

Policy

Below-Market Rental Housing Policy for Rezonings

Approved by Council November 26, 2019

Background and Context

In November 2017 City Council approved Housing Vancouver (2018-2027), a 10-year strategy with targets to deliver the right supply of housing that meets the needs of a broad range of incomes and households types. A central goal of Housing Vancouver in achieving this right supply is to align city policies and processes to shift new housing supply toward rental and social housing to meet the greatest need in the city. The Strategy targets 20,000 new secured market rental housing units over ten years, 14,500 of which are targeted to be affordable to households with incomes between \$30,000 and \$80,000 per year.

After three years of monitoring, the City is not achieving the annual targets set out in *Housing Vancouver* for new secured rental housing affordable to households earning \$80,000 per year and below. Concurrently, Vancouver's purpose-built rental vacancy rate has been less than 1 per cent since 2014 while the proportion of renter households in Vancouver continues to rise, resulting in more renters competing for a limited number of rental units.

Intent

This policy provides the project requirements and criteria which will guide consideration of additional height and density for rezoning projects to achieve below-market rental housing in areas of the city where change is already enabled. The intent of the policy is to enable new projects to deliver rental housing with a below-market component that is affordable to households earning under \$80,000 per year in place of delivering new strata-titled ownership housing. The timing will take advantage of the slowing of an overheated condominium market by offering modest increases in height and density where appropriate so that projects may shift from delivery of ownership housing to below-market and market rental housing.

Policies

1 Below-Market Rental Housing Policy for Rezonings

In areas of the city where existing plans and policies already enable redevelopment to apartment forms, allow modest increases in height and density for projects which include 100% of the residential floor area as secured rental housing and at least 20% of the residential floor area that is counted in the calculation of the floor space ratio as below-market rental housing made available to households earning below \$80,000/year. Qualifying projects may be mixed-use (e.g. include a commercial component), but all of the residential units proposed in the development must be rental in tenure.

Additional height and commensurate density will be considered generally up to:

- 1.1 **Two additional storeys** for projects 8 - 11 storeys enabled under existing plans or policies; or
- 1.2 **Three additional storeys** for projects 12 storeys or more enabled under existing plans or policies.

Projects will be evaluated on a case-by-case basis with proposed additional height and commensurate density evaluated alongside public realm impacts and urban design considerations, including view cones, shadow impacts on important public open spaces.

2 Additional Considerations for Project Proponents

2.1 Location

This policy applies city-wide to areas where residential and mixed-use developments in apartment forms 8 storeys and above are already enabled through existing plans and policies.

The following areas are excluded from the Below-Market Rental Housing Policy for Rezoning:

- (a) Areas where a community planning process is currently taking place (e.g. Broadway Plan study area)
- (b) Areas where a recent community planning process has enabled delivery of below-market rental housing (e.g. Cambie Corridor, Major Project Sites)
- (c) Areas where delivery of social housing is a requirement of redevelopment (e.g. areas of the Burrard Corridor area under the West End Plan, the Downtown Eastside Oppenheimer District under the Downtown Eastside Plan, parts of the Cambie sub-area of Marpole)

2.2 Affordability

All below-market units will be affordable to households earning below \$80,000 per year (where rents will be targeted to 30% of tenant's before-tax household income on rent), with the goal of creating units affordable to a range of incomes, with greater affordability subject to project viability.

2.3 Security of Tenure and Operational Requirements

All the rental units will be secured for a term of 60 years or the life of the building, whichever is greater, through legal agreements (e.g. Housing Agreement pursuant to section 565.2 of the Vancouver Charter, including no stratification and no separate sales covenants) or any legal mechanisms deemed necessary by the Direction of Legal Services and the Director of Planning, Urban Design and Sustainability.

For details related to eligibility requirements for new and existing tenants, refer to the Moderate Income Rental Housing Pilot Program Administrative Bulletin Section 2b for general guidance, acknowledging that variances from these guidelines may be required to support project viability.

2.4 Community Amenity Contributions (CACs)

Projects involving 100% of the residential floor area as secured rental housing with 20% of the floor area as below market rental housing will be subject to a negotiated CAC process to determine if a CAC is warranted beyond securing the affordability in the project.

2.5 Housing for Families and Unit Mix

The City's Family Room: Housing Mix Policy for Rezoning Projects will apply to the below market rental units. The target for family housing units is set at 35%, defined as 2 or more bedrooms, designed to meet the Council adopted Guidelines for High Density Housing for Families with Children.

For more information on incentives available for rental projects (e.g. Development Cost Levy waiver and parking reductions), please refer to the Bulletin: Rental Incentive Programs.