



Affordable Housing Strategy

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Purpose:

To inform all applicants for Rezoning, Subdivision and Development Permit applications about changes to the City of Richmond Affordable Housing Strategy's policies. The Affordable Housing Strategy can be found online at www.richmond.ca/plandev/socialplan/housing/strategy.htm.

The West Cambie Alexandra Neighbourhood has a number of its own affordable housing calculations, which are detailed in the Area Plan. The City of Richmond Affordable Housing Strategy otherwise applies. The West Cambie Area Plan can be found online at www.richmond.ca/cityhall/bylaws/ocp/sched2.htm.

Background:

As with all Lower Mainland municipalities, the City of Richmond has been experiencing an increasing need for additional affordable housing for its citizens. Richmond's housing sector has seen significant and continued growth, resulting in the escalation of real estate prices and rental rates alike. These rising costs have proven out of reach for an increasing number of Richmond citizens.

The updated Affordable Housing Strategy was adopted by Council on March 12, 2018. A central focus of the Strategy is to ensure that the City is successful in providing a range of housing options for households of different ages, family types and incomes. The Strategy identifies 5 Strategic Directions to focus on for the next 10 years: use regulatory tools to encourage a diverse mix of housing types and tenures; maximize use of city resources and financial tools; build capacity with non-profit housing and service providers; facilitate and strengthen partnership opportunities; and increase advocacy and education roles.

The Strategy also identifies the following priority groups in need:

- Families;
- Low-to-moderate income households;
- Persons with disabilities;
- Seniors; and
- Vulnerable groups including households on fixed incomes, persons experiencing homelessness, women and children experiencing family violence, persons with mental health and addictions issues, and Aboriginal populations.

The Affordable Housing Strategy recognizes that the City alone cannot adequately address the affordable housing needs of its citizens and substantial support and cooperation is required from other levels of government, non-profit organizations and the development community in order to comprehensively address these needs.

Affordable is defined as meaning that no more than 30% of the gross income of a household is spent on housing costs (excluding cablevision, telephone, other telecommunications and utility fees).

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Affordable Housing Strategy Implementation:

Effective July 24, 2017, Richmond City Council adopted the following policy changes:

Rezoning Applications

All cash-in-lieu contributions, when applicable, towards the City's Affordable Housing Reserve are required in exchange for the increased density proposed as part of a rezoning application. The cash contributions are based on the following amounts:

Housing Type	New Rate (as of July 27, 2017)	Previous Rate
Single Family	\$4 per buildable ft ²	\$2 per buildable ft ²
Townhouse	\$8.50 per buildable ft ²	\$4 per buildable ft ²
Apartment and mixed-use developments involving 60 or less residential units	\$14 per buildable ft ² (concrete construction) \$10 per residential ft ² (wood-frame construction)	\$6 per buildable ft ²

Applications received **prior** to the adoption date (July 24, 2017) will be grandfathered under the previous contribution rates per the above table provided the application is presented to Council for consideration within one year of the effective date of the revised policy (July 24, 2018). All applications received **after** July 24, 2017 will be subject to the new rates.

Larger Apartment Rezoning Applications

To achieve a proposed density envisioned as part of a rezoning application, each multi-family or mixed-use development containing more than **60** residential units are asked to:

- Build at least 10% of the total residential building area (based on the residential Floor Area Ratio), with a minimum 4 units, as LEMR units;
- Affordable housing unit types and location within the proposed development will be determined in consultation with the City's Affordable Housing staff;
- To ensure that these units are secured for LEMR purposes, a Housing Agreement will be registered on title through the rezoning process;
- Set a minimum target of securing 15% 2BR and 5% 3BR LEMR units. For developments providing 30+ LEMR units, the City will target a higher proportion of family-friendly units; and
- The City will not consider a "den" as a 3rd BR for LEMR units. (IE 2 BR+ Den).

Applications received **prior** to the adoption date (July 24, 2017) will be grandfathered under the previous built unit requirement of **5%** of the total residential building area provided the application is presented to Council for consideration within one year of the effective date of the revised policy (July 24, 2018). All applications received **after** July 24, 2017 will be subject to the new **10%** built unit requirement.

Single Family Rezoning Applications

The City utilizes a density bonusing approach for all single-family residential rezoning applications. As of July 24, 2017, the options for single family rezoning applications are:

- All single family lots being rezoned in order to facilitate a subdivision are required to ensure that 100% of the new lots being created through the subdivision will include a single family dwelling with a secondary suite or a single family dwelling with a coach house unit; or
- 50% of the new lots being created through the subdivision will include a single family dwelling with a secondary suite or coach house and a cash-in-lieu contribution of **\$4** per total buildable square foot on the remaining **50%** of the lots to be provided towards the Affordable Housing Reserve Fund; or
- A cash-in-lieu contribution of **\$4** per total buildable square foot to the Affordable Housing Reserve Fund for the single family lots that cannot accommodate the provision of built secondary suites.

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How are affordable housing cash-in-lieu contributions used?

The City will utilize cash-in-lieu contributions, deposited into the Affordable Housing Reserve Fund, to work with senior levels of government and community-based groups to provide affordable subsidized housing units in the city.

What is a Housing Agreement?

A Housing Agreement is a contractual agreement between the property owner and the City of Richmond, which is registered on title and serves to ensure that the affordability terms established by the City remain in effect.

The principal intent of the Housing Agreement is to specify rental rates and occupant income by unit type in perpetuity. It also establishes penalties if the terms of the agreement are breached.

The terms and conditions of the Housing Agreement must be agreed to by the applicant prior to forwarding the proposed rezoning application to Council. Prior to execution of the Housing Agreement and registration on title, Council must adopt the Housing Agreement through the municipal bylaw process.

Unit Size, Maximum Rent & Eligible Tenant Annual Income

The following updates to the requirements for low-end market rental units are as follows:

Unit Type	Minimum Unit Sizes	Current LEMR Maximum Rents*	Total Household Annual Income ^{1*}
Studio	37 m ² (400 ft ²)	\$811/month	\$34,650 or less
1BR	50 m ² (535 ft ²)	\$975/month	\$38,250 or less
2BR	69 m ² (741 ft ²)	\$1,218/month	\$46,800 or less
3BR	91 m ² (980 ft ²)	\$1,480/month	\$58,050 or less

Notes:

¹ Subject to Council approval, total annual household incomes and maximum monthly rents may be increased annually by the Consumer Price Index.

* Denotes 2017 amounts adopted by Council on July 24, 2017.

Program Manager, Affordable Housing:

For additional information on the City's Affordable Housing Strategy, please contact the Program Manager, Affordable Housing at 604-247-4916.