

# Family Room: Housing Mix Policy for Rezoning Projects

Vancouver  
Housing  
Initiative

A City Everyone Can Call Home

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## 1.0 APPLICATION AND INTENT

The housing mix policy for rezoning projects outlined in this document applies to rezonings city-wide and supersedes any existing family unit housing mix requirements and targets for rezonings that are set out in Council-approved community plans, area plans or policies as of the date that this policy is adopted by Council, unless the subject site being rezoned is specifically identified as a site that warrants an exception. In this policy, family units are defined to mean units that have two or more bedrooms. Family unit housing mix requirements and targets for rezoning projects are set out in many Council-approved plans and policies, including but not limited to the following:

- Marpole Community Plan
- Norquay Village Neighbourhood Centre Plan
- West End Community Plan
- Cambie Corridor Plan
- Little Mountain Adjacent Area Rezoning Policy
- Joyce-Collingwood Station Precinct Plan
- Secured Market Rental Housing Policy

The housing mix policy for rezoning projects outlined in this document does not apply to, or supersede, family unit housing mix requirements and targets included in Council-approved official development plans (ODPs). Family unit housing mix requirements and targets are set out in in many ODPs, including but not limited to the following:

- Coal Harbour Official Development Plan
- East Fraser Lands Official Development Plan
- False Creek Official and Area Development Plan
- False Creek North Official Development Plan
- Southeast False Creek Official Development Plan

The housing mix policy for rezoning projects outlined in this document does not apply to or supersede family unit housing mix requirements and targets for rezoning projects where a Council-approved plan includes an intentional, alternate housing mix, such as the:

- Downtown Eastside Plan

Finally, the housing mix policy for rezoning projects outlined in this document does not apply or supersede family unit housing mix requirements or targets for development projects proceeding under existing zoning, including zoning districts which have density bonus provisions.

## 2.0 POLICY BACKGROUND

### Diverse Housing Options

Vancouver is a growing city facing a variety of housing challenges and constraints. One challenge the city must grapple with is housing stock diversity, including how to make room in new housing stock for families with children and other larger households. New units adding to Vancouver's housing stock are almost exclusively developed in strata condominiums and rental apartments. By the most recent count, approximately 60 percent of the city's entire housing stock consists of apartment style units in higher-density buildings.<sup>1</sup> To maintain a vibrant and thriving city, Vancouver needs to be able to attract and retain working households and enable them to grow and age in place. Encouraging the development of strata and rental housing that can meet the needs of families and larger households will ensure Vancouver can be family-friendly into the future.

### Family-Unit Policies for Higher-Density Housing

Vancouver has a long history of encouraging family units. The first community plan to include a specific requirement for family units was the False Creek Official and Area Development Plan in 1974. In 1978, the City's report on *Housing Families at High Densities* identified the unique needs and challenges of housing families with children in apartments and set out "principles and recommendations for designing medium and high density housing for families with young children". A key planning and housing objective that emerged through this work was the importance of encouraging a minimum requirement for family units in individual projects to foster family-oriented communities. Over time this objective was incorporated as a requirement in many community plans.

In 1992, Council adopted the *High-Density Housing for Families with Children Guidelines* which provide guidance on the location, form and design, and amenities that create family-friendly apartments and buildings. Since the 1990s, most community plans have included a minimum requirement or target of 25 percent family units in all new market housing and 50 percent family units in all new non-market housing.<sup>2</sup> The 2012 *Secured Market Rental Housing (SMRH)* Policy includes a target of 25 percent family units in new affordable rental projects.

### Towards a Healthy Housing Mix

The existing family unit housing mix requirements, targets and guidelines have succeeded in encouraging development of units having two or more bedrooms. Since the 1990s, strata condominium projects have typically met or exceeded the existing baseline inclusion of 25 percent family units. However, the majority of family units created are two-bedroom units, resulting in a limited supply of three-bedroom units suitable for larger families and households. A review of recent development trends indicated that three-bedroom units were approximately 5 percent of new strata condominium projects.

Creating family units in rental housing has proven even more difficult. The existing stock of purpose-built market rental housing was developed between 1950

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<sup>1</sup> Census, 2011.

<sup>2</sup> Note: In the case of East Fraser Lands ODP and the Little Mountain Adjacent Area Rezoning Policy the housing mix requirement is for 35 percent family units. In the DTES Plan the housing mix requirements were calculated to ensure that new development can address the need for SRO replacement housing.

and 1980 at a time when families with children were less likely to live in rental apartments. As a result, the stock of private purpose-built rental housing tracked by CMHC consists almost entirely of studios and one-bedroom units, designed for use by singles or two-person households. Only 16 percent of this stock consists of two-bedroom units, and less than 1 percent consists of three-bedroom units.<sup>3</sup> The *Secured Market Rental Housing Policy (SMRH)*, adopted by Council in 2012, introduced a family unit target of 25 percent and has been successful in improving the supply of family units in new rental projects. Since the introduction of a target for family units in SMRH projects, the policy has enabled more than a doubling of the total proportion of family units approved under these policies, from approximately 14 percent to 29 percent.

Historically, families of at least one parent and one child made up nearly 35 percent of households in Vancouver. New housing delivery is shifting increasingly into higher-density forms, at the same time that the affordability and availability of traditional family housing forms (houses, duplexes, townhomes) are declining. Given the relative affordability of apartments in relation to traditional family housing, it is important that family units are created in this new stock. By raising the bar on the delivery of family units in apartment buildings from 25 to 35 percent, and specifying the inclusion of three-bedroom units, the City can encourage a more diverse and sustainable long-term housing mix. While the City cannot mandate that family units be occupied by families, a supply of larger apartments creates options for families with children, inter-generational households, downsizing seniors and other larger households that currently do not exist.

### 3.0 HOUSING MIX POLICY FOR REZONING PROJECTS

**POLICY 1: Rezoning applications that include any residential strata housing are required to include a minimum of 35 percent family units (units having two or more bedrooms), including a minimum of 10 percent three-bedroom units and a minimum of 25 percent two-bedroom units.**

**POLICY 2: Rezoning applications for secured market rental projects are required to include a minimum of 35 percent family units with two or more bedrooms.**

The City's secured market rental policies and programs provide incentives to improve the economic feasibility of purpose-built rental projects delivered through the private market. It has been shown that, all else being equal, strata-titled housing for sale will almost always be a more viable development prospect than rental. In the absence of government subsidies or incentives to encourage rental housing, this means strata development generally out-competes rental for financing and other resources critical for development, particularly in the context of high land prices. Council has prioritized rental housing as a key source of long-term affordability and diversity of housing choice in Vancouver. As such, the City has taken steps to use incentives to support rental housing development.

Even with these incentives, rental housing development is still often a difficult prospect from a viability standpoint. Economic analysis demonstrated that adjusting the existing 25 percent family-unit requirement to 35 percent with the inclusion of a minimum 10 percent three-bedroom requirement would be a

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<sup>3</sup> CMHC, Private Apartment Rental Survey, 2013.

significant shift from current market practice that could render some projects unviable. Staff are sensitive to the need to ensure that City requirements do not discourage projects delivering on critical rental housing. Rental projects are required to include 35 percent two or more bedroom units but there is no inclusion of a three bedroom unit minimum. Inclusion of three-bedroom units is encouraged when and where possible. Additionally rental is identified in the policy as a type of project where relaxation of the 35% requirement can be considered for projects demonstrating hardship or a project would be unable to proceed.

**The Director of Planning may relax the requirements of this policy where literal enforcement of the policy would result in unnecessary hardship or deter:**

- a) carrying out any restoration or renovation of a building or site on the Vancouver Heritage Register; or
- b) conservation of a building or site designated by Council as a protected heritage property or a building or site on the Vancouver Heritage Register;
- c) development of projects that meet Council approved priorities or policies for affordable housing, including but not limited to social and non-market, affordable home ownership or rental housing, and
- d) a project from achieving Council approved policy objectives for sustainable development, such as passive house;
- e) development of low-rise and midrise buildings on mid-block or unique sites with significant design challenges in meeting the recommended percentage of three-bedroom units;
- f) development of projects on sites or in areas identified in Council-approved plans or policies as targeted to single and couple households.

## **4.0 IMPLEMENTATION AND MONITORING**

### **4.1 Implementation**

This policy will apply to new rezoning applications received after the date on which Council adopts this policy (July 13, 2016). Project applicants are expected to demonstrate early in their enquiry that their project meets the requirement or target for family units. In cases where the project is unable to meet the percent requirement, applicants will be required to submit a comprehensive design and financial rationale for staff review. Staff from Planning, Housing and Real Estate Services will review the request for relaxation and provide a recommendation to the Director of Planning. Council reports for projects requiring a relaxation, will need to include data and information on why the project is not compliant.

### **4.2 Monitoring**

The impact of the family unit requirement will be monitored annually in the Housing and Homeless Strategy Housing Report Card, including the tracking of approved family units and family rental units in rezoning applications. Periodic assessment of the state of the supply, need and demand for family units will be undertaken to determine if this policy should be adjusted.