seeing these sorts of developments built as part of the 'density along arterial' policy but these rental units cater to an extremely small segment of the population.
- Consider changing zoning so that most single family dwellings are permitted coach houses or secondary suites, without having to worry about a building permit being declined based on neighbour feedback, etc.
- dont put up too much red tape, that will make it harder to get the rental housing
- I think that, with the cost of buying properties continuing to grow, there need to be more options to rent for families, and potentially to rent-to-own. While there are a number of opportunities being created for low-income families, families who earn more than the identified median income are facing a growing number challenges with affordability, particularly in regards to housing, which is resulting in a number of families choosing to move away instead of living in limbo and fearing any changes to their current situations.
- Housing affordability in this city is a mess and our communities do suffer as a result of poor planning, empty dwellings and massive homes that drive affordability out of reach for most citizens. I think the city should be doing everything it can to encourage more market rental housing - these proposed changes are only a start. Developers have come first in this town for too long and they should not be offered incentives to do what good

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community planning requires - it should simple be required.

- The "monster home" issue and development is out of control (ALR, etc.) and taking up valuable land
- Should be encouraging co-ops in the city with money from the federal government.
- Just make it mandatory.
- Get real - the problem should not be solved by restricting owners with what they can do with their private property (IE conversion from rental to strata) or proposing to stuff more people into already-small apartments and townhouses with secondary suites in such dwellings. The City needs to make it more attractive for developers of rental property to choose Richmond. There are many developers and investment companies that own and operate rentals, realizing the long-term strength and predictability of that business model (as opposed to the voracious but short-term appetite of the typical strata developer). In my opinion, this City has for far too long catered to the desires of the strata developer and sought to extract an increasing amount of dollars from them. These short term partners make a profit and run, and in our rapidly expanding ownership market, perhaps the City has done well to extract as much fees as possible. However you cannot apply the same fee regime to a rental building - the financial model for that investor is entirely different. Implement an incentive model strictly for developers who want to build rental properties and operate in Richmond for the long term. Reduce fees and over-the-top 'contributions' for public art and other Council whims that do not address the rental problem. These developers exist and are building in other cities. Why not Richmond?
- See above. (Text from respondent's previous comment: "Currently in Richmond and in all cities, 80% of Mega Homes have some sort of suite or suites in them for rental. These suites are not legal nor does the homeowner claim them and pays taxes on single family. Tax these home owners accordingly as multiple and use those monies to build affordable housing unitsl.")
- Developers should not be allowed to circumvent building market rental housing through donations, contributions or loopholes. Have a sliding scale for building affordable housing units depending upon total number of residential units; More units, larger the percentage
- There should be more zoning on which only rentals can be built. The rules should require a certain percentage of 2 and 3 bedroom units. Most of us grew up in 1,200 to 1,500 SF houses with two and three bedrooms. All those bathrooms and extra rooms are nice, but they make units unaffordable. Perhaps we should limited house sizes on these rental zoned properties to ensure lower cost family units.
- Allow there to be units made on ALR land 5 acres and smaller
- Create more Co Ops.
- As stated above, the majority of the issue has nothing to do with rentals. I'd love to buy but as a working single professional there's no way I could ever afford to buy a condo in Richmond. However, developers should not be allowed to demolish rented homes and build one that will just stand empty. Also, they should not be allowed to demolish buildings and rebuild with a massive cost increase. I am a full time teacher in the public

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school system. But if I ever got evicted from my crappy, mouldy, leaky apartment for a demo-viction, I wouldn't be able to afford to live anywhere else.

- Increase the number of rental units available and make the price more affordable for all ages since no one can afford a \$1500- \$2000 one bedroom apartment!
- Necessary
- Prioritize permit process so that market rental housing is processed quicker (after affordable housing and before regular housing).
- Do not encourage or discourage, let the free market decide.
- The City of Richmond needs to do everything in its power to encourage developers to build rental stock in their community. In order for a purpose built rental project to be financially viable at today's land prices and hard cost prices, there will have to be massive incentive programs created. Modest incentives will not create a big enough spread for developers to decide to build rental product over market house product. In order for there to be a consideration for growth in this sector reduction in CAC's, DCC's, parking reduction, density bonusing and even property taxes will need to be considered.
- I think that mandating them is the only way to get the units and not allowing developers to pay a small fee to avoid having to comply.
- Any fee charged to allow a developer to build without market rental units should be enough to buy land and build units ... and the amount of that fee should not be closed until market rental units have been built, in order to ensure that the fee is adequate.
- Relax planning permission, get rid of old school way of long and lengthy processes, reduce bureaucracy, reduce departmental politics, expedite the development process. Learn some kind of lessons from neighbours next door Seattle for example. Learn and adopt practices from countries.
- Allow laneway/carriage houses! They afford greater privacy and are quieter. Richmond's restrictions on them are nonsensical.

14. My comments, questions or concerns about the development of market rental housing in Richmond:

- Not experienced with renting, but concerned with certain "ghost desert" town syndrome news. Seen several "empty" Richmond neighbourhood buildings in past that give unwelcome vibe of zero interaction (likely "investor" rent buildings). Hope for more rowdy crowded neighbours that come and stay and do daily interactions (school/shop/community events/neighbour watch) as actual Canadian Richmond citizens - hope new rental housing proposal more or less works.
- Richmond appears to be slow in shifting to public transit away from the city centre so, as the plan suggests, we need to keep that in mind at the present. We don't need property parking being offloaded on to the street.
- My concern is that our politicians are too unwilling to stand up to developers and mandate affordable housing options.
- Richmond is in a "affordable housing crisis" which impacts all long-term and I would

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like to remain hopeful that our politicians will act promptly and responsibly.

- Given my admittedly strong comments above, it begs the questions - is anyone at the City of Richmond seriously talking to developers/managers/investors of rental property in other cities or jurisdictions? I am quite sure they could provide better insight into what would make it attractive to choose Richmond for more rental development.
- There is not enough rental housing to accommodate the working population - lower income earners. Richmond only supports the wealthy foreign market
- We need more rental so we can lessen the need to commute which is going to become an even costlier issue.
- I think the proposals above is too late and insufficient.
- They need to be affordable for seniors and the young families. Not rents that are out of reach!!!!
- Parking
- See above (Text from respondent's previous comment: "As stated above, the majority of the issue has nothing to do with rentals. I'd love to buy but as a working single professional there's no way I could ever afford to buy a condo in Richmond. However, developers should not be allowed to demolish rented homes and build one that will just stand empty. Also, they should not be allowed to demolish buildings and rebuild with a massive cost increase. I am a full time teacher in the public school system. But if I ever got evicted from my crappy, mouldy, leaky apartment for a demo-viction, I wouldn't be able to afford to live anywhere else.")
- Adding additional rental units into areas already established can cause problems with traffic and parking which can cause problems of access by Emergency Vehicles. Many current streets completely parked up on both sides allow for one vehicle at a time traveling in one direction as there is no place for opposing traffic to move over to pass.
- necessary and soon
- Having affordable and market rental housing in Richmond is necessary to keep the inclusive, accessible housing for people who want to live, work, study here. Both older single adults and young adults, couples and families need to be able to find affordable and adequate rental homes. They are our workforce and our family support systems and they are more important than the amount of profit a developer makes on a project -- their job is to create housing that people can live in and afford!
- Demolishing older building should be very carefully considered and not allowed in many cases
- Any subsidies or mandate to developers to provide low end units for certain groups is rejected.
- We must have places that people, especially families can afford to live in!!!! We need to keep our community diverse. We need people to work in a wide variety of jobs, we need a wide range of kids in our schools.
- 2017 my last year 2bed 2bath 980 Sqft rent was 1700 dollars are month.  
Cook/GardenCity 2018 I have been asked to move out of the property (due to property sales) and I can't find anything below 2200 in Richmond Let me do the maths for you in



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case if its too hard to get it. 2200-1700= 500 Dollar Where I am going to find this Money in just a period of 1 year. Do you guys thiink its a fair amount increase in just a period of one year.Is there any check and balance by the council. Is there someone sitting in the corridors of power noticing these uncapped increases in rent. By the way these rents are matching Vancouver rents and some Downtown rental apartments. I really need to know how are you controlling these rents in Richmond and what's regulating measures Richmond Council is taking for them. As Tax payers I believe I am subsidising Richmond Council's Social housing while I struggle with these ridiculous rent hikes of 500 / month 6000 extra year.Is this the price I am supposed to pay as tax payer and used like a cash cow for council subsidies.I really need to know what's council policy at the moment for people like me who wants to stay in Richmond but current setup is not allowing them to. It looks like the system is working very well for social housing but not for the people who are supporting pillars of it.

- Would like to see more two-bed suites in adult/senior buildings. Older friends share homes too, not just Youth.
- I think the market rent is too high -- focusing on more affordable housing / rent control rather than maintaining enough rental housing at market rental rates seems like it should be a top priority. I really appreciate the fact that the City is trying to help / protect renters (it's important), and it seems like there are some good ideas here, however I don't know enough about the maintenance of rental housing and how it affects the balance of critical issues -- such as access to affordable housing -- to comment on it. It seems like a good thing, but I don't have a lot of knowledge on this subject. (For example, are condos generally rented for higher rates? Are there market rental units of similar quality to condos?) Creating housing that's both healthy/aesthetically pleasing (not necessarily really fancy, but a positive, quality, beautiful environment) and affordable is what I would like to be prioritized. (The philosophy of "bread and roses.") That and a "housing first" strategy for homeless people in Richmond -- I've heard others cities/towns have done it: <http://www.cbc.ca/radio/asithappens/as-it-happens-thursday-edition-1.3074402/medicine-hat-becomes-the-first-city-in-canada-to-eliminate-homelessness-1.3074742>. Chimo also had a good project in the past finding alternative ways of providing housing

### Additional comments:

- We need to do more to ensure that bldg owners who rent are registered as such. There seems to be too much uncontrolled renting going on, and this also puts pressure on street parking, not to mention raises issues of safety and health.
- Please ensure bold strategies in order to retain/ attract millennials to rent in Richmond. As Figure 4 in the Staff Report highlights (p. 38), households would need to earn \$43,320 annually to afford a one bedroom rental unit in Richmond (according to CMHC's standard of 30% of income spent on shelter). These sorts of figures eliminate a large portion of the millenial population who want to rent on their own. Is the unaffordability of the housing market prohibiting this generation from living in Richmond? Certainly for

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those seeking home ownership. Let's not do the same for those seeking rental units.

- Landlords are having problems with tenants who use and abuse the property causing severe damage and need more legal avenues to correct problem tenants.
- Lower the rental price to \$900 for 2 bedroom and \$1200 for 3 bedroom
- Richmond Council should seriously re-evaluate implementing an "Empty Homes Tax" similar to what Vancouver has instituted. There are far too many empty homes of all sizes in our City. This tax would encourage the owners of empty homes to rent out their houses, townhouses and condos, therefore increasing the supply of market rental housing in Richmond and bring in revenue to support City programs.
- The survey questions are poorly written and badly presented. For e.g. Q2 refers to text that appears to be part of Q1.
- Discourage "Investment housing" that just sit empty to gather wealth and increase costs for the population.
- provide a process where if a development is becoming run down the public can notify the city and the city can require owners to bring it back to good repair.
- Please don't reduce the number of parking spots required. I view this suggestion as being pushed by developers in order to reduce their costs, but in my experience (I live in multi-family townhouse), parking is always an issue and it can be difficult to even find street parking. Even when a tenant may not have a car or drive, they inevitably have visitors that require parking, or can lend their space to another tenant that requires the additional spot. I have seen stories on the news about how many parking spots are left empty but this is extremely misleading because most people work during the day and that is why their parking spot is left empty at that time. Please don't take developers' words about what tenants and owners want or need, ask the owners and tenants! We need parking. In my townhouse not every occupant has a car but EVERY parking spot is accounted for because many of the families have two, or even three or more cars (my household has three) and there are no spots available for visitors at all.
- Builder/owners should be encouraged to upgrade existing apt buildings and not tear them down for more expensive condos - that are all marketed off shore anyway!
- Use the city land for infrastructure not for socialist subsidized housing, road systems are currently choked from volume. We need left and right turn bays. New developments should be giving up at least 1 lane width to the city where on an arterial road. Bus bays need to be full width not the current half width since yield to a bus is required by law, vehicles should be permitted to move past while the bus is loading/unloading.
- Another issue that I mentioned about is Racism issue in Richmond I faced while arranging a recent viewing. The perspective tenant should be allowed to do viewings if the property is suitable for their needs. I have recently face a racism issue where a Chinese landlady on property manager ask me too many questions before viewing. The advert was placed last night I called the lady 8am next morning she asked me too many questions about my family members etc. It was two bedroom flat perfect for my small family 2 adults 2 small kids. With in five minutes of talking to her she texted me saying this is not available for viewing. She is still posting the same property ad on Craiglist. I

## Draft Market Rental Housing Policy

LetsTalkRichmond Feedback Form

Written Comments

January 25-February 18, 2018

have asked round my friends and they told me they have faced similar issues of racial discrimination for securing a property. This is a developing problem in Richmond and Council really needs to tackle this by law in some way or another and final solution. I will also make sure that this gets heard by the right people on right platforms. I have solution to suggest to tackle this issue. All listing should be put on Richmond centralized website and monitored Tenant should file in property viewing request by reveal some information about family and job.If Landlord still deny viewings by not giving a reasonable explanation. They should be give explanation to council that why they denied the viewing and on which ground. This is a growing issue and it needs to be tackled in its roots right now. If anyone wants to discuss this matter with me they can discuss this at [REDACTED]

- With the general unaffordability of real estate in Richmond, it is critical we have high quality rental housing available at affordable rates. Would highly encourage putting in restrictions on vacation rentals like Air BnB as they are proven to reduce long term rental availability, drive up rental costs, hurt community attachment and reduce PST revenues (less than 4 units and they don't have to charge PST)
- I really like the city's initiative to create artist studios. I also like the idea of there being a requirement for a certain amount of green space / trees for new/renovated buildings.

**Draft Market Rental Housing Policy**  
 LetsTalkRichmond Feedback Form  
 Written Comments  
 January 25-February 18, 2018

Theme	Notes
Family Friendly units	<ul style="list-style-type: none"> <li>• Significant majority prefer at least 30% “family friendly” units</li> <li>• Comments argue for separate 2BR and 3BR quotas</li> <li>• Size of units also mentioned (ex. increase min. sq. ft. of secondary suites, include size range for 2BR and 3BR units)</li> <li>• Suggestions ranged from 10% to 70%</li> <li>• Family-friendly units will have positive impact on schools</li> </ul>
Improve the process	<ul style="list-style-type: none"> <li>• Streamline application procedure</li> <li>• Fast track applications</li> <li>• Reduce bureaucracy and regulations</li> <li>• Different fee structure for rental versus strata</li> </ul>
Secondary Suites	<ul style="list-style-type: none"> <li>• Mixed support for suites in townhouses</li> <li>• Generally not in favour of suites in apartments</li> <li>• Desire to increase the number of suites in SF neighbourhoods (ex. allow laneway houses and coach houses in more zones)</li> <li>• Fear that small suites further fragment already small townhouses and apartments</li> <li>• Concern with the size of suites, especially if allowed in apartments</li> <li>• Concern that secondary suites are being used for boarding and lodging</li> <li>• Desire to see regulation requiring rental of secondary suites</li> </ul>
Development areas	<ul style="list-style-type: none"> <li>• Important to consider transit access</li> <li>• Consider increasing density close to school and neighbourhood centres (ex. single-family to duplex, triplex, or townhouses)</li> <li>• Expand coach house and laneway house zone to more areas</li> </ul>
Senior government partners	<ul style="list-style-type: none"> <li>• Zone for rental only</li> <li>• Increasing the number of housing co-ops (non-profit co-ops have received funding from the Federal and Provincial governments in the past)</li> <li>• “Empty Home Tax” (note: the City of Richmond does not have the legislative authority to levy this tax, which would require Provincial involvement)</li> <li>• Levy “Hotel Tax” on short term rentals (note: operators with four or less units are currently exempt from the hotel tax, which typically only includes licensed B&amp;Bs)</li> </ul>
Housing for homes	<ul style="list-style-type: none"> <li>• Strong feeling that the market is not currently addressing the need for housing, just the need for real estate investment</li> <li>• Need to build what is needed, not what is most profitable</li> <li>• “Locals First” housing strategy</li> </ul>

**Draft Market Rental Housing Policy**  
 LetsTalkRichmond Feedback Form  
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 January 25-February 18, 2018

Appropriate density	<ul style="list-style-type: none"> <li>• Mixed support for modest density bonus incentive</li> <li>• Concern that adding units, whether through increased density or secondary suites, will have negative impacts on traffic and street parking</li> <li>• Unit density (not FAR) of SF should be increased (i.e. allow both secondary suite in home and coach house or laneway house in rear yard)</li> <li>• Consider small apartment buildings in lieu of townhouses</li> </ul>
Accessibility	<ul style="list-style-type: none"> <li>• Ground floor suites should be accessible</li> <li>• Concern that 100% accessible will increase costs</li> </ul>
Parking and traffic	<ul style="list-style-type: none"> <li>• Concern that parking requirements are already too low, so reductions will only exacerbate parking issues</li> <li>• Concern that allowing or requiring secondary suites will add to parking issues</li> <li>• Concern that upgrades to transportation infrastructure not keeping up with pace of development (ex. road widening, turn lanes, transit service outside City Centre)</li> <li>• Suggestion that any parking reductions should be balanced with car share, cycling, and other TDM measures</li> </ul>
Affordability	<ul style="list-style-type: none"> <li>• Concern that middle class renters are being squeezed out and left behind</li> <li>• Concern that rents are rising across the region</li> <li>• Possibly some confusion over the difference between “market rental housing” and the LEMR housing, with several comments about lowering LEMR rates</li> <li>• Concern that the various fees associated with development are passed on to the consumer and fuel high cost of ownership/renting (ex. DCCs)</li> <li>• Concern that the market is flooded with high-end units</li> </ul>



**URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION**  
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March 16, 2018

Tina Atva, MCIP, RPP  
 Senior Planning Coordinator  
 Policy Planning Department  
 City of Richmond  
 6911 No. 3 Road  
 Richmond, BC, V6Y 2C1

Dear Ms. Atva:

***Re: Draft Market Rental Housing Policy***

I would like to thank you and Richmond staff for meeting with the Urban Development Institute (UDI) several times at our Liaison Committee meetings and hosting two consultation workshops regarding Richmond's *Draft Market Rental Housing Policy*. We are very supportive of Richmond's efforts to improve housing affordability and to increase the number of rental housing units throughout the City. Rental housing is critical for many of Richmond's businesses if they are going to attract the employees they need.

A key point raised by UDI members is the challenging economic viability of developing purpose built rental projects in Metro Vancouver. This is even truer in Richmond, where there are constraints on building heights. Adding restrictive policies could undermine the City's efforts in increasing the number of rental units in Richmond. A more flexible approach would be preferred. During our meetings, staff raised several questions and issues to which we would like to formally respond.

**Protection of Rental Housing Stock**

UDI understands the City's desire to protect the current rental housing stock in Richmond. However, this should be balanced with the City's other objective which is to increase the number of the rental housing units available to current and future residents. It would be a waste of the City's very limited land resources to preserve under-zoned buildings reaching the end of their life cycle. The costs of maintenance, seismic upgrades, and improving energy efficiency will be high and will most likely undermine the buildings' affordability for tenants. In many cases, it would likely be preferable to redevelop the sites to increase the number of rental units; in buildings that comply with current Building Code and energy standards. This is especially true in areas where there is close proximity to good transit.

### **Strengthening the Strata Conversion Policy**

This is not a UDI issue.

### **Enhancing 1:1 Replacement by Maintaining Affordable Rents & Requiring Similar Units**

We would prefer if the redevelopment/replacement policy was flexible. Rental projects are already challenging to build in the Metro Vancouver. Applying Richmond's Low End Market Rental (LEMR) Program rental rates to replacement units would undermine the feasibility of projects; developments, which could provide an increase number of rental units to the City. There may be some sites where density can be increased to the point where the replacement project is a purpose built building(s) and the affordability of the units is maintained. In cases where significant increases in density are not possible, some strata may be needed to maintain the affordability of the rental units; while in other circumstances, a purpose built rental building(s) with 100% market units would be the best option.

In terms of the replacing the size of the units, it is important to understand that the buildings being replaced are much older and less space efficient than new developments with modern and better designed units. New units will also be equipped with the latest appliances/technologies to enhance livability. The unit mix in a fifty-year-old building that is being redeveloped may not be appropriate for today.

We would also be concerned if ground-oriented units had to be maintained because this may limit the density of projects. Townhouse sites being replaced by apartment buildings would rapidly increase the number of rental units in the City. The Kiwanis projects demonstrates the advantages of replacing ground-oriented units with apartments to increase the number of affordable units. It is true that ground-oriented units are generally utilized by families, Richmond is also considering a family housing policy for rental projects (see below), so this will be addressed.

### **Requiring that Rental Building Redevelopment Projects be 100% Rental Building(s)**

This could be an onerous policy that undermines project feasibility, for select sites. This will reduce opportunities to increase the number of market rental units in the City. As noted in the previous section, allowing flexibility in the policy would be preferred, as there are several potential options, including:

- Reducing the required affordability of units to ensure that 100% of the units are market rental;
- To maintain the affordability of units, allowing some stratified units to be built; or
- Increasing densities to the point where the replacement project is a purpose built rental building(s) and the affordability of the units is maintained.

### **Family Units (two to three bedrooms) in New Purpose Built Rental Buildings**

UDI would not oppose a 20% requirement for 2-bedroom units. We understand that there is a market for these units. However, we ask that the policy allow staff to waive the requirement if

circumstances warrant this. Some projects may be focusing on a market segment (e.g. micro-suites for students).

UDI would not want the City to establish a 3-bedroom percentage requirement, which would generally be more difficult for the market to service. Instead, we suggest the City review possible incentives, such as making the third bedroom FAR and DCC exempt. UDI has also asked municipalities to remove obstacles such as restrictions on in-board bedrooms. This has been an impediment to developing three-bedroom units in other local municipalities.

### **Tenant Relocation Policy**

We recommend that the City defer developing a policy on this issue because the Province in its *Homes of B.C.: A 30-Point Plan for Housing Affordability in British Columbia* has committed to address this issue. As an industry, we would prefer a consistent regulatory framework.

As discussed in our meeting, tenant relocation policies that are too onerous and inflexible may undermine Richmond's opportunities to increase its rental stock. Establishing a right-of-first refusal may be difficult for projects where having a 1:1 replacement of affordable units is not possible (please see above). Any policy being considered by government should include a needs assessment, so we can focus on those in need of assistance. Some renters are wealthy enough to secure appropriate housing. Others are currently over-housed. It would not be appropriate in a region with such low vacancy rates to require a developer to relocate a senior into a 3-bedroom family rental unit because they currently reside in a 3-bedroom unit.

One area in which Richmond may be able to assist in tenant relocation is through the LEMR Program. The City recently doubled its inclusionary zoning requirement on developers to provide LEMR housing in their projects. Perhaps, some of these units could be utilized on a temporary or permanent basis to assist in tenant relocations; thereby increasing the number of rental units in the City by allowing redevelopment projects to proceed. UDI would be pleased to discuss this option further with you and your staff.

### **Mandating and/or Incentivising Rental Units**

UDI would oppose a mandatory approach (even with incentives) for rental housing. The industry is already facing substantial cost impediments, which are or will impact housing affordability, including

- 50% increases in Richmond's Development Cost Charges (DCCs);
- Doubling the developer inclusionary zoning requirement under the LEMR;
- Increasing Electric Vehicle (EV) charging requirements in the City;
- Upcoming Richmond *Energy Step Code* requirements in new construction;
- 100% increases in Metro's Sewerage DCC rates;
- A new TransLink DCC; and
- Increases in provincial taxes (School Property Tax & Property Transfer Tax) from *Budget 2018*, which are being applied to development land.



We do not know what the cumulative impact of these cost pressures will be, and recommend that the City not consider additional mandates that could deter development, or add costs for homebuyers and tenants.

### **Proposed Density Bonuses**

As the City's analysis indicates, the proposed density bonusing incentives will likely assist only a few rental housing projects because they are so modest (between 0.1 FAR increases for mixed-use projects to 0.25 FAR for concrete buildings). In some cases, the bonuses may not be able to be used because of setback requirements; which the City may wish to consider waiving to incent rental housing projects.

Richmond needs to be much more aggressive with the density bonusing to meaningfully increase market new rental housing projects in the City. UDI recommends reviewing density on a site-by-site basis. There are several sites in Richmond where densities could substantially be increased; for example, older shopping centres (and adjacent properties), older strata projects that are facing high maintenance costs, and sites along Spires Road and Citation Drive. The density bonuses in these cases would be high enough for the City to incent a substantial number purpose-built rental units. Richmond would need to make it clear to the land market that new density increases (or a percentage of them) on these sites are for rental housing, or land prices will escalate, and make building rental difficult.

### **Parking Relaxation Incentives**

Parking relaxations are a good incentive for rental housing units, as stalls can cost between \$25,000 and \$40,000. While the City has taken great strides to reduce its parking requirements, we believe further steps can be taken to lower the per unit parking requirements. In addition, visitor parking requirements in the City are high and could be reduced. In mixed use projects, shared-use parking could further reduce parking requirements. Changes such as these could result in additional rental units being built in new projects.

Some of the savings from reduced parking rates will be offset by the new EV charging requirements. The EV charging standards could be reduced for rental buildings, so that the conduit is in place but the outlets are not energized until they are needed. The City could stipulate that tenants with EVs must be allowed access to charging. It is much easier for landlords to shift the parking stalls of tenants in rental buildings than it is to move the stalls of owners in strata buildings.

### **Waiving Affordable Housing Requirements and City Art/Planning Fees**

UDI would support waiving of the affordable housing requirement for purpose built rental projects. Given the recent doubling of the requirement, this would be a very positive incentive for market rental housing projects. We ask that this waiver also apply to projects in which there is an affordable housing charge. The waiving public art contribution and community planning contribution fees may not result in more rental housing projects, but the waivers could lead to increasing the number of rental units in projects.

### **Fast Tracking Development Approvals**

In the development industry time is money, so improvements in processing times will reduce the costs of projects and improve their viability. However, there would need to be real and meaningful processing improvements. We have found in other local governments that the approval times for fast track projects are not necessarily reduced by much. Fast tracking processes can take longer because more people are reviewing those developments to ensure the municipality is accruing the benefit from the incentive being provided. To ensure reduced processing times, the City could look at removing processing steps. An example would be pre-zoning rental projects, so rezoning processes do not have to occur.

### **Lock-off Suites in Townhouses and Apartments**

UDI is supportive of allowing lock-off suites in multi-residential projects. However, we would advise against mandating them, as it is not clear what the market reaction will be. The proposed minimum sizes (25 m<sup>2</sup> in townhouses and 20 m<sup>2</sup> in apartments) are adequate. One issue we hope the City can address is parking. The lock-off suites will not be viable in many instances if parking is required for them.

### **Universal Housing Features**

UDI is not opposed to the policy mandating the Building Universal Housing features (wider doorways and easy to grasp handles) with the 1.86 m<sup>2</sup> floor area exemption discussed at our meeting. It is our understanding that this is standard construction practice in the City.

### **Other Policies to Incent New Rental Housing**

There is one financial incentive that we discussed that **we request the City will seriously consider – waiving property taxes for a set period of time (e.g. five to ten years)**. This incentive has been identified by our members as one of the key incentives that local governments can offer. It is even more impactful now, since the Province announced in *Budget 2018* that it would mirror municipal property tax waivers for rental housing for their portion of the property tax. We ask the City to review this incentive for new rental housing again, in light of the recent change in Provincial policy. In addition, we recommend that Richmond consider waiving DCCs and daycare contributions for new purpose-built rental housing.

We note that Kelowna has been successful in attracting new rental housing through an aggressive incentive program. We have appended the details of their program. UDI asks that Richmond consider such steps for its *Market Rental Housing Policy*.

Richmond cannot do this alone. It needs the support of senior governments. Ideally, industry and the City can partner with each other to access potential Federal and Provincial incentives for rental housing in the *National Housing Strategy*, the *2018 Provincial Budget*, and *30-Point Plan for Housing Affordability in British Columbia*.

UDI would also like to work with the City and other local governments to seek additional Federal and Provincial Incentives for rental housing. I have attached a joint submission UDI prepared with LandLordBC regarding provincial tax incentives for new rental housing, including Property Transfer Tax rebate and PST rebates for new rental construction. We also continue to request key Federal tax incentives for purpose-built rental housing, including:

- A full rebate or exemption of the GST on new rental housing;
- Inclusion of GST Input Tax Credits on the ongoing operation of Rental Housing;
- Deferral of Capital Gains Tax and recaptured Capital Cost Allowance (CCA) upon sale of a property and re-investment in new rental housing;
- Increase in CCA to 5% for all new rental housing including mixed-use buildings;
- The extension of eligibility for use of CCA losses to all investors in new rental housing; and
- Not moving forward with increases in the CGIR from to 66.67% or 75% as has been contemplated in the past.

I would like to thank you again for meeting with UDI to discuss Richmond's *Draft Market Rental Housing Policy* on several occasions. You have raised a number of important issues in your comprehensive policy review, and we would be pleased to review further with you the responses and recommendations that we have put forward. UDI looks forward to working with you and Richmond staff as this important initiative moves forward.

Yours sincerely,



Anne McMullin  
President and CEO

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COR on Market Rental Housing Strategy.docx

### **Background**

LandlordBC in partnership with the Urban Development Institute (UDI) is pleased to provide the Minister of Finance and the Minister of Municipal Affairs and Housing with a joint proposal on policy tools to spur new purpose-built rental construction in British Columbia.

The Province of British Columbia has committed to delivering 114,000 new rental, co-op and social housing units over 10 years. As the Province's comprehensive housing strategy takes form, our industry would like to be key partners in delivering this housing supply to help relieve some of the burden on government. Our members have the capacity to provide a variety of housing types to market, given the proper incentives.

A major impediment to building affordable purpose-built rental is ensuring that projects are economically feasible for developers. Recent rezoning and tax incentives by a handful of municipalities have generated a modest supply of private sector purpose-built rental housing. In most cases, these changes did not require public funding, rather forgoing a portion of revenues from development in exchange for the creation of purpose-built rental.

Another important consideration for incentivizing developers is to establish a stable regulatory environment for investment. Unlike strata developers who have three to five year time horizons, rental investors require certainty that the regulatory environment they operate in will be stable for decades. If the Province were to introduce further amendments to the Residential Tenancy Act that could add risk to these developers (e.g. reductions to the annual inflationary increases, eliminating the ability to adjust rents on tenant turnover), the wrong signals would be sent to purpose-built rental investors and would significantly jeopardize rental projects currently in the development pipeline.

In order to ensure the viability of the rental housing industry, continued investment in the maintenance and enhancement of existing buildings must be encouraged, in addition to prioritizing the development of critical new supply. As we struggle with aging rental housing and low vacancy rates, these priorities must be equally protected. While not specifically addressed in this submission, we are committed to ensuring the equitable treatment of displaced tenants, in particular, the most vulnerable. We are also supportive of the Government's proposed \$400 renter rebate as a component of a broader renter support strategy.

The following are policy tools that LandlordBC and UDI propose to incentivize purpose-built rental construction in British Columbia. Please note that our recommendations include substantial renovated and/or expanded purpose-built rental buildings:

### **Policy Tools**

*Policy Tools 1-4 address mechanisms to incent investment capital from condominiums to purpose built rental.*

### **1. Property Transfer Tax (PTT) Exemption**

Currently, the PTT is at 3% for all properties over \$2 million. Any increase in PTT would further undermine the economic feasibility for developers to invest in purpose built rental. By exempting purpose-built rental from the PTT, all other things being equal, ensures these projects are more attractive to invest relative to other real estate asset classes. An exemption of the PTT paid on land used to develop a new purpose-built rentals would help reduce costs significantly and thus narrow the disadvantage of rental as compared to condominiums. In the City of Vancouver, land sales are routinely at \$200 a buildable square foot or more. Three percent of this price equates to \$6 per buildable foot, which could serve as an important inducement to building rental as compared to building condominium housing.

#### **Recommendation:**

*A complete exemption from the PTT for any purpose-built rental building which, at time of sale, is subject to GST. The rebate would be provided to the developer at occupancy when it is demonstrated that the project is a purpose-built rental building.*

### **2. Provincial Sales Tax (PST) Rebate**

Currently, PST rates are at 7% on all materials purchased for use in construction. Construction costs excluding soft costs and land are approaching \$300 a square foot for wood frame and over \$400 for concrete in Metro Vancouver. Approximately 40%, or \$120 for wood frame and \$160 for concrete, of these costs pertain to materials - where PST is included in this latter cost. By providing a PST rebate on materials purchased for the construction of purpose-built rental, developers will be able to save approximately \$8 a foot on wood frame construction and \$10 a foot on concrete construction.

A PST rebate for materials used in the construction of a purpose-built rental building would narrow the disadvantages which purpose-built rental faces over market condominiums.

#### **Recommendation:**

*A rebate of the PST on all construction materials used in the construction of a new or substantially renovated purpose-built rental project. As with the PTT exemption, the rebate would occur at occupancy.*

### **3. Property Tax Exemptions or Designating a Dedicated Property Tax Class for Purpose-Built Rentals**

Property taxes are paid on an annual basis. Reducing this burden over a number of years would attract long-term investors to purpose-built rental. Unfortunately, some of our members have been informed by the City of Vancouver that these exemptions cannot be applied by the City to private sector entities. This process could be clarified or enabled by the Province. Private sector property tax exemptions for Heritage Restoration are already commonplace in many municipalities.

There is also an opportunity for the Province to lead by example. In addition to providing legislative support for municipal property tax exemptions or reductions, the Province could offer a joint tax incentive program with local governments. The Province would offer exemptions or abatements for its portion of the property tax if municipalities agree to offer the same incentive for their portion.

Another approach could be to develop a separate mill rate for purpose-built rental housing projects. The mill rate would apply to both the municipal and provincial portions of the property tax and would be lower than the rate for residential ownership units.

**Recommendation:**

*The Province provide rental housing investors with reductions in property taxes for new projects and ensure that municipalities can do the same. Reducing the property tax burden on these projects would provide a key incentive for long term investors to consider purpose built rental as an economically feasible opportunity.*

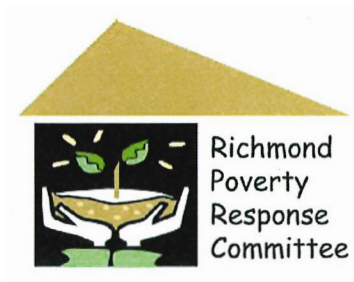
**4. Pilot Funding Program to Incentivize Municipality Processing Times**

Currently, average processing times for purpose-built rental projects in larger municipalities can be many years. Processing times have beleaguered development projects to the point where there is currently little incentive for developers to consider designing purpose-built rental because of the measurable cost associated with waiting for approvals. Many of our members have advised us of proposed rental projects that were eventually cancelled and converted to market condominiums due to extraordinary processing times.

To ease the burden of resourcing, the Province could create a funding program to incent municipalities to fast track approvals of purpose-built rental projects. For example, municipalities could pre-zone sites, increase resources (e.g. staffing or I.T.) or create a separate stream for processing rental projects. This pilot funding program would consist of a one-time provincial grant for municipalities at the time of approval to use at their discretion to boost processing capacity.

**Recommendation:**

*The Province create a funded pilot program for municipalities specifically to expedite processing times.  
Funding would be provided to those municipalities meeting provincially established metrics for approving purpose built rental.*



February 18, 2018

Mayor and Councillors  
City of Richmond  
6911 No. 3 Road  
Richmond, BC V6Y 2C1

**SUBMITTED BY EMAIL**

To Mayor and Councillors:

**Re: Draft Market Rental Housing Policy**

Thank you for the opportunity to make a submission to the market rental housing policy. As chair of the Richmond Poverty Response Committee's Housing Task Force (HTF) I am writing to you today to urge Richmond City Council to adopt the following recommendations. The City should:

- Decrease parking requirements in new developments, especially in areas with rapid transit;
- Provide density bonuses for wood frame apartments, equal to those of concrete buildings in city center;
- Allow a limited number of micro-suites with the same minimum floor-space as secondary suites (20m<sup>2</sup>);
- Allow developers to appeal to the City, on a project-specific basis, to convert parking space requirements into additional bike parking spaces; and
- Appeal to the Provincial government to allow rental-only zoning.

For your interest, members of the Richmond PRC include the Richmond Food Bank Society, Richmond Women's Resource Centre, Richmond Food Security Society, Richmond Family Place, Chimo Community Services, Richmond Centre for Disability, Richmond Health Services, Family Services of Greater Vancouver, Turning Point Recovery Society, ISS of BC and representatives of various Faith Groups, among others.

A response from City Hall on these recommendations would be greatly appreciated. Thank you for your consideration.

c/o Richmond Food Bank Society, #100-5800 Cedarbridge Way, Richmond, BC V6X 2A7  
[www.richmondprc.ca](http://www.richmondprc.ca)



**Swan, Cathy**

---

**From:** Dr. S. Y. Liu <s.y.liu@lsymanagement.com>  
**Sent:** Saturday, 6 January 2018 2:01 AM  
**To:** Atva,Tina  
**Subject:** RE: Market Rental Housing Policy

Dear Tina,

Thank you for your email.

We went through Report to Committee. We believe all major points are considered for the regulation of existing market rental stock and incentive for market rental development.

It will be of interest to Federal decision on tax incentive, deduction for market rental possible consideration for small business tax. For our family operation, the Recent Tax reform in US offer great incentive for real estate investment. 1031 exchange promote continued investment.

We do not have additional input to the Report. It covers all points.

Thank You & Best Regards,  
Yuen

**From:** Atva,Tina [mailto:TAtva@richmond.ca]  
**Sent:** Saturday, 6 January 2018 2:11 AM  
**To:** 'Dr. S. Y. Liu' <s.y.liu@lsymanagement.com>  
**Subject:** RE: Market Rental Housing Policy

Dear Mr. Liu,

Thank you for your reply. If you do have comments about the Draft Market Rental Housing Policy that you would like Richmond City Council to consider, please let me know. We would consider your feedback as we revise the Policy and forward your comments to Council with a subsequent report. Any information you would like considered should ideally be received by February 18, 2018.

If you have any questions, please let me know.

Thank you,

Kind regards,

Tina

**Tina Atva, MCIP, RPP**  
Senior Planning Coordinator  
Policy Planning Department  
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[tatva@richmond.ca](mailto:tatva@richmond.ca)

👤 People 🌟 Excellence 🏆 Leadership 🤝 Team 🚀 Innovation

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**From:** Dr. S. Y. Liu [<mailto:s.y.liu@lsymanagement.com>]  
**Sent:** Thursday, 4 January 2018 23:44  
**To:** Atva,Tina  
**Subject:** RE: Market Rental Housing Policy

Dear Tina,

Thank you for your email and enclosure Report to Planning Committee dated November 2, 2017.

We will not be able to attend the workshop on February 1, 2018 as we have to be in Singapore to complete target acquisition prior to Chinese Lunar New Year. If we knew the date earlier we could make alternative adjustment.

We are leaving for Vancouver early tomorrow morning (January 6, Singapore time). We will go through the report in detail during our flight from Singapore to Vancouver. We will forward you query, if any. Our view will be based on "investment" angle. Enclosed, for your information, please find our visit itinerary.

Have a good weekend.

Thank You & Best Regards,  
Yuen

**From:** Atva,Tina [<mailto:TAtva@richmond.ca>]  
**Sent:** Friday, 5 January, 2018 1:16 AM  
**To:** 'Dr. S. Y. Liu' <[s.y.liu@bennettholding.com](mailto:s.y.liu@bennettholding.com)>; 'Dr. S. Y. Liu' <[s.y.liu@lsymanagement.com](mailto:s.y.liu@lsymanagement.com)>  
**Subject:** Market Rental Housing Policy

Dear Mr. Liu,

Happy New Year.

We met earlier at Richmond City Hall to discuss some of the rental properties you have in Richmond. I want to let you know about an upcoming workshop we are having on February 1, 2018 to discuss a Draft Market Rental Housing Policy. A copy of the Report to Council from November 2017 is attached. I realize that you are out of the country but wanted to ensure you are aware of this work. If you would like to discuss this draft policy, or have questions, please let me know. The invitation and details about the workshop are below.

Thank you,

Tina

Dear Landlords of Market Rental Buildings in Richmond and members of Landlord BC,

Richmond City Council recently authorized consultation on a Proposed Draft Market Rental Housing Policy. The draft policy seeks to protect the existing supply of market rental housing, support tenants and incentivize the construction of new market rental housing in Richmond. A pdf copy of the staff report to Council is attached. A link to the Council meeting agenda where this was considered is below (please see item #15), along with the minutes from that meeting.

- Link to November 14, 2017 Council Meeting Agenda & Reports (item #15)  
[https://www.richmond.ca/agendafiles/Open\\_Council\\_11-14-2017.pdf](https://www.richmond.ca/agendafiles/Open_Council_11-14-2017.pdf)
- Link to November 14, 2017 Council Meeting Notes (see item #6: Committee Minutes from the November 7, 2017 Planning Committee)  
[https://www.richmond.ca/cityhall/council/agendas/council/2017/111417\\_minutes.htm](https://www.richmond.ca/cityhall/council/agendas/council/2017/111417_minutes.htm)

We would like to invite owners and managers of market rental buildings in Richmond, and members of Landlord BC to participate in a workshop on the Draft Market Rental Housing Policy. We would like your feedback on the policy directions proposed in the report.

An agenda will be distributed approximately one week before the meeting. If you have specific questions or items you would like to have discussed at the workshop, please let us know in advance.

Workshop Topic: City of Richmond Draft Market Rental Housing Policy  
Date: Thursday, February 1, 2018  
Time: 8:30 am to 10:30 am  
Location: Richmond City Hall 8<sup>th</sup> floor  
RSVP: [tatva@richmond.ca](mailto:tatva@richmond.ca) or 604-276-4164 with name, company, email address & phone number.  
Please RSVP on or before Monday January 29, 2018 (space is limited).

Coffee and refreshments will be served during the workshop.

Please feel free to contact us with any questions or comments you may have.

Thank you and kind regards,

Tina Atva

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**Richmond Official Community Plan Bylaw 9000  
Amendment Bylaw 9879  
(Market Rental Housing Policy)**

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 section 3.3 [Diverse Range of Housing Types, Tenure and Affordability] by adding a new policy c) in Objective 1 [Encourage a variety of housing types, mixes and densities to accommodate the diverse needs of residents] and renumber accordingly:

“c) encourage all multiple family housing to provide a minimum of 40% of units with two or more bedrooms that are suitable for families with children;”

2. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at section 3.3 [Diverse Range of Housing Types, Tenure and Affordability] by adding a new Objective 2 and accompanying policies as follows:

**“OBJECTIVE 2:**

**Protect and enhance the existing stock of market rental housing.**

**POLICIES:**

- a) acknowledge that market rental housing comprises an important and substantial component of the city’s supply of affordable housing, meets the needs of a diverse population and contributes to social diversity and healthy communities;
- b) encourage property owners to maintain existing market rental buildings in good repair and in a safe condition. Maintenance, repair and renovation should be done while the tenant(s) still lives in the unit or has been provided with temporary alternate accommodation by the property owner(s) at the same rental rate before returning to the unit;
- c) support the identification of funding sources (e.g., from senior government or other) that may be used to upgrade and extend the life span of existing market rental buildings;
- d) discourage redevelopment of properties containing purpose-built market rental housing;

- e) consider allowing the redevelopment of sites that have existing market rental units only if the site continues to be used for rental housing and any existing rental units are replaced as affordable housing (e.g. low-end market rental, or LEMR) units; and
  - f) ensure that all existing market rental units are replaced at a minimum ratio of 1:1 (one new market rental unit for each existing market rental unit) that meet the City's Affordable Housing Strategy and are secured in perpetuity as affordable housing through one or more legal agreements or other alternate approach to the satisfaction of the City. Replacement market rental units will have the same number of bedroom units and the same number of ground oriented units as originally located on site."
3. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at section 3.3 [Diverse Range of Housing Types, Tenure and Affordability] adding a new Objective 3 and accompanying policies as follows:

**“OBJECTIVE 3:**

**Support tenants at the time of redevelopment of existing market rental housing.**

**POLICIES:**

- a) protect tenants who may be displaced by the redevelopment of existing market rental units by requiring a tenant relocation plan. The tenant relocation plan will incorporate the following:
    - A minimum four months' notice to end the tenancy, and otherwise as set out in the provincial *Residential Tenancy Act*;
    - A right-of-first-refusal for existing, displaced tenants to rent replacement units as affordable housing, without having to meet the City's typical (low-end market rental) income thresholds;
    - For tenants who have resided in the applicable rental units longer than one year:
      - three months' free rent or lump sum equivalent at the discretion of the tenant; and
      - assistance in finding alternative accommodation which meets the tenant's needs, is located in Richmond, or in another location at the tenant's discretion, and where the rent does not exceed Canada Mortgage and Housing Corporation's (CMHC) average area rents for Richmond."
4. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at section 3.3 [Diverse Range of Housing Types, Tenure and Affordability] by adding a new Objective 4 and accompanying policies as follows:

**“OBJECTIVE 4:****Encourage the development of new purpose-built market rental housing units.****POLICIES:**

- 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 through one or more legal agreements or other alternative approach to the satisfaction of the City;
- b) proposed development sites for new market rental housing must at the time of development approval be designated in the OCP as Neighbourhood Residential, Apartment Residential or Mixed Use and must permit the housing type proposed (e.g. townhouses or apartments);
- c) new market rental housing developments will have a minimum of 40% of units with two or more bedrooms that are suitable for families with children;
- d) additional density (density bonus) may be considered for new developments that provide secured market rental housing subject to the following:
  - sites must be located with the City Centre or within the Neighbourhood Centres identified in the OCP. Other locations that are within 400 m of a Frequent Transit Network (key transit corridors with higher levels of all day demand in both directions) may also be considered;
  - proposed developments meet or exceed the City’s sustainability objectives related to building energy and emissions performance;
  - 100% of the market rental units incorporate basic universal housing features;
  - proposed developments demonstrate that they would integrate well with the neighbourhood and comply with OCP Development Permit Guidelines; and
  - community consultation is undertaken.
- e) the maximum density bonus that may be considered for market rental housing is:
  - for ground oriented townhouses and wood frame apartments (inside or outside City Centre) on sites that provide 100% of the residential use at the site as market rental: 0.20 FAR above the base density set out in the OCP or Area Plan;
  - for concrete buildings in City Centre only on sites that provide 100% of the residential use at the site as market rental: 0.25 FAR above the base density set out in the OCP or Area Plan; and

- for mixed market rental and strata buildings: 0.10 FAR above the base density set out in the OCP or Area Plan, with the density bonus applying only to that portion of the new development that contains the market rental housing units;
- f) new developments that provide secured market rental housing units may be eligible for the following incentives:
- reduced parking requirements;
  - exemption from all or a portion of affordable housing requirements in recognition of the significant community benefit provided by the proposed market rental housing units; and
  - exemption from all or a portion of public art and community planning contributions.”
5. Richmond Official Community Plan Bylaw 9000, as amended, is further amended at section 3.3 [Diverse Range of Housing Types, Tenure and Affordability] by adding a new Objective 5 and accompanying policies as follows:

**“OBJECTIVE 5:**

**Limit the strata conversion of existing residential rental or cooperative units.**

**POLICIES:**

- a) limit the strata conversion of existing rental or cooperative buildings involving three or more dwelling units (duplex strata conversions are acceptable). Council will consider the following before approving a residential strata conversion:
- the impact that a proposed conversion will have on the stock of rental housing in Richmond. If the rental vacancy rate is less than 4% and the number of affected units is 4 or more, then Council should consider refusing the application until vacancy rates have risen to 4% or higher;
  - the views of existing tenants submitted to the City in writing;
  - a tenant relocation plan to protect tenants who may be displaced by the proposed strata conversion. The tenant relocation plan will incorporate the following:
    - a minimum four months’ notice to end the tenancy and otherwise as set out in the provincial *Residential Tenancy Act*;
    - a right-of-first-refusal for existing, displaced tenants to purchase a strata unit at a 5% discount from market prices;
    - for tenants who have resided in the applicable rental units longer than one year:

- three months' free rent or lump sum equivalent at the discretion of the tenant; and
- assistance in finding alternative accommodation which meets the tenant's needs, is located in Richmond, or in another location at the tenant's discretion, and where the rent does not exceed Canada Mortgage and Housing Corporation's (CMHC) average area rents for Richmond.

- the submission of a Building Condition Assessment Report in a form acceptable to the City from a registered architect, engineer, or another qualified professional, including an assessment of the life expectancy and the state of repair of the building, general workmanship and the degree of compliance with all City bylaws, servicing standards and requirements;
- provision of open space, landscaping and common facilities, in general compliance with the OCP's Development Permit Guidelines, along with preserving all required off-street parking and loading spaces; and
- other site-specific development conditions that might be appropriate to the specific circumstances."

6. This Bylaw may be cited as "Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9879".

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

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CITY OF RICHMOND
APPROVED by TA
APPROVED by Manager or Solicitor BK

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MAYOR

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CORPORATE OFFICER





Richmond Official Community Plan Bylaw 7100
Amendment Bylaw 9889
(West Cambie Area Plan – Exemption of Market Rental Housing from
Community and Engineering Planning Costs)

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

- 1. Richmond Official Community Plan Bylaw 7100, as amended, is further amended at Schedule 2.11 A – West Cambie Area Plan, Section 9.3.2 [Alexandra Development Framework], Objective 3, by deleting the last bullet [Community and Engineering Planning Costs] under policy f) [Developer Contributions – Public Amenities) in its entirety and replacing it with the following:

“Developer Contributions – Public Amenities

f) For rezoning applications for sites depicted on the ‘Alexandra Neighbourhood Land Use Map’, the City will accept developer/applicant contributions as follows:

- Community and Engineering Planning Costs: The City will accept a developer’s contribution of \$0.86 per m² (\$0.08 per ft²) on the total net floor area (based on the proposed FAR) to assist in paying for community planning and engineering costs to plan community land use, services and infrastructure. The City may reduce or eliminate this contribution for new rezonings which provide secured market rental housing.”

- 2. This Bylaw may be cited as “Richmond Official Community Plan Bylaw 7100, Amendment Bylaw 9889”.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

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CITY OF RICHMOND
APPROVED by TA
APPROVED by Manager or Solicitor BK

MAYOR

CORPORATE OFFICER



**Richmond Zoning Bylaw 8500  
Amendment Bylaw 9886  
(Market Rental Housing)**

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 3.4 [Use and Term Definitions] by adding the following definitions, in alphabetical order:

**“Market rental unit** means a **dwelling unit** that is rented at prevailing market rates and is subject to a **market rental agreement**”; and

**“Market rental agreement** means an agreement in a form satisfactory to the **City** that limits the tenure of a **dwelling unit** to rental only, and at prevailing market rental rates.”

2. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 5.4 [Secondary Suites] by:

adding the following after subsection 5.4.1 e), and renumbering as required:

f) “the **secondary suite** must have a minimum **floor area** of at least 25.0 m<sup>2</sup> in **town housing**”; and

g) “a **secondary suite** is permitted in a maximum of 50% of the total units in **town housing**”; and

adding the following after subsection l), and renumbering as required:

o) “where the required on-site **parking spaces** for the **principal dwelling unit** in **town housing** are provided in a side-by-side, non-**tandem arrangement**, an additional on-site **parking space** for a **secondary suite** is not required.”

3. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 7.7 [Parking Spaces Required] by removing Table 7.7.2.1 “Residential Use Parking Requirements” in its entirety and replacing it with the following:

Table 7.7.2.1 Residential Use Parking Requirements

Residential Use	Minimum number of Parking Spaces Required per Dwelling unit	
	Basic Requirement	Visitor Parking Requirement
Single Detached Housing	2.0	Not applicable
Two-Unit Housing	2.0	Not applicable
Coach Houses	1.0	Not applicable
Town Housing	2.0	0.2
Town Housing in RAM, RCL Zones	1.5	0.2
Apartment Housing	1.5	0.2
Mixed Commercial/ Residential Uses	1.5	0.2
Affordable Housing Unit	1.0	0.2
Market Rental Unit	1.8 for town housing 1.2 for apartment housing	0.2
Congregate Housing	0.3 space for each bed plus 1 per staff member	
Secondary Suite	See Section 5.4.1 n) & o) for conditions where an 1.0 additional parking space on arterial roads is required	
Bed and Breakfast	One space for each guest room. <small>[Bylaw 8672, Jan 24/11]</small>	
Granny Flat <small>[Bylaw 8922, Nov 19/12]</small>	1.0	Not applicable

4. Richmond Zoning Bylaw 8500, as amended, is further amended at Section 7.9 [Provision of Parking in City Centre] by removing Table 7.9.3.1 “Residential Use City Centre Parking Requirements” in its entirety and replacing it with the following:

**Table 7.9.3.1 Residential Use City Centre Parking Requirements**

<b>Residential Uses</b>	<b>Zone 1</b>	<b>Zone 2</b> <small>[Bylaw 8839, Mar 12/12]</small>	<b>Zone 3</b>
<b>Town Housing</b>	1.0 space for residents per <b>dwelling unit</b> ; plus	1.2 spaces for residents per <b>dwelling unit</b> ; plus	1.4 spaces for residents per <b>dwelling unit</b> ; plus
<b>Apartment Housing</b>			
<b>Mixed Commercial/ Residential Uses</b>	0.2 spaces for visitors per <b>dwelling unit</b>	0.2 spaces for visitors per <b>dwelling unit</b>	0.2 spaces for visitors per <b>dwelling unit</b>
<b>Affordable Housing Unit</b>	0.9 spaces for residents per <b>affordable housing unit</b> ; plus 0.2 spaces for visitors per <b>affordable housing unit</b>		
<b>Market Rental Unit</b>	0.9 for <b>town housing</b> 0.8 for <b>apartment housing</b> 0.2 spaces for visitors per <b>dwelling unit</b>	1.1 for <b>town housing</b> 1.0 for <b>apartment housing</b> 0.2 spaces for visitors per <b>dwelling unit</b>	1.3 for <b>town housing</b> 1.2 for <b>apartment housing</b> 0.2 spaces for visitors per <b>dwelling unit</b>
<b>All Other Residential Uses</b>	The minimum parking requirements identified in Section 7.7"		

5. This Bylaw may be cited as **“Richmond Zoning Bylaw 8500, Amendment Bylaw 9886”**.

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