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To: ["Direct to Mayor and Council - DL"](#)

Date: 4/5/2022 6:02:51 PM

Subject: [Council Memo - Advancing Multiplexes - Making Home Housing For All Of Us - RTS 15010](#)

Attachments: [Memo to Mayor & Council - Advancing Multiplexes - Making Home Housing For All Of Us - PDS & DBL.pdf](#)

Dear Mayor and Council,

The attached memo from Theresa O'Donnell and Andrea Law is to update Council on the work program and timing to advance the "Making Home" motion passed on January 26, 2022.

- This exploration is anticipated to result in the creation of a new "multiplex" housing option for RS areas.
- The work plan includes technical investigations, industry and public engagement, regulatory and processing considerations and financial testing.
- In order to free up capacity and avoid further challenges to the permitting system, staff are flagging the need to simplify RS zoning in tandem with advancing a new multiplex option.
- Questions related to multiplexes are included in the upcoming Vancouver Plan engagement and will help to shape a future proposal.
- We anticipate considerable public and media interest in this topic over the coming months.
- The work plan targets producing a draft proposal in late 2022 (for public comment) and providing a referral report with recommended changes to the Zoning By-Law in Q2 2023.

Should you have any questions, please do not hesitate to contact Theresa O'Donnell (theresa.o'donnell@vancouver.ca) or Andrea Law (andrea.law@vancouver.ca).

Best,
Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x^wməθk^wəyəm (Musqueam), Sḵwəxwú7mesh (Squamish), and səlilwətał (Tsleil-Waututh) Nations.

MEMORANDUM

April 5, 2022

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Karen Levitt, Deputy City Manager
Armin Amrolia, Deputy City Manager
Katrina Leckovic, City Clerk
Lynda Graves, Administration Services Manager, City Manager's Office
Maria Pontikis, Director, Civic Engagement and Communications
Anita Zaenker, Chief of Staff, Mayor's Office
Neil Monckton, Chief of Staff, Mayor's Office
Alvin Singh, Communications Director, Mayor's Office
Patrice Impey, General Manager, Finance, Risk & Supply Chain Management/CFO
Dan Garrison, Assistant Director, Housing Policy and Regulation
Neil Hrushowy, Assistant Director, Community Planning
Lon LaClaire, Director of Engineering Services

FROM: Theresa O'Donnell
General Manager, Planning, Urban Design and Sustainability

Andrea Law
General Manager, Development, Buildings and Licensing

SUBJECT: Advancing Multiplexes (Making Home: Housing For All Of Us)

RTS #: 15010

PURPOSE

The purpose of this memo is to provide an update on the work program and timing to advance the "Making Home: Housing For All Of Us" Council motion passed on January 26, 2022. The motion (included as Appendix A) directs staff to advance policy to allow up to 6 units on lots that are currently zoned RS (Residential One-Family). For ease of understanding, this memo is using the term "multiplex" to describe the new housing option that is anticipated to result from this work.

DISCUSSION

Housing Vancouver Strategy, Vancouver Plan and Council Motion

Addressing the impacts of Vancouver's housing crisis is a top Council priority. The Housing Vancouver Strategy contains targets to ensure Vancouver has the "right supply" of homes to match with household incomes. Building more affordable and secured rental homes is a critical component of shifting to the right supply. Housing Vancouver also includes a target for more ground-oriented ownership options, and multiplexes are one way to help meet the needs of families looking for ownership alternatives that are less expensive than new single detached houses and duplexes.

Through Vancouver Plan engagement over the past two years, we have received strong public support for Missing Middle housing, which ranges from multiple units on single lots up to six storey buildings on assembled sites. Council recently approved Motion B.3 "Making Home: Housing For All Of Us" to advance a new option to allow for more homes on a single lot.

Multiplex Work Program

As directed by the "Making Home" motion, the work program will explore ways to add multiplex as a new option (up to 6 units) on single RS zoned lots. A dedicated team has been assigned to advance this work program, which includes conducting technical work to identify the performance objectives that will influence the size of new buildings, engaging with industry and public, exploring implementation options, and testing financial feasibility. These elements are discussed in further detail below.

1. Performance Measures/Technical Work

The "Making Home" motion includes a range of considerations to be explored by staff. Some of the considerations identified in the motion align, and some work at cross-purposes and will require making decisions on which considerations to prioritize. The important questions include:

- What size of new building can work with the existing lot pattern and building scale in RS areas?
- How much floor area and how many units could be serviced by the existing sewer and hydro?
- Could all floor area be built fully above grade to provide accessible units (no stairs), reduce concrete (and GHG pollution), reduce site disturbance and enhance tree retention?
- How important is on-site parking and what are the trade-offs?
- Is it be feasible to include at least one affordable home ownership unit (bought and sold at a below market rate) within the building, or secure units as purpose-built rental?
- Could non-profit housing providers build new non-market housing at the multiplex scale?
- What charge or fee could the city apply to market rate ownership multiplexes to limit land value escalation and help fund affordable housing projects and/or the needs of population growth?
- What regulatory and legal requirements would need to be introduced, amended or removed to meet the intended objectives?

2. Industry and Public Engagement

It is important to engage with the small home building industry on their experience designing and building similar types of housing and to incorporate that learning into a new proposal for multiplex. Staff initiated engagement on the future of low density areas through an on-line workshop with small home builders in late 2021. The aim of the workshop was to seek feedback on the multi-unit housing options now available in RS zones (character projects and duplexes), and identify key

factors to consider as we explore new options. More sessions with industry will be held in the coming months. Staff will also engage with the non-profit housing sector to explore possibilities.

The draft Vancouver Plan, to be released in April 2022, will feature policies to enable more Missing Middle housing options in low density areas across the city to make them more complete and equitable. A public survey on the draft Plan will focus on high-level policies and the long-term land use strategy, including the evolution of lower density residential areas. It will also include questions linked to the “Making Home” motion and the consideration of multiplexes.

Technical work, early spring public engagement and industry workshops will clarify priorities and shape the creation of a draft multiplex proposal over the summer and fall. Public engagement on a draft proposal is anticipated in late 2022. A final proposal will be shared with the public in Q1 2023, and a final report with recommendations on changes to the Zoning and Development By-Law targeted for consideration by Council in Q2 2023.

3. Regulatory and Processing Considerations and Simplifying RS Regulations

The question of “where” multiplexes could be allowed is closely aligned with “how” multiplexes could be processed. The Vancouver Plan will provide direction on the need for equitable distribution of housing options and complete neighbourhoods, and will indicate generally where multiplexes should be allowed, as part of the long-term land use strategy. The analysis on where multiplexes could be allowed, as a pilot, will be informed by infrastructure capacity and other factors.

It is critical to consider the City’s regulatory and permitting system in the decision about “where” and “how” multiplexes could be added as a new option. Staff are not contemplating a site-by-site rezoning approach to consider single lot multiplex applications. The resources, time, uncertainty, and cost of the rezoning process – for both the applicants and the City – would be onerous and impractical. To encourage take-up of a new multiplex option, it should be added into the existing RS district schedule(s), similar to the approach used in 2018 to introduce character incentives projects (more units and more floor area) and duplexes in RS zones. Changing the RS zoning to allow new options also follows the approach taken in cities, like Portland Oregon, that have introduced more housing choice (allowing up to 6 units) in residential zones.¹

Adding a new option to the menu of choices in all or some RS areas needs to consider the ability of DBL to train staff and process permits. Council is aware of the challenges facing the permit process system. In response to Council direction in March 2021, a task force (Internal Development Application and Permitting Modernization Task Force) was created to look at system-wide changes to address current service levels and backlogs.

The current regulations in RS are complex with many small differences between zones. The system is very difficult to learn and work with for both staff and applicants. To free up capacity and shift staff to processing multiplexes, it is essential to simplify the current Residential One-Family (RS) regulations to eliminate minor and unnecessary differences between the nine RS zones for improved efficiencies so that all RS permits can be processed faster. If the RS regulations are not simplified in tandem with the work on new multiplexes, it would create further confusion for industry and could have a significant impact on processing times. In addition, if a new multiplex option is added to RS areas, it needs to be as simple as possible so that it is easy to understand and implement to avoid further major impacts on the system. Simplifying the RS regulations will take considerable resources and may affect other work programs over 2022. However, the effort is

¹ The [Portland Residential Infill Project](#) offers new flexibility in the number of units allowed and how they are configured in single-dwelling zone.

warranted by the efficiency benefits to the permitting system and the construction industry. In June, staff will seek Council direction on a recommended approach.

4. Financial Considerations: Feasibility and Financing Growth

The work to develop a new multiplex option on single lots includes financial testing to determine if projects will be feasible relative to other choices in RS zones. The analysis will include an assessment of what fees and/or charges could be applied to the opportunity to build a strata multiplex (e.g. density bonus charge) and whether Affordable Home Ownership (where units are bought and sold at a below market rate) or whether secured rental tenure could be viable.

5. Program and Timing

Appendix B summarizes the timelines for the advancing the multiplex proposal and RS regulation simplification work programs. If you have any questions, please contact Theresa O'Donnell or Andrea Law.



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Appendix A

Making Home: Housing For All Of Us (Member's Motion B.3)

WHEREAS

1. Vancouver is one of the greatest cities in the world in which to live;
2. Vancouver is also one of the most unaffordable cities in the world in which to live with many residents struggling to rent or purchase homes and adequate accommodation being especially difficult for households with an annual income under \$80,000;
3. Vancouver suffers from a “missing middle” of housing choices with the Downtown core featuring a highly densified urban landscape but the vast majority of the remaining residential land reserved for legacy housing forms such as single detached homes or duplexes usually too expensive for all but the wealthiest to rent or buy;
4. Vancouver has declared a climate emergency, which requires constructing critical infrastructure and more walkable neighbourhoods to reduce greenhouse gas emissions.

THEREFORE BE IT RESOLVED THAT Council direct staff to develop appropriate policies and/or guidelines for Council’s consideration in 2022, targeting up to 2000 lots currently zoned for single-detached home or duplexes to be developed for up to six units, subject to appropriate rezonings, and that the new policy:

- i. Consider modest height increases to ensure compatibility with neighbouring buildings;
- ii. Consider lower floor units to be located at grade with below grade considered if sufficient natural light and air can be achieved to ensure livability and accessibility;
- iii. Consider development cost expectations where appropriate to limit potential speculative land purchases;
- iv. Consider development cost levies where appropriate to contribute to neighbourhood infrastructure such as water, sewers, active transportation, roads, sidewalks, parks, child care, and housing affordable for households with annual incomes less than \$80,000 for families and \$50,000 for singles either on location or elsewhere in the city;
- v. Consider development contributions where appropriate, including community amenity contributions, that can help advance the Climate Emergency Action Plan, community facilities, or other public benefits, payable as determined by Council in its unfettered discretion when considering any rezoning;

Appendix A

- vi. Consider how the Tenant Relocation and Protection Policy can be applied to tenancies in properties considered for redevelopment under this policy; so that all evicted tenants are given the right of first refusal at their same or lower rent in an appropriately- sized new unit and paid a rent top up if necessary in accommodation acquired while waiting for the unit to be built;
- vii. Consider measures to incentivize retention and renovation of character homes;
- viii. Consider the goal of making three units per site (on or off site) affordable for renters earning under \$80K per year for families or \$50K per year for singles;
- ix. Consider whether the 2000 target sites might be mostly on the cheaper East side and how to spread them throughout the city;
- x. Include an estimate of how much revenue, and/or how many units affordable to people earning \$80K for families and \$50K for singles could be raised with this proposal;
- xi. Include an estimate of the number of currently rented homes and basement suites, as well as their rents, that are in SF areas that might be demolished with this proposal;
- xii. Consider guidelines for family units to support well-sized larger spaces for families; and
- xiii. Consider strengthened accessibility requirements and incentives or additional flexibility in FSR for the creation of fully accessible ground oriented units.

FURTHER THAT Council also direct staff to develop appropriate policies and/or guidelines for Council's later consideration to reduce floor space ratio for single-detached homes, respecting multi-generational, communal, and collective living, as a densification incentive;

FURTHER THAT the areas approved under the Secured Rental Policy are excluded from this program;

FURTHER THAT this work aligns with, and be incorporated into the Vancouver Plan;

Appendix A

FURTHER THAT in the policy report back for Council's consideration, staff provide analysis including perspective on what will compel current homeowners to undertake a densification project and the potential likelihood of doing so. AND that perspective be provided as to who are likely to purchase lots currently zoned for single-detached home or duplexes, and to undertake a multi-unit build be that individuals, small builders and/or developers;

FURTHER THAT if such policies and/or guidelines are adopted by Council in future, that staff report to Council annually on policy outcomes including but not limited to the number of lots building up to six units, number total units, type and size of units, geographic distribution, initial selling price if possible, as well as any identifiable trends or data as to how many units become secondary rental;

AND FURTHER THAT Council direct staff to advise if a reduction in the floor space ratio for single-detached homes would constitute downzoning and advise of the implications of such downzoning.

Appendix B

Multiplex Proposal		RS Regulation Simplification*
2022		
April	<ul style="list-style-type: none"> • Van Plan - Engagement on multiplex considerations • Small builders workshop • Initiate consultancies (technical and financial testing) 	<ul style="list-style-type: none"> • Set up internal working group • Identify priorities
May to September	<ul style="list-style-type: none"> • Evaluate industry and public input • Consultancy analysis • Clarify performance objectives • Develop Concept 	<ul style="list-style-type: none"> • Analyze approaches • June - Report seeking Council direction on approach to simplify regulations
October	Advance and prepare draft proposal	Advance and prepare draft proposal
November	Engage on multiplex proposal	Engage on changes to RS
December	Evaluate response	Evaluate response
2023		
January to March	<ul style="list-style-type: none"> • Engage on Final Proposal • Write report /draft zoning 	<ul style="list-style-type: none"> • Engage on changes to simplify • Write report/draft zoning changes
April	Referral report	Referral report*
May	Public hearing	Public hearing

*Timing is subject to extent of regulatory changes and workload