

Housing Affordability: Pathways to Success



How can Richmond affect housing affordability?

Richmond must be a place where new housing delivers innovative, purpose-driven solutions that contribute towards housing affordability, diverse housing choices and equitable, resilient neighbourhoods.

Why is this important?

- Housing costs have risen faster than incomes.**
Between 2006 and 2021, median before tax income for homeowners increased by 22%, while the cost to buy a home rose 116%. For the same period, renter income increased by 41%, while rents rose 77% (source: Census).
- The challenge is greatest for lower income households.**
Lower income households have less resources and ability to adapt.
- A lack of federal support for affordable housing has worsened the problem.**
Federal investment used to ensure that at least 10% of new housing was for low-income households, but this dropped to 1% in the 1990s and has only just started to turn around.
- Over the last 10 years, almost 70% of new housing has been mid- and high-rise apartments near the Canada Line.**
While there remains capacity in the downtown area for additional high-density development (3+ floor area ratio), lands designated for 4-6 storey buildings are generally built-out (e.g., Moffatt, St. Albans, Alexandra, McLennan North).

What is affordability?

Affordability is different for different households because incomes and needs vary. Affordability considers all housing-related costs, such as home energy costs and the option to rent instead of buy or to NOT own a car.

What is Affordable Housing?

Housing is “affordable” when its cost does not exceed 30% of gross before-tax household income.

Market Affordable Housing

Housing that is usually built by private developers for rent or purchase by households earning close to median income (\$79,000), subject to income and rent limits.

Non-Market Affordable Housing

Housing that is usually funded (subsidized) by senior government for rent by households earning 50% of median income or less and may include support (e.g., for people with disabilities).

What are the challenges?	What does 2050 success look like?	How can we get there?
52,000 new dwellings must be built for new and existing residents between 2021 and 2041. * This is 31% faster than the pace of housing construction over the last 10 years.	New multi-unit housing is built across the city, contributing to a vibrant downtown and transforming suburban shopping precincts into walkable, mixed-use, transit-oriented villages	1 Build more housing for new and existing residents
Pressing need for rental housing due to record low rental vacancies, insufficient new purpose-built rental housing, and intensified demand from households that are unable to buy. *	Developer-built market rental and below-market rental housing, affordable ownership and other options are part of walkable transit-oriented villages across the city.	2 Build more housing that more people can afford
Senior government investment is urgently needed to deliver non-market (subsidized) housing for Richmond’s lowest-income households. *	New government-funded, non-market (subsidized) housing is built across the city, particularly in transit-oriented villages and via the intensification of existing rental housing sites.	3 Build more non-market housing through effective partnerships

* The OCP Update must accommodate the needs identified in Richmond’s 2024 Interim Housing Needs Report.

Housing Affordability: Pathways to Success



Pathway #1: Build more housing for new and existing residents

What can we do?

Increasing the amount of land designated for low- and mid-rise apartments and townhouses outside downtown is the single most impactful way for Richmond to deliver more dwelling units and diverse housing options, at a lower cost, near important amenities and services.

What are we doing today?

- The high densities characteristic of Richmond's downtown and the Province's Transit-Oriented Area (TOA) legislation (Bill 47) will contribute to **most downtown housing being expensive concrete towers**.
- Outside downtown, the City rezoned 27,000 lots to permit Small-Scale Multi-Unit Housing (SSMUH), but **SSMUH development cannot meet all of Richmond's diverse needs**.
- The **Arterial Road policy has been made redundant by SSMUH**, as it is no longer necessary to rezone to build low-density multi-unit housing.

How can we do better?

The Growth Management Roadmap proposes significant new opportunities for lower-cost wood construction along the city's arterial roads with more:

- Land for townhouses (up to 3 storeys) along **Arterial Connectors**; and
- Opportunities for apartment buildings (up to 4, 5 or 6 storeys, depending on affordability) in **Local Villages**.



Neighbourhood Residential SSMUH



Townhouses



Local Village Mixed-Use



Local Village Apartments



What else can we do?

Reduce Construction Costs

Maximize opportunities for new 4-6 storey residential and mixed-use buildings suitable for lower cost wood construction and factory-built (prefab) options.

Reduce Infrastructure Costs

Encourage compact urban development and prioritize well-served locations to minimize the costs of infrastructure and other improvements that must be borne by the City, developers and residents.

Reduce Parking Costs

Reduce or remove parking requirements to lessen land and construction costs and ensure developers build only what is needed.

Put Housing Where People Want to Live

Encourage greater growth (e.g., higher densities) close to transit, amenities, shops, services, schools and parks.

Retain, Renovate, Adapt

Encourage upgrading of older housing stock to meet changing needs and reduce energy costs, emissions, and unnecessary waste, while increasing climate resilience.

Neighbourhoods for All Ages and Stages

All neighbourhoods include a range of housing options to meet diverse needs (e.g., seniors, young families).

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Pathway #2: Build more housing that more people can afford

What can we do?

Increasing purpose-built rental housing, including both market rental and below-market rental units, is the single most impactful way for Richmond to deliver more housing that more people can afford and rely on (i.e., secured in perpetuity for rental only).

What are we doing today?

- Richmond is the **only municipality in the region** with a city-wide policy that secures **Low-End-Market-Rental (LEMR)** and **Market Rental Housing (MRH)** in all multi-unit developments with over 60 dwellings.
- Richmond's **Affordable Housing Strategy (AHS)** guides the City and other interests with an action-oriented framework for the delivery of housing for current and future residents with a focus on housing priority groups, building the capacity of non-profit housing and service providers, and increasing advocacy and awareness.
- Rental tenure zoning** is used to secure rental housing on 60 sites built pre-2007, including 2,725 market rental units and 1,400 below-market rental units.
- Inclusionary zoning (density bonusing)** is used city-wide to secure below-market (e.g., LEMR) housing in perpetuity in mixed-tenure buildings.
- Rental tenant protection** measures discourage demolition of existing rental housing and require 1:1 replacement of existing rental units.

How can we do better?

The Growth Management Roadmap proposes to incentivize private developers to construct new purpose-built rental housing by permitting more floor area for 100% rental buildings and reducing barriers (e.g., approval times), where the outcome will be attractive buildings that complement their surroundings.

Neighbourhood Types	Typical Storeys (Max.)	
	Mixed Tenure	100% Rental ⁽¹⁾
Downtown Mixed-Use	8, 12 or 15	➡ No change
Downtown Perimeter Low/Medium Density	2 to 4	➡ 4 to 6
Local Villages	4	➡ 5 to 6
Arterial Connectors	3	➡ 4
Neighbourhood Residential Lots > 4,045 m ² (1 acre)	3 to 4	➡ 6

(1) Height varies with affordability

What else can we do?

Tenant Protection

Strengthen existing City policies and enforcement.

Pre-zoning

Consider zoning specific areas to permit new rental housing without rezoning.

Permanent Affordable Home Ownership (AHO)

Encourage dwellings for purchase at below market rates for eligible buyers.

Rent-to-Own

Streamline approvals for rent-to-own and other options that make it easier for eligible buyers to finance buying a home.

Community-Led Housing

Encourage co-ops and other models aimed at maintaining permanent affordability for residents.

Student Housing

Support post-secondary institutions with on- and off-campus student housing options.

Alternative Housing

Support micro-units and other housing geared to specific resident needs.

Housing Equivalencies

Define equivalencies between alternative tenure options (e.g., AHO, LEMR, market rental) to support development flexibility, reduce risk, improve housing outcomes, and streamline approvals.

Fast-Track Approvals

Continue to streamline development approvals for rental housing projects.

Housing Affordability: Pathways to Success



Pathway #3: Build more non-market housing through effective partnerships

What can we do?

A proactive, development-ready strategy for lands owned by the City, other government entities and non-profit interests, including the alignment of plans and policies, is the single most impactful way for Richmond to support the partnerships necessary to secure increased senior government investment and faster delivery of non-market (subsidized) housing for the city's lowest-income households.

What are we doing today?

- On a project-by-project basis, **OCP policies support increased density** for 100% rental projects (i.e., higher than nearby non-rental projects).
- On a project-by-project basis, **City-owned land** may be available for lease at nominal cost for 100% rental projects that include subsidized dwellings.
- On a project-by-project basis, **development costs** may be reduced by, for example, waiving amenity charges or reducing parking for 100% rental projects that include subsidized dwellings.

How can we do better?

The Growth Management Roadmap proposes to help undo decades of senior government underfunding of non-market housing by strengthening intergovernmental partnerships and removing barriers to the intensification of rental housing on existing sites owned by the City, other government entities (e.g., BC Housing), non-profits and other interests.



Storeys - 129 non-market units



Kiwanis - 296 seniors non-market units



Pathways - 80 non-market units



Habitat for Humanity - 6 affordable home ownership units

What else can we do?

City of Richmond Housing Office

The Housing Office guides City partnerships, funding and other involvement in the delivery of affordable housing by government, non-profit and other entities.

Pre-zoning

This could be used to reduce uncertainty, while requiring a development application process to ensure an attractive form and character.

Rapid Housing

Continue to support rapid approvals of projects funded through the federal Rapid Housing Initiative and other government programs.

Housing with Supports

Work with the community to create a framework for the development and management of housing with supports.

Grants and Programs

Pursue existing and new funding programs and opportunities (e.g. reduced development fees) in partnership with senior government and others.

Homelessness

While there is a need for more emergency shelter spaces in Richmond, **temporary shelters are not housing**. The City's **Homelessness Strategy (2019-2029)** outlines strategic directions and actions for the City, community and government partners to prevent and respond to homelessness, including addressing the need for more housing.

What is the **Community Institutional Overlay** use?

The OCP Update identifies lands owned by government and other entities where:

1. Community use is required (e.g., healthcare, non-market housing, place of worship)
2. In addition to community use, the owner may build the site's designated "Neighbourhood Type" (e.g., Local Village)
3. On a site-specific basis, City Council may permit increased height or density to meet community need